

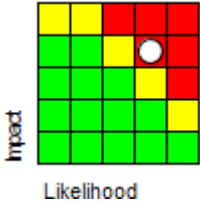
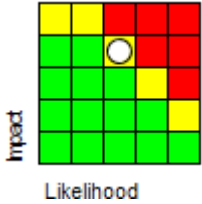
Appendix 1 Corporate Risk Report March 2023

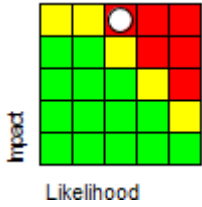
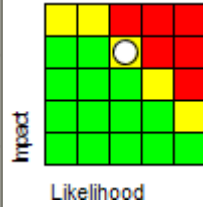
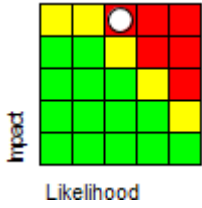
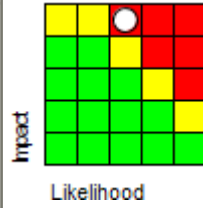
Risks ordered by RAG not numerically

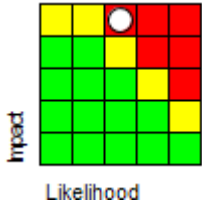
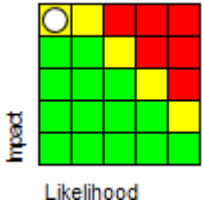


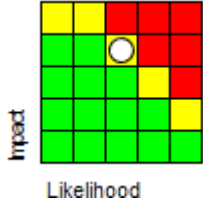
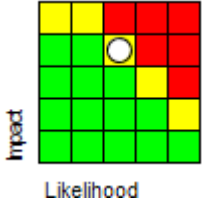
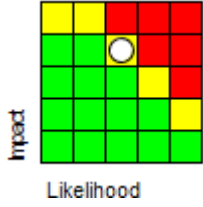
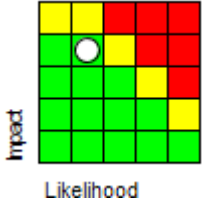
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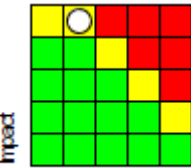
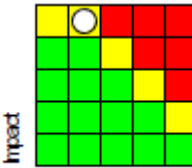
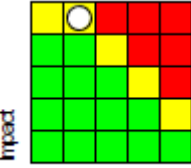
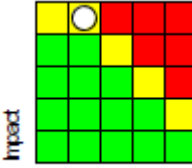
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates). <u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2025</p>	<p>Reductions in funding Adverse effect on morale Financial Failure to achieve agreed objectives</p>	Dominic Bradley		CRR.01b.1 Continue to keep a watching brief	Samantha Wilson		<p>Government have finalised a two-year settlement for 2023/24 and 2024/25, which has reduced the risk of changes to business rates and revenue funding through the Fair Funding Review for the short term, albeit temporarily. For 2023/24, Council tax rises, higher investment income from the rise in the Bank of England base rate and some almost inflationary rises to fees have balanced the budget. Proposals also include allocating £1.6m to an earmarked reserve for food waste implementation costs. Despite this, a £2m to £3m budget deficit is forecast at the end of the MTFS, if inflation continues at high levels and we implement food waste in Autumn 2024. The gap will only get larger if the funding cuts are sharper than anticipated.</p>
				CRR.01b.2 Revisit the MTFS and if necessary 2023/24 budget in year.	Samantha Wilson		
				CRR.01b.3 Evaluate and discuss with Members possible future actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income.	Dominic Bradley		
<p>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</p>	<p>Financial Service Delivery Compliance with regulations Reputation</p>	Dominic Bradley; Beccy Salmon		<p>CRR.17.1 Continuously monitor the level of quality control checking. CRR.17.2 An earmarked reserve for subsidy provision is now in place that would cover the loss of subsidy in the event that the upper threshold in the subsidy claim is breached.</p>	<p>Beccy Salmon Beccy Salmon</p>		<p>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</p>

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high number of working people with many changes of circumstances.							<p>lower threshold for 2020/21 since leaving the CenSus partnership.</p> <p>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.</p> <p>The LA Error rate decreases slightly as HB expenditure continues without further error but remains a risk due to the low headroom for future LA Error to be found.</p>
<p>CRR38 - NEW RISK</p> <p><u>Cause:</u> Linked to national shortage of labour in some sectors as well as experienced professionals leaving the public sector for retirement or better pay in the private sector. Capacity problems increase turnover and absence and adversely affect wellbeing and productivity levels.</p> <p><u>Risk:</u> (Inability to recruit and retain officers in key service areas, including especially Legal, Building Control, Tech. Failure to have resilience in the staff structure, and so lacking the right number of staff with the right skills to deliver services, along with unrealistic expectations of services, which could lead to service failure, reputational damage and potential litigation.</p>	<p>Adverse effect on morale</p> <p>Financial Failure to achieve agreed business objectives</p> <p>Compliance with regulations</p> <p>Complaints / claims / litigation</p> <p>Stress and absenteeism</p>			CRR.38.1 workforce planning, training, and development, growing your own, leadership and management programmes, apprenticeships, coaching, supporting skills and qualifications.	Robert Laban		<p>New Risk.</p> <p>Recruitment and retention in key services such as Legal, Building Control and Technology Services has resulted in locums and vacancies, resulting in delays in delivering workloads.</p> <p>Some service priorities are not being delivered as quickly as the Council would like. Capacity issues slow down delivery of capital programme.</p>
				CRR.38.2 Efficient and effective recruitment processes, enhancing the employer brand, recruitment benefits, such as relocation package, flexible and hybrid working, market supplements and review of pay point spinal column.	Robert Laban		
				CRR.38.3 Regular staff survey to be undertaken and action plans progressed	Robert Laban		
				CRR.38.4 Review options for alternative solutions, e.g. investigating Horsham weighting allowance, increasing efficiencies in process and transformation through automation.	Dominic Bradley		

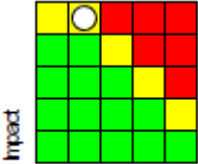
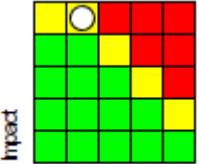
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<p>CRR18 Technological <u>Cause:</u> Council services are increasingly reliant on IT systems at a time when there are greater opportunities for malicious attackers to exploit security weaknesses.</p> <p><u>Risk 1:</u> A malicious attacker exploits 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 and economic problems: fire, flood, power cut and issues with the supply chain preventing new infrastructure arriving in a timely manner.</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>	Dominic Bradley		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		<p>CRR.18.1 Ongoing, as part of induction for new staff/ Members, and as required.</p> <p>CRR18.2 We are following government advice re heightened Cyber Security Threats.</p> <p>CRR.18.5 PSN Accreditation has been gained for the year.</p> <p>CRR.18.7 Backups being reviewed and improved, though currently the programme to replace infrastructure is being affected by issues with the supply chain.</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 Plan developed, approved internally, and being carried out.	Andrea Curson		
<p>CRR19 <u>Cause:</u> Uncertainty in the UK and World economy. Higher levels of salary and non-salary costs from inflation. Impact on the financial markets and the pound in the wake of Covid-19 and the energy crisis. Likelihood of a deeper depression and slowdown in the property and financial markets. The Government has spoken about a reduction in local government</p>	<p>Financial Service Delivery Compliance with Regulations</p>	Dominic Bradley		CRR.19.2 Monitor the external environment	Samantha Wilson		<p>A £0.6m surplus budget was set for 2022/23 as a result of a restructure in November 2020 and a better than expected one-year settlement. However, the impact from soaring inflationary price rises and demand in some areas such as fuel and housing services is causing a £0.2m deficit forecast at M10. The additional costs of the £1,925 pay award are offset by income from rising interest rates, and parking income back at pre-Covid</p>
				CRR.19.3 Monitor internal indicators, particularly costs from inflation, income generation and respond appropriately to adverse trends	Samantha Wilson		

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<p>funding. <u>Risk:</u> Rapidly rising costs from inflation. 6% inflation equates to a £1m increase in costs per year, making balancing the budget more difficult. Lower levels of income in planning fees; reduced car parking income; property income and Government funding. Increased costs from higher levels of homelessness and housing benefit claims.</p>							<p>levels.</p> <p>Budget shortfalls of around £3m a year are forecast by the end of the medium-term financial period; the other significant cost being £1.3m p.a. for a 1,2,3 food waste collection, although the timing of this is uncertain.</p> <p>Pressure is building on homelessness and benefits cases. Cumulative pressure on businesses since 2020 may also increase the risk on their ability to pay all rents.</p>
<p>CRR37 Source: Requirement to adopt an up-to-date Local Plan by end 2023 in accordance with government requirements Risk: Delay to plan preparation due to the requirement of the plan to demonstrate water neutrality, or as a result of significant / unexpected changes to government guidance.</p>	<p>Economic damage to district as a result of limits to development which can take place</p>	<p>Barbara Childs</p>		<p>CRR.37.1 Joint working with partners to develop water neutrality mitigation strategy</p>	<p>Catherine Howe</p>		<p>Governance arrangements for Water Neutrality joint working have been agreed and are operational.</p> <p>Detailed work on overall mitigation strategy is ongoing and scheduled for sign off in the Autumn. However, this requires continued input from all affected local authorities, Natural England, and Southern Water. This is on track Some supporting organisations currently significantly under resourced.</p> <p>Successful LEP for funding for additional resources to help deliver the strategic solution co-ordinated by WSCC. A recruitment exercise for a permanent member of staff has been agreed.</p>
				<p>CRR.37.2 Keep watching brief on government messaging on planning reforms</p>	<p>Catherine Howe</p>		

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<p>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.</p>	<p>Reductions in funding Financial</p>	<p>Dominic Bradley</p>		<p>CRR.01c.1 Continue to keep a watching brief</p>	<p>Samantha Wilson</p>		<p>Total RV is stable at present, but uncertainty remains in the aftermath of Covid-19 and pending any business rate reform. Any re-baselining is now more likely to be from April 2025. Appeals to the Valuation Office remain high, which could trigger backdated refunds. The appeals provision is approximately £4m, albeit the Council's share is only 40% of this.</p>
				<p>CRR.01c.2 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g. investment and infrastructure projects that generate income.</p>	<p>Samantha Wilson</p>		
<p>CRR05 Governance <u>Cause:</u> Managers are responsible for ensuring that controls to mitigate risks are consistently applied. <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 Regulations Personal Privacy Infringement Reputation damage</p>	<p>Dominic Bradley</p>		<p>CRR.05.1 Officer training</p>	<p>Dominic Bradley</p>		<p>The Annual Governance Statement actions in the 2022/23 action plan are being implemented. Officer procurement and governance training, including specifically at the museum have been actioned. Training and roll out of tracking and report sign off through Modern.gov is underway, but not yet embedded. Likewise, the Council's management of bullying and harassment is well underway, with training and workshops held, and policies updated, but the awareness and learning is not yet fully embedded.</p>
				<p>CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)</p>	<p>Dominic Bradley</p>		
				<p>CRR.05.4 "Cultural compliance" Internal Audits identify service-based issues and help managers to resolve these.</p>	<p>Dominic Bradley</p>		
				<p>CRR.05.5 Programme of training and information to ensure all managers understand their roles.</p>	<p>Dominic Bradley</p>		
				<p>CRR.05.6 Governance review of the Horsham Museum</p>	<p>Dominic Bradley</p>		

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<p>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.</p> <p><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).</p>	<p>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</p>	Dominic Bradley		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans		<p>CRR02.3 An induction programme is established, and new staff are completing IS training as part of probation, where relevant. There will be regular updates and additional training provided where necessary, as and when topical issues emerge, in a fast-moving environment that poses IS threats.</p> <p>CRR02.4 PSN Accreditation 2023 awarded.</p> <p>CRR.02.05 Due to recent data breaches, a new training presentation has been written and was delivered through service team meetings. Member training should be completed before the end of 2022.</p>
				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 training	Sharon Evans		
<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 Complaints / claims / litigation Resources consumed in defending claims Financial losses</p>	Dominic Bradley		CRR.03.1 Update corporate business continuity plan and regular review.	Robert Laban		<p>CRR.03.1 Plan is up to date. All Neighbourhood Wardens have been trained as Rest Centre Managers and are earmarked for Incident Liaison Officer training later in the year to provide a tactical response at bronze level. Consideration is given to establish a process/ rota for senior managers to manage emergencies.</p> <p>CRR.03.2 All BC plans have been updated in 2021, Q3; a sample was tested in Q4 with the service heads.</p> <p>CRR.03.5 Hybrid bitesize workshops are starting again from April for: Response, BC, Recovery, Rest Centre ops.</p>
				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		

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	Censure by regulators Reputation damaged						
<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 Complaints/claims/ litigation Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism</p>	Jane Eaton		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		Risk assessments being undertaken, reviewed, and updated.
				CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation	Robert Laban		
				CRR.06.01 Risk assessments undertaken	Robert Laban / Health & Safety Officer		
				CRR.06.04 H&S Officer regularly reviews high risk areas	Robert Laban		
<p>CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and high-profile failures. <u>Risk:</u> Key contractor failure</p>	Financial	Dominic Bradley		CRR.34.1 Regularly check accounts of key suppliers	Heads of Service		<p>The impact of the world shortage of building supplies remains uncertain.</p> <p>Risk of inflation, interest rate rise, and recession are being monitored. Some suppliers are starting to come forward to increase prices outside of the contract, which is being resisted.</p> <p>Key contracts are reviewed as part of the ongoing contact management arrangements and officers have been reminded to check the financial health of key suppliers and be ready for Plan B.</p>
				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		

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<p>CRR39 - NEW RISK</p> <p><u>Cause:</u> the success of the election is dependent upon adequate staffing, effective equipment (including IT) and proper processes being in place. Also, further requirements (i.e., implementation of voter id and accessibility requirements) have been introduced following applicable legislative changes.</p> <p><u>Risk:</u> (i) unavailability of key officers and/or staff, (ii) lack of understanding re-elections process especially new requirements, and, (iii) lack of core team and/or at the polling stations to deliver the election within the legislative framework, and, (iv) legal challenge/election petition.</p>	<p>Disenfranchisement of residents</p> <p>Legal challenge/Election petition – rerun elections (significant financial & resource implications)</p> <p>Results of election delayed and reputational damage</p>			<p>CRR.39.1 Training and development for core team from various providers. New guidance reviewed and considered at team meetings</p>	<p>Lauren Kelly (aided by Aisha Nottage)</p>		<p>New Risk</p> <p>Training is underway for core staff, and planning for training for polling station staff has started. Elections planning meetings are being held weekly and associated risks reviewed on a weekly basis.</p>
				<p>CRR.39.2 Weekly project team meetings with RO, including risk register consideration and update</p>	<p>Lauren Kelly (aided by Aisha Nottage)</p>		
				<p>CRR.39.3 Online training for all polling station staff booked which will be supplemented by in-person briefing on the week of poll from the RO & Elections Manager</p>	<p>Lauren Kelly (aided by Aisha Nottage)</p>		
				<p>CRR.39.4 Review the adequacy of insurance cover re personal liability for the Returning Officer and deputies</p>	<p>Lauren Kelly</p>		
				<p>CRR.39.5 Additional elections officer based in the team until after the election and additional support on the day of poll to support POs re any related queries</p>	<p>Lauren Kelly</p>		