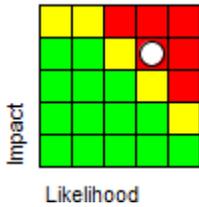
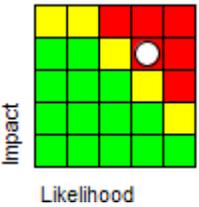
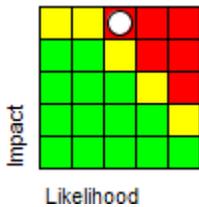
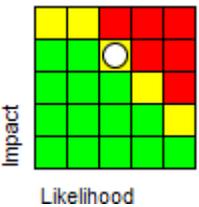
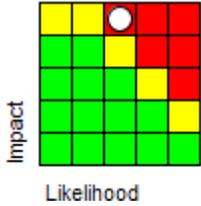
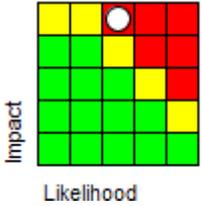


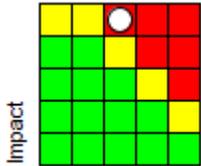
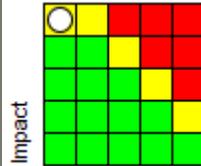
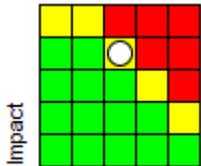
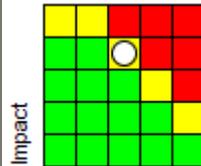
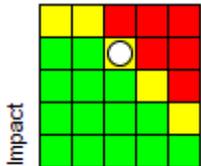
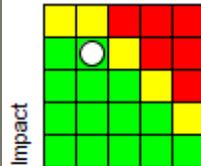
# Appendix 1 Corporate Risk Report December 2022

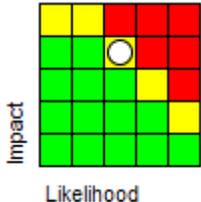
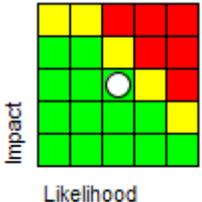
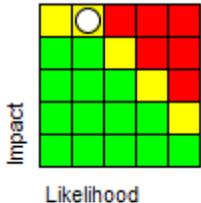
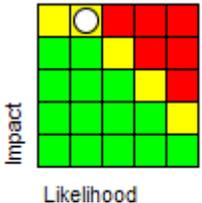
## Risks ordered by RAG not numerically

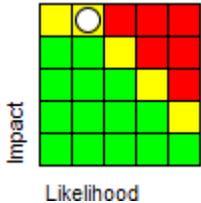
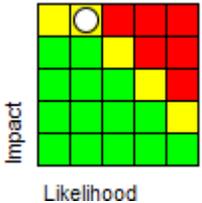
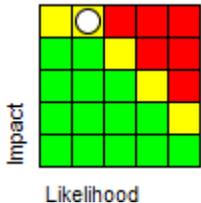
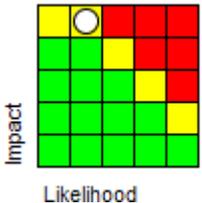
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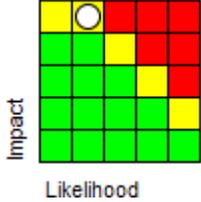
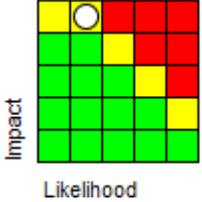
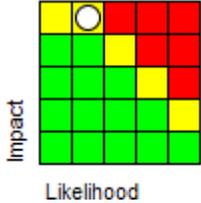
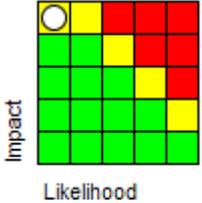
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2023</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	Dominic Bradley		CRR.01b.1 Continue to keep a watching brief	Samantha Wilson		<p>Government had tentatively indicated a two-year settlement for 2023/24 and 2024/25, which if it went ahead would slightly reduce the risk of changes to business rates and revenue funding through the Fair Funding Review for the time being, albeit temporarily. However, the change in Government and references to 'difficult economic decisions' indicating funding cuts means that we will have to wait until the provisional settlement in December before we have proper insight into the medium term.</p> <p>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 and charges should balance the budget. However, 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 2022/23 budget in year.	Samantha Wilson		
<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</p>	<p>Loss of key systems-disruption to Council services.</p> <p>Cost of investigation and recovery of systems.</p> <p>Fraud/theft.</p>	Dominic Bradley		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		CRR.18.1 Ongoing, as part of induction for new staff/ Members, and as required.
				CRR.18.2 Awareness of current threats	Andrea Curson		CRR18.2 We are following government advice re heightened Cyber Security Threats.
				CRR.18.3 An effective ICT Service delivery team	Andrea Curson		CRR.18.5 We are working towards PSN Accreditation for the year.
				CRR.18.4 Effective patching and updates to mitigate	Andrea Curson		

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systems. <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.	Loss of the integrity of Council Records. Penalties from the ICO. Adverse media coverage.			known vulnerabilities			CRR.18.7 Backups being reviewed and improved, though currently the programme to replace infrastructure is being affected by issues with the supply chain.
				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		
CRR19 Cause: 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 funding. Risk: Rapidly rising costs from inflation. 6% inflation equates to about £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.	Financial Service Delivery Compliance with Regulations	Dominic Bradley		CRR.19.2 Monitor the external environment	Samantha Wilson		<p>A small 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 is already putting pressure on the forecast in some areas such as fuel and housing services, although a £0.15m surplus is forecast at M6 from rising interest rates, and parking income coming back towards pre-Covid levels. Gross costs in 2023/24 are likely to rise by at least £2m with inflation still at 10% levels.</p> <p>Without significant increases in income at similar inflationary levels, budget shortfalls around £3m a year would be forecast by the end of the medium-term financial period, the other significant cost being £1.3m from food collection, although the timing of this may now push out a further year to Autumn 2025.</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>
				CRR.19.3 Monitor internal indicators, particularly costs from inflation, income generation and respond appropriately to adverse trends	Samantha Wilson		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<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>	Economic damage to district as a result of limits to development which can take place	Barbara Childs		CRR.37.1 Joint working with partners to develop water neutrality mitigation strategy	Catherine Howe		<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>
				CRR.37.2 Keep watching brief on government messaging on planning reforms	Catherine Howe		
<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>	Reductions in funding Financial	Dominic Bradley		CRR.01c.1 Continue to keep a watching brief	Samantha Wilson		<p>Total RV is stable at present, but uncertainty remains in the aftermath of Covid-19 and pending any business rate reform.</p> <p>Any re-baselining is now more likely to be from April 2025.</p> <p>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>
				CRR.01c.2 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., investment and infrastructure projects that generate income.	Samantha Wilson		
<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</p> <p>Health &amp; Safety</p> <p>Financial</p> <p>Service Delivery</p> <p>Compliance with</p>	Dominic Bradley		CRR.05.1 Officer training	Dominic Bradley		<p>The Annual Governance Statement action plan for 2021/22 completed. This included delivering training for management and staff in this area. Heads of Service, all managers, depot-based managers, Capitol and Parks and Countryside management training has taken place.</p> <p>Stragglers on the annual e-learning refresher programme for 2022/23 are being reminded to complete the following mandatory three courses:</p> <ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>
				CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Dominic Bradley		
				CRR.05.4 "Cultural compliance" Internal Audits identify service-based issues and help managers to resolve these.	Dominic Bradley		
				CRR.05.5 Programme of training and information to	Dominic Bradley		

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	Regulations Personal Privacy Infringement Reputation damage			ensure all managers understand their roles.  CRR.05.6 Governance review of the Horsham Museum	  Dominic Bradley		<ul style="list-style-type: none"> <li>Safeguarding adults</li> <li>Safeguarding children &amp; young people.</li> </ul> <p>The review of governance at the museum was completed.</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 high number of working people with many changes of circumstances.	Financial Service Delivery Compliance with regulations Reputation	Dominic Bradley; Beccy Salmon		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.	Beccy Salmon  Beccy Salmon		<p>The service continues to maintain a robust QC process to mitigate financial loss via a qualified subsidy loss. However, we continue to find long-standing errors relating to claims assessed under the CenSus regime, which lead to overpayments that use up the threshold headroom. Additional workloads such as the Energy Rebate Scheme also put pressure on caseload quality, putting the Council at risk of being close to the lower threshold.</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>
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	Dominic Bradley		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		<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 2021 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>

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<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>	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 2022, a sample will be tested 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> <p>CRR.03.6 In line with lifting of all Covid restrictions, regular Covid focussed BC meetings have stopped (but can be reinstated quickly if needed).</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		
				CRR.03.6 Fortnightly BC meetings during Covid-19	Robert Laban		
<p>CRR06 Physical <u>Cause:</u> The Council is responsible for the health &amp; safety of its clients, staff, and other stakeholders, owns and maintains significant assets, and also has responsibility for H&amp;S in some partner organisations where it does not have operational control.</p> <p><u>Risk:</u> A health &amp; 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>	Jane Eaton		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		<p>Risk assessments being undertaken, reviewed, and updated.</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		
				CRR.06.01 Risk assessments undertaken	Robert Laban / Health & Safety Officer		
				CRR.06.04 H&S Officer regularly reviews high risk areas	Robert Laban		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<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 are being reminded every quarter to check the financial health of key suppliers and be ready for Plan B. Guidance and training being given as part of our departmental risk management work.</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		
<p>CRR35a  <u>Cause:</u> Covid-19 infection  <u>Risk:</u> Serious risk to the health and safety of workers</p>	Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Dominic Bradley		CRR.35a.1 Corporate Health and Safety group oversees H&S measures (staff H&S representative observes)	Dominic Bradley		<p>CRR.35a.3 In line with diminishing Covid-19 infection risks, the Business Continuity Group has been stayed. Monitoring is ongoing by the Corporate H&amp;S Adviser and Emergency Planning Adviser, reviewing relevant HSE, NHS/ Government guidance. Any necessary updates will be through the Comms service by the Head of HR&amp;OD. Risk assessments are reviewed and updated as needed.</p> <p>CRR.35a.7 The Council's trial to move to 50/50 working was extended and was reviewed in the summer, considering emerging practice, staff/ manager feedback and LGA guidance. A decision has been made to continue with hybrid working.</p> <p>CRR.35a.7 Despite the lifting of all Covid-19 restrictions, managers are advised to conduct risk assessments for staff who identify themselves as high risk. Staff working from home must have completed a risk assessment, signed off by their manager.</p>
				CRR.35a.3 Regular updates on government advice on keeping safe	Robert Laban		
				CRR.35a.7 Risk assessments for offices and specific staff	Robert Laban		