


#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
001	<p>Title: The Benefit Subsidy claim may be qualified and/or financial losses.</p> <p>Risk: HDC has a case load with a particularly high number of working people with many changes of circumstances</p>	<p>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.</p>	<p>Financial Service Delivery Compliance with regulations Reputation</p>	Dominic Bradley		<ol style="list-style-type: none"> Continuously monitor the level of quality control checking. 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>Pressure has been building in the service since the outbreak of Covid-19. In 2021/22, the HB subsidy loss breached the lower (but not upper) threshold at a cost of £65,416. Subsequently, £15,301 was offset by the DWP through underlying entitlement.</p> <p>As part of a commitment to continued service improvement, including staff development, 2022/23 and 2023/24 has seen an increased amount of quality assurance measures in year. These increased measures have also been a result of the issues identified in the 2021/22 audit, as well as areas for improvement identified in some of the quality review deep dives.</p> <p>This has resulted in the increased identification of error at the pre-audit stage. Around 60% of the LA error identified in 2022/23 was legacy error carried forward from the CenSus partnership.</p> <p>In 2022/23, a 0.58% Local Authority error rate breached</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------



the upper threshold of 0.54%. This means that the pre-audit position is at a cost of £122,925. The 2022/23 audit is being finalised in March 2024, and from the draft findings, we now expect the final subsidy loss to be £191,235 after extrapolations..

The risk for 2023/24 is that errors and extrapolations identified in the 2022/23 audit increase the loss of subsidy further. The forecast LA error for 2023/24 at M10 is for a pre-audit figure below the lower threshold, but with little headroom, meaning the risk remains high as any error large or extrapolated error would result in a further loss of subsidy.



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
002	<p>Title: Recruitment and Retention</p> <p>Risk: (Inability to recruit and retain officers in key service areas, especially Legal, Building Control, Planning and 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.</p>	<p>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>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed business objectives</p> <p>Compliance with regulations Complaints / claims / litigation</p> <p>Stress and absenteeism</p>	<p>Dominic Bradley</p> <p>Robert Laban</p>		<ol style="list-style-type: none"> 1. Workforce planning, training and development, growing your own, leadership and management programmes, apprenticeships, coaching, supporting skills and qualifications are all activities undertaken. 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. 3. Regular staff survey to be undertaken and action plans progressed. 4. Review options for alternative solutions, e.g. investigating Horsham weighting allowance, increasing efficiencies in process and transformation 		<p>Recruitment and retention in key services such as Legal, Building Control, Planning 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 the capital programme.</p> <p>Building Control now has three trainee posts filled, plus a further trainee lined up for September 2024.</p> <p>Three Head of Service recruitment campaigns have been successful, and all senior roles are filled. Legal remains a difficult to recruit area, given the significant salaries that can be achieved in the private sector. The use of legally trained support staff has eliminated some pressures.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------

through automation, or
job redesign etc.



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
003	<p>Title: Rapidly rising costs and lower income. making balancing the budget more difficult.</p> <p>Risk: Lower levels of planning fees & property income. Increased costs from inflation and from higher levels of homelessness and housing benefit claims. The impact on the financial markets and the pound could bring forward the next recession slowing down</p>	<p>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 war in other countries and the energy crisis. Likelihood of a deeper depression and slowdown in the property and financial markets.</p>	<p>Financial Service Delivery Compliance with Regulations</p>	<p>Dominic Bradley Samantha Wilson</p>		<ol style="list-style-type: none"> 1. Monitor the external environment 2. Monitor internal indicators, particularly costs from inflation, income generation and respond appropriately to adverse trends 		<p>Rising inflation rates have increased cost pressures in utility and maintenance costs, HVO fuel and vehicle parts as well as increased staffing costs and increased housing demands. Lower levels of income are being felt in investment property rents as well as planning and building control as water neutrality restricts development. Pressure is also building on homelessness and benefits cases. These cost pressures are currently being offset by additional income from our investment activities.</p> <p>The 2023/24 forecast outturn is a £0.35m surplus for the year at month 10. Spending our reserves for social and wellbeing gain, without achieving a revenue return, such as the Capitol refurbishment will increase the pressure over the medium term. Budget shortfalls of £3m+ a year are forecast once we introduce food waste collection.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
	the housing market.							



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
004	Funding from Government is less generous than assumed in the MTFS from 2026	The Council is reliant on centrally controlled Government funding.	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	<p>Dominic Bradley</p> <p>Samantha Wilson</p>		<ol style="list-style-type: none"> 1. Continue to keep a watching brief 2. Revisit the MTFS and if necessary 2024/25 budget in year. 3. Evaluate and discuss with Members possible future actions to mitigate loss of income. e.g. Corporate Restructure, cuts to quality and / or non-statutory services, investment and infrastructure projects that generate income. 		<p>Government have finalised a 'same again' single-year settlement for 2024/25, postponing the risk of changes to business rates and revenue funding through the wider Funding Review for the short term, albeit temporarily.</p> <p>For 2023/24, Council tax rises, higher investment income from the rise in the Bank of England base rate and some inflationary rises to fees have balanced the budget and mitigated the cost pressures from inflation and salaries. For 2024/25 The Council has thoroughly reviewed income and expenditure and will set a balanced budget, albeit using £0.6m of the Funding Guarantee grant from Government. However, a £3.7m budget deficit is forecast at the end of the MTFS, if we implement food waste before the statutory deadline March 2026 and / or spend our reserves without achieving a revenue return such as on the Capitol Theatre refurb. The gap will only get larger if the funding</p>



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------

cuts are sharper than anticipated.



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
005	<p>Funding from Business Rates is less generous than assumed in the MTFS from 2026</p> <p>The Council is reliant on Central Controlled Government funding on Business Rates and Government raising the baseline. Decrease in Rateable Value due to appeals and businesses failing. This may cause the Council to fall below the business rates baseline, resulting in</p>	<p>Financial Cause: The Council is reliant on Central Controlled Government funding Business Rates). Government re-baselines less favourably, or businesses start to fail and the RV falls below the baseline.</p>	<p>Reductions in funding Financial Adverse effect on morale Failure to achieve agreed objectives</p>	<p>Dominic Bradley Samantha Wilson</p>		<ol style="list-style-type: none"> Continue to keep a watching brief. Revisit the MTFS & if necessary 2024/25 budget in year Evaluate and discuss with Members possible future actions to mitigate loss of income. e.g. Corporate Restructure, cuts to quality and / or non-statutory services, investment and infrastructure projects that generate income. 		<p>Government have finalised a 'same again' single-year settlement for 2024/25, postponing the risk of changes to business rates and revenue funding through the wider Funding Review for the short term, albeit temporarily.</p> <p>The Rateable Value listing remains higher than it started, which retains a greater share of the business rates funding in the Sussex Pool area.</p>



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
	loss of funding.							


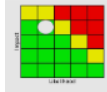
#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
006	<p>Title: Non-compliance with control procedures.</p> <p>Risk: Officers are either unaware of expected controls or do not comply with control procedures.</p>	Governance Managers are responsible for ensuring that controls to mitigate risks are consistently applied.	<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>	Dominic Bradley		<ol style="list-style-type: none"> Officer training All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical) “Cultural compliance” Internal Audits identify service based issues and help managers to resolve these. Programme of training and information to ensure all managers understand their roles. 		<p>The Annual Governance Statement actions in the 2023/24 action plan are being implemented. Two were carried through from 2022/23 where progress was made, but are being embedded in 2023/24:</p> <ul style="list-style-type: none"> - Training and roll out of tracking and report sign off through Modern.gov is in progress. - The Council’s management of bullying and harassment is well underway, with training and workshops held, and policies updated, but the awareness and learning are not yet fully embedded. - Procurement training is being delivered to services. Procurement will see significant changes when the revised Procurement Act is introduced in October 2024. <p>The internal audit opinions issued to date in 2023/24 have either been substantial or reasonable.</p>



#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
007	<p>Title: Health & safety.</p> <p>Risk: A health & safety failure occurs.</p>	<p>Physical Cause: 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>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>	<p>Dominic Bradley</p> <p>Robert Laban</p>		<ol style="list-style-type: none"> H&S Management Forum reviews corporate inspection strategy and all other H&S issues quarterly. An audit programme is in place to provide assurances on varying aspects of managing H&S. A Personal Safety of Staff and Lone Working audit completed in Q3 gave Reasonable Assurance. Training programme includes annual refreshers on a rolling programme. All mandatory H&S training must be completed as part of probation. Compliance is monitored centrally by the HR service. Risk assessments undertaken and reviewed as required. H&S Officer regularly reviews high risk areas personally. 		<p>Risk assessments are being undertaken, reviewed, and updated. Refresher training on e-learning for all staff has been set for Fire Safety, starting in mid-November 2023 with reminders being sent to staff.</p> <p>A Personal Safety of Staff and Lone Working audit has suggested Reasonable Assurance.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------



008	<p>Title: Key Contractor Failure</p> <p>Risk: Key contractor failure</p>	<p>Uncertainty in the UK and World economy. Instability and high-profile failures.</p>	<p>Financial</p>	<p>Dominic Bradley</p>		<ol style="list-style-type: none"> 1. Regularly check accounts of key suppliers 2. Check public liability insurance of key suppliers 3. Ask for key suppliers' business continuity plans 4. Consider whether the failure of a key supplier needs to go in service business continuity plan 		<p>The impact of the world shortage of building supplies remains uncertain.</p> <p>Risk of inflation (now falling), interest rates, and recession are being monitored. Some suppliers are starting to come forward to increase prices outside of the contract, which is being resisted. So far, the Council has only terminated one contract by mutual agreement with the supplier.</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>
-----	--	--	------------------	------------------------	---	--	---	--

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
009	<p>Title: Adopting an up to date Local Plan by end of 2025</p> <p>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>Risk: Adverse outcome of Kilnwood Vale inquiry re access to SNOWs / Local Plan delivery.</p>	Requirement to adopt an up-to-date Local Plan by end 2025 in accordance with government requirements	<p>Economic and environmental damage to district as a result of limits to development which can take place.</p> <p>Council loses control over SNOWs Significant risk of speculative development prior to adoption of local plan, with impact on Local Plan trajectory and how this may be defended at the Local Plan examination.</p>	<p>Dominic Bradley</p> <p>Catherine Howe</p>		<ol style="list-style-type: none"> 1. Joint working with partners to develop water neutrality mitigation strategy 2. Keep watching brief on government messaging on planning reforms 3. Sufficient staff and budgetary resourcing to support progression through regulatory stages of consultation, evidence base preparation and examination 4. Officers defended case with legal support at Inquiry which commenced 11/03/24. Ultimately decision making is a matter for the inspector 		<p>A water Neutrality project Manager is now in post and is developing the Sussex North Offsetting Water Neutrality Scheme (known as SNOWs), with recent government funding agreed (£0.250m) to support this project. However given the ground breaking nature of this projects there are many unknowns and uncertainties. However, the risk has reduced and the Local Plan has progressed to regulation 19 publication stage.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
010	<p>Title: Data security</p> <p>Risk: Major data breach or leak of sensitive information to a third party.</p> <p>Risk 1: Major data breach or leak of sensitive information to a third party.</p> <p>Risk 2: Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR).</p>	<p>Managerial / Professional 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.</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>Fines from regulators</p> <p>Adverse publicity</p> <p>Reputation damage</p>	<p>Dominic Bradley</p> <p>Andrea Curson</p>		<ol style="list-style-type: none"> 1. Develop appropriate processes & procedures which underpin the IT Security Policy 2. Provide a programme of Induction and at least annual training on Information Security to all staff. 3. Annual PSN Accreditation 4. Representatives from each department meet every other month to maintain compliance, updates and training 		<p>The situation is being monitored and training for phishing attacks has increased and specialist Election training has also been undertaken.</p> <p>Risk rating has increased though due to the external environment and security concerns associated with it and Council operations.</p> <p>Three minor information breaches have occurred to the Council's third parties in 2023/24, which are being managed by the third parties.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
011	<p>Title: Cyber security and business continuity</p> <p>Risk: A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p>Risk 1: A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p>Risk 2: IT not working due to environmental</p>	<p>Technological Cause: 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>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>	<p>Dominic Bradley</p> <p>Andrea Curson</p>		<ol style="list-style-type: none"> 1. Awareness of current threats 2. An effective ICT Service delivery team 3. Effective patching and updates to mitigate known vulnerabilities 4. Compliance with expected security standards. (PSN, PCI-DSS) 5. Effective policies in place which outline security requirements for users of ICT 6. Effective back-up and recovery processes in place for Council ICT systems. 7. Transferring the risks to the cloud provider 8. Plan developed, approved internally and being carried out. 		<p>Ongoing, as part of induction for new staff/ Members, and as required.</p> <p>We are following government advice re heightened Cyber Security Threats.</p> <p>PSN Accreditation is being worked on for 2024.</p> <p>Backups have been reviewed and improved.</p> <p>An internal audit in October 2023 gave Reasonable Assurance in respect of Cyber Security – Response & Resilience, identifying one medium issue to test the effectiveness of the Security Incident Procedure through a desk top exercise.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
	I and economic problems: fire, flood, power cut and issues with the supply chain preventing new infrastructure arriving in a timely manner.							

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
012	<p>Title: Civil emergency</p> <p>Risk: The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.</p>	<p>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.</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>	<p>Dominic Bradley</p> <p>Robert Laban</p>		<ol style="list-style-type: none"> 1. Update corporate business continuity plan and regular review. 2. Update departmental business continuity plans and regular review. 3. Bitesize workshops to address new procedures and processes. 		<p>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. A process and rota for a select group of trained key senior managers has been established to manage emergencies.</p> <p>All Business Continuity plans are up to date as of October 2023. A sample was tested in Q3 with the service heads.</p> <p>Hybrid bitesize workshops are starting again from April for: Response, BC, Recovery, Rest Centre ops.</p> <p>Review of incidents for lessons learnt.</p>

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
013	<p>Title: General Election</p> <p>Risk: Challenging processes and requirements during the general election</p>	<p>The success of the election is dependent upon several factors all going well:</p> <ul style="list-style-type: none"> - The inclusion of The Arundel & South Downs constituency provides an increased reputational risk due to the time of getting ballot boxes returned from the Hampshire / Surrey border area as well as potential risk from reliance on cooperation from other District Councils in the constituency. - The Returning Officer has no right of direction over other authorities so has to accept what services 	<ul style="list-style-type: none"> - Disenfranchisement of residents - Legal challenge / Election petition – rerun elections (significant financial & resource implications) - Results of election significantly delayed and reputational damage 	<p>Dominic Bradley</p> <p>Jane Eaton</p>		<ol style="list-style-type: none"> 1. Weekly project team meetings with RO, including risk register consideration and update 2. Training for all polling station staff which will be supplemented by in-person briefing for Presiding Officers on the week of poll from the RO & Elections Manager 3. Training and development for core team from various providers. New guidance reviewed and considered at team meeting 		New risk identified.

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------

the other councils provide.

- Changes to the Elections Act for overseas voters could place a burden on the elections team especially if there is a rush of applications closer to polling day.
- This is the first general election under voter ID, which could cause issues if the public are not fully aware of this.
- Central Government are communicating risks associated with a Cyber-attack.

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
014	<p>Title: Climate change</p> <p>Risk: Climate change is leading to increasing annual rainfall, but in more intense rain events Warmer annual average temperatures including peaks of excessive heat in the summer. This is beginning to have impacts on HDC service provision and residents.</p>	<p>Human driven emissions of carbon dioxide, and other greenhouse gases through the burning of fossil fuels, as well as intensive agriculture and habitat destruction have altered the global atmosphere</p>	<p>Flooding. - There is an increase in water logging and surface water flooding of our parks and open spaces that is having an impact on people's ability to use those facilities. There is increased risk of both river flooding and surface water flooding on agricultural land. Heat - Extreme heat in the summer provides a risk to health, especially on those who are already unwell or vulnerable. It has a negative impact on HDC staff and contractors who are required to work outside or in buildings with</p>	<p>Dominic Bradley</p> <p>Helen Peacock</p>		<ol style="list-style-type: none"> Evaluate feasibility of climate adaptation through on-site site design and infrastructure changes and discuss with Members Review Emergency planning approach to extreme weather events Officer training to keep abreast of evolving climate adaptation approaches 		New risk identified.

#	Risk Description	Risk Cause	Risk Effect	Risk Owner	Current Risk Matrix	Controls	Target Risk Matrix	Quarterly Update
---	------------------	------------	-------------	------------	---------------------	----------	--------------------	------------------

poor ventilation systems. There is an increased risk of wildfires or arson causing damage to habitats or parks facilities. There are also welfare considerations for our livestock