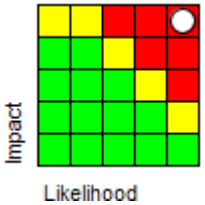
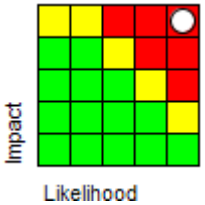
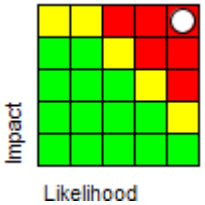
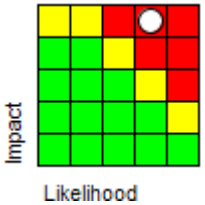
Appendix 1 Corporate Risk Report December 2020
Risks ordered by RAG not numerically

Generated on: 01 December 2020

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
CRR19 Cause: 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. Risk: Ongoing reduction in planning fees; reduced car parking income; increased homelessness; and increased housing benefit claims, leisure centres, property income; investment income.	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR.19.2 Monitor the external environment	Dominic Bradley		November 2020 update Covid-19 has triggered a sudden and deep recession. The impact on the economy and the Council's income in particular is severe, and income alone is estimated at £6m shortfall compared to budget. Swift action was undertaken to review income and revenue and capital expenditure, revisiting the MTFS. A budget update was presented to Members in July and September setting out the extent of the situation. A budget shortfall of £3m a year over the medium term is forecast. A restructure consultation commenced in October 2020 to help deliver some savings in 2021/22. The budget challenge process is undertaken during November, which will feed into the January / February budget setting process aimed at setting a balanced budget for 2021/22 and manageable budget deficits over the MTFS.
				CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends	Dominic Bradley		
CRR35 Cause: 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.	Failure of business objectives Health and safety Financial Service Delivery Compliance with regulations Reputation Staffing and culture	Glen Chipp		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.	Jane Eaton		November 2020 Update (i) A second wave of COVID-19 is now with us and case numbers are rising in Horsham District. As at 27 October 2020 staff workloads are not excessively affected by this. (ii) Revenues and Benefits caseload remains high and Business Rate payment is low. The Council has 2 Court dates in December so some improved payment may be expected in the next few months.
				CRR.35.2 Funding from Government	Jane Eaton		

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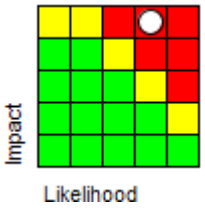
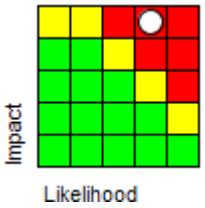
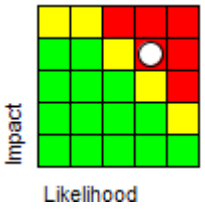
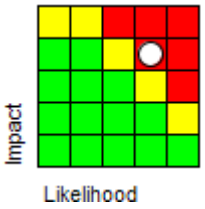
Risk: (i) The Council is unable to deliver statutory front line services to the community due to, for example, staff shortages or unavailability of key officers. (ii) Substantial financial loss to the Council.							(iii) Funding from Government is still expected to leave an overspend on the year and the impact if the second wave takes the area into further lock-down is unknown.
CRR01c Financial Cause: The Council is reliant on Central Controlled Government funding (e.g. Business Rates). Risk: 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		November 2020 update With business rates reform postponed and the COVID-19 recession, further reductions in business rates seem inevitable. The impact in 2021/22 may depend on whether Government gives business rate relief to retail and leisure businesses on the same scale again in 2021/22.
CRR01b Financial Cause: The Council is reliant on Central Controlled Government funding (e.g. Business Rates). Risk: (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 CRR.01b.2 Revisit the MTFS and if necessary 2020/21 budget in year, with Cabinet in September.	Dominic Bradley Dominic Bradley		November 2020 update 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 temporarily, although Government has indicated that local government will get only a one-year settlement in 2021/22, giving little insight into the medium term. One-off Government funding for expenditure and income for the impact of COVID-19 is expected to cover some but not all of the Council's 2020/21 losses. The estimated net loss after grant income for 2020/21 may end up at around 20% of net expenditure (between £1.5m and £2m overspend). With income severely reduced, £3m budget deficits are expected across later years of the MTFS unless significant action is taken. Further one-off Government funding is not expected.

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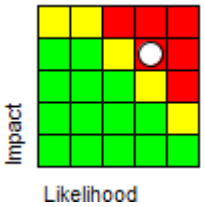
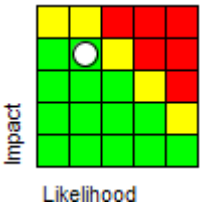
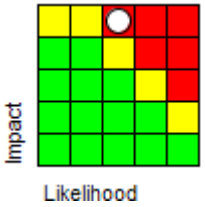
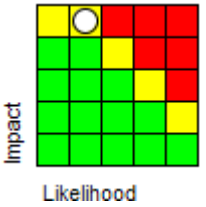
CRR05 Governance <u>Cause</u>: Managers are responsible for ensuring that controls to mitigate risks are consistently applied. <u>Risk</u>: Officers are either unaware of expected controls or do not comply with control procedures.	Failure of business objectives Health & Safety Financial Service Delivery Compliance with Regulations Personal Privacy Infringement Reputation damage	Jane Eaton		CRR.05.1 Officer training	Jane Eaton		November 2020 Update Internal audit reports during summer 2020 report an increase in non-compliance as do the number minor incidents noted by the s151 officer and the Monitoring Officer this autumn. Increasing silo working arising from lockdown seems to be contributing to this. New training for officers is being prepared over the winter.
				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		
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. <u>Risk 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems. <u>Risk 2:</u> IT not working due to environmental problems: fire, flood, power cut	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.	Jane Eaton		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		November 2020 update: Level of attack, particularly Ransomware attacks has been raised by the Cabinet Office. Remediation ongoing. 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. CRR.18.2 This work is ongoing. CRR.18.3 All work is ongoing. CRR.18.4 Patching of devices ongoing. CRR.18.5 PSN Accreditation CRR.18.6 This work is ongoing. New policies have been updated and are reviewed regularly.
				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		

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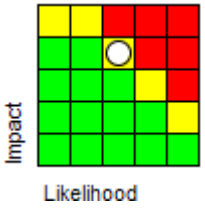
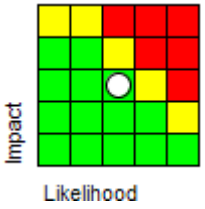
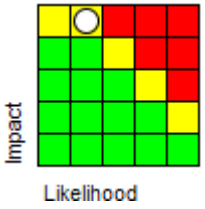
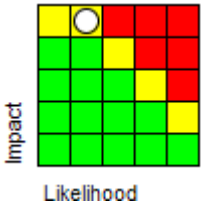
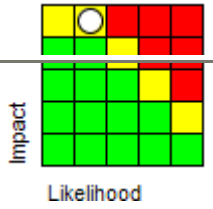
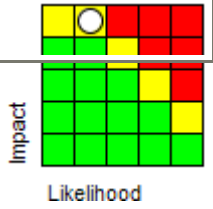
				CRR.18.9 LGA Cyber Security review plan developed, approved internally and being carried out.	Andrea Curson		CRR.18.7 This work is ongoing. CRR 18.8 This work is ongoing CRR 18.9 We have undertaken a second stock take with an improved score and have adjusted the action plan accordingly. Work is progressing
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		November 2020 update The service continues to maintain a robust QC process to mitigate financial loss 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. Workload increases arising from COVID-19 recession may mean accuracy falls during 2020/21 but this will not be known until November 2021.
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	Andrea Curson / Sharon Evans		November 2020 update: 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.
CRR02 Managerial / Professional	People and	Jane Eaton		CRR.02.3 Provide a programme of Induction and	Robert Laban		November 2020 update:

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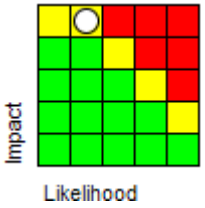
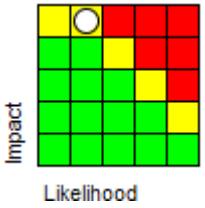
Cause: The Council has a legal obligation to protect personal data. The Information Commissioners powers are much more far reaching when they change in May 2018. Risk 1: Major data breach or leak of sensitive information to a third party. Risk 2: Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR). CRR03 Legal Cause: 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. Risk: The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.	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 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	Adam Chalmers		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 CRR.03.1 Update corporate business continuity plan and regular review.	 Andrea Curson Sharon Evans Rob Jarvis		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. November 2020 Update CRR.03.1 Lessons identified through departmental de-briefs are being incorporated into corporate BC plan. 2nd wave plan has been written and agreed and implemented by the BC working group. BC working group meeting every two weeks and any new developments or relevant information will be added to the BC plan. CRR.03.2 All departments asked to complete debrief proforma to capture valuable lessons learned from the last 5 months. Full reviews of department BC plans were due to take place in Oct/Nov but as the second wave is due to hit in Nov this will be pushed back to the new year (Feb/Mar). CRR.03.5 All bite size sessions postponed. Debrief and review sessions will be introduced and run once COVID-19 guidelines allow. (Estimated Mar/Apr 2021 but might

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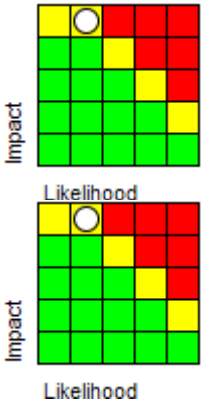
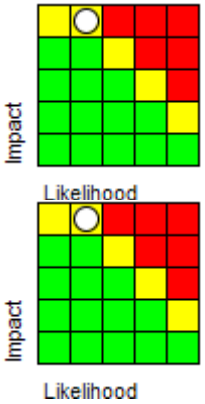
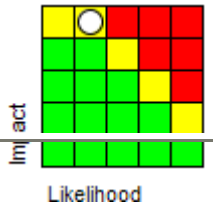
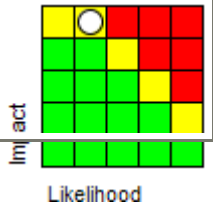
							extend depending upon the pandemic).
CRR03 Legal <u>Cause</u>: The Civil Contingencies Act places a legal obligation upon the Council, with partners, to assess the risk of, plan, and exercise for emergencies, as well as undertaking emergency and business continuity management. The Council is also responsible 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. 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 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 People come to harm Complaints/claims/ litigation Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism	Adam Chalmers Glen Chipp		CRR.03.2 Update departmental business continuity plans and regular review. CRR.03.5 Bitesize workshops to address new procedures and processes. CRR.03.6 Fortnightly BC meetings during Covid-19 CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Rob Jarvis Rob Jarvis Rob Jarvis Robert Laban / Health & Safety Officer		November 2020 Update CRR.03.1 Lessons identified through departmental de-briefs are being incorporated into corporate BC plan. 2nd wave plan has been written and agreed and implemented by the BC working group. BC working group meeting every two weeks and any new developments or relevant information will be added to the BC plan. CRR.03.2 All departments asked to complete debrief proforma to capture valuable lessons learned from the last 5 months. Full reviews of department BC plans were due to take place in Oct/Nov but as the second wave is due to hit in Nov this will be pushed back to the new year (Feb/Mar). CRR.03.5 All bite size sessions postponed. Debrief and review sessions will be introduced and run once COVID-19 guidelines allow. (Estimated Mar/Apr 2021 but might extend depending upon the pandemic). November 2020 update Corporate inspection strategy and training programme fully implemented. Now an ongoing requirement.
CRR06 Physical <u>Cause</u>: The Council is responsible for the health & safety of its clients, staff and other stakeholders, owns and	People come to harm Complaints/claims/ litigation	Glen Chipp Jane Eaton		CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation	Robert Laban		November 2020 update Corporate inspection strategy and training programme fully implemented. Now an ongoing

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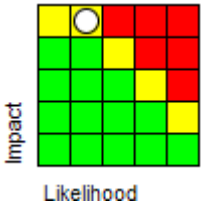
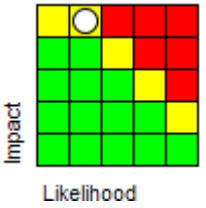
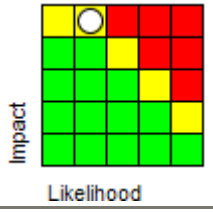
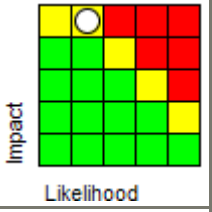
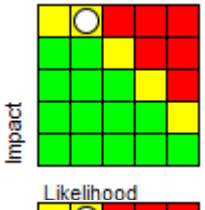
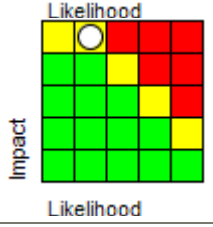
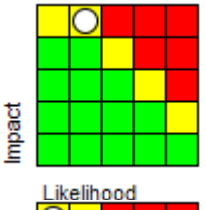
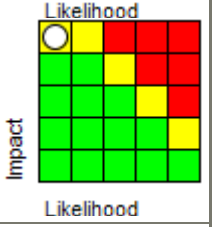
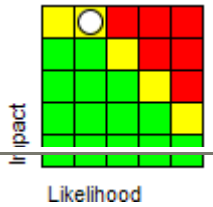
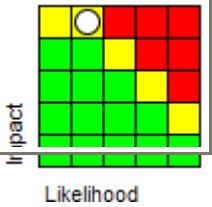
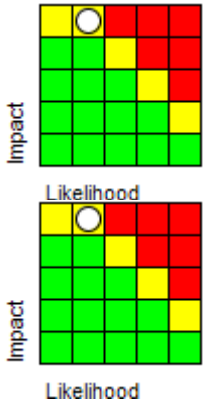
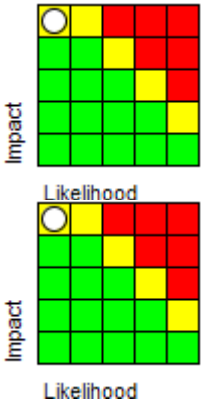
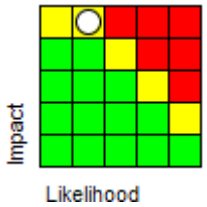
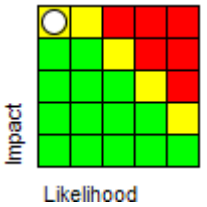
maintains significant assets, and also has responsibility for H&S in some partner organisations where it does not have operational control. Risk: A health & safety failure occurs. CRR32 Cause: Nationally, NHS Foundation Trusts (and some NHS Trusts) have applied for mandatory charitable relief on their business rates, on the basis that they should be treated as charities. Risk: Decrease in Rateable Value, and potentially backdated refunds to 2010.	Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism Reductions in funding Financial			CRR.32.1 Continue to keep a watching brief	Dominic Bradley		requirement. November 2020 update 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. One NHS Foundation Trust appeal in the district has been received and was included in the business rates appeals provision at 31 March 2019. No separate provision has been created for appeals that have not yet been received.
CRR34 Cause: Uncertainty in the UK and World economy. Instability and recent high-profile failures. Risk: Key contractor failure	Financial	Jane Eaton		CRR.34.1 Regularly check accounts of key suppliers	Heads of Service		November 2020 Update: The COVID-19 recession continues to make losses of contractors more likely. The business continuity group continues to monitor progress as we move through the second wave.
CRR34 Cause: Uncertainty in the UK and World economy. Instability and recent high-profile failures. Risk: Key contractor failure CRR35a Cause: Covid-19 infection Risk: Serious risk to the health and safety of workers	Financial Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Jane Eaton Jane Eaton	 	CRR.34.2 Check public liability insurance of key suppliers	Heads of Service	 	November 2020 Update: The COVID-19 recession continues to make losses of contractors more likely. The business continuity group continues to monitor progress as we move through the second wave. November 2020 Update The work is ongoing and is monitored every fortnight by the Business Continuity Group.
CRR34 Cause: Uncertainty in the UK and World economy. Instability and recent high-profile failures.	Financial Failure of Health and safety, Service Delivery,	Jane Eaton Jane Eaton Jane		CRR.34.3 Ask for key suppliers' business continuity plans CRR.34.4 Consider whether the failure of a key supplier	Heads of Service Heads of Service		November 2020 Update: The COVID-19 recession continues to make losses of contractors more likely. The business continuity group

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
Risk: Key contractor failure CRR35a Cause: Covid-19 infection Risk: Serious risk to the health and safety of workers CRR35a Cause: Covid-19 infection Risk: Serious risk to the health and safety of workers	Compliance with regulations, Reputational loss. Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Eaton		needs to go in service business continuity plan			continues to monitor progress as we move through the second wave. November 2020 Update The work is ongoing and is monitored every fortnight by the Business Continuity Group. November 2020 Update The work is ongoing and is monitored every fortnight by the Business Continuity Group.
				CRR.35a.1 The director led Business Continuity Group to oversee H&S measures (staff H&S representative observes)	Jane Eaton		
				CRR.35a.3 Regular updates on government advice on keeping safe	Robert Laban		
CRR35a Cause: Covid-19 infection Risk: 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.4 A balanced approach to home/office working in line with government advice	Andrea Curson/Robert Laban		November 2020 Update The work is ongoing and is monitored every fortnight by the Business Continuity Group.
				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		