

APPENDIX 1: ARUN DISTRICT COUNCIL'S RISK MATRIX

IMPACT	Very High (4)	4	8	12	16
	High (3)	3	6	9	12
	Medium (2)	2	4	6	8
	Low (1)	1	2	3	4
		Unlikely (1)	Possible (2)	Likely (3)	Very Likely (4)
LIKELIHOOD					

To ensure resources are focused on the most significant risks. The Council's approach to risk management is to assess the risks identified in terms of both the potential likelihood and impact so that actions can be prioritised.

The risk management process requires each risk to be assessed twice- gross and net risk levels.

Gross Risk Level: is taken on the basis that there is no action being taken to manage the identified risk and/ or any existing actions are not operating effectively. The worst-case scenario if the risk were to occur.

Net Risk Level: This re-evaluates the risk, taking into consideration the effectiveness of the identified existing actions. The reality if the risk were to occur in the immediate future.

APPENDIX 2: REVIEWING AND REPORTING FRAMEWORK

Net Risk Level and Score	Frequency of Reviews (applies to <u>all</u> risk registers)
<p>High 12-16</p>	<p>These are significant risks which may have a significant impact on the Council and the achievement of its objectives if not managed.</p> <p>Immediate management action needs to be taken to reduce the level of net risk. Any net red risks at a service area level will be included alongside corporate risks reported to the Corporate Management Team.</p> <p>As a minimum review <u>monthly</u></p>
<p>Medium 4-9</p>	<p>Although usually accepted, these risks may require some additional mitigation to reduce likelihood if this can be done cost effectively.</p> <p>These risks should be reassessed to ensure conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>quarterly</u></p>
<p>Low 1-3</p>	<p>These risks are being effectively managed and any further action to reduce the risk would be inefficient in terms of time and resources.</p> <p>These risks should be reassessed to ensure that conditions remain the same and existing actions/ controls are operating effectively.</p> <p>As a minimum review <u>6- monthly</u></p>

APPENDIX 3: CORPORATE RISK REGISTER SUMMARY

HIGH RISKS EXTRACT

CRR Ref	Directorate or Service Area	Risk Area	Gross Risk Level (Risk is Likelihood x Impact)	Net Risk Level (Risk is Likelihood x Impact)	Last Review Date	Change in Net Risk Level	Risk Owner
CRR 1-B	Housing/ Finance	Balance of Housing Revenue Account	16 (4x4)	12 (3x4)	CMT Performance Board: 15 August 2023	→	Tony Baden/ Moh Hussein
CRR 2	All Directorates	Organisational capacity to deliver	16 (4x4)	12 (4x3)		→	Karl Roberts/ Philippa Dart
CRR 7	All Directorates	Climate Change	16 (4x4)	16 (4x4)		→	Philippa Dart/ Joe Russell- Wells
CRR 10	Growth	Planning Policy & Conservation- Development Plan	12 (3x4)	8 (2x4)		↓	Karl Roberts/ Neil Crowther
CRR 11	Place	Major Projects	12 (3x4)	12 (3x4)		→	Karl Roberts/ Philippa Dart

ADDITIONAL RISK EXTRACT

CRR Ref	Directorate or Service Area	Risk Area	Gross Risk Level (Risk is Likelihood x Impact)	Net Risk Level (Risk is Likelihood x Impact)	Last Review Date	Change in Net Risk Level	Risk Owner
CRR 18	Finance	Housing Benefit Subsidy	12 (3x4)	8 (2x4)	CMT Performance Board: 15 August 2023	ADDITIONAL RISK 15/08/2023	Tony Baden

APPENDIX 3: CORPORATE RISK REGISTER- HIGH RISK ENTRIES

Risks that could influence the successful achievement of our long-term core purpose, priorities, and outcomes. These are:

1. Risks that could potentially have a council- wide impact and/ or
2. Risks that cannot be managed solely at a Service Area Level because higher level support or intervention is needed.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR1 - B	Finance/Housing	Balance of Housing Revenue Account	Service management and national pressures reduce income and increase costs leading to a potential HRA deficit by end March 2023 to be mitigated by approval of changes in capital financing.	<p>Current financial climate</p> <p>Increase in costs.</p> <p>Significant predicted overspends on planned and responsive repairs contract and Supervision and Management in current year.</p> <p>Increase in cost of Housing ICT/transformation project.</p> <p>Prior years overspends on reactive maintenance.</p>	<p>Without mitigation HRA balance at critical level resulting in potential failure of service.</p> <p>Financial loss to the Council.</p> <p>Increase in enforcement actions.</p> <p>Increase in homelessness.</p>	Tony Baden/ Moh Hussein

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
16 (4x4)	<p>Officers have completed their work with a consultant from CIPFA to review the Council's HRA accounting policies in respect of depreciation, capital accounting and staff recharges. Good progress has been made and proposals are currently being reviewed prior to implementation to ascertain if they comply with the main CIPFA accounting code of practice.</p> <p>Further work is currently being undertaken by the Housing and Finance departments to investigate other areas of spend within the HRA where it may be possible to identify savings and efficiencies. It is expected that a written report will be presented to CMT in September 2023.</p> <p>Budget monitoring.</p> <p>Review of Capitalisation Policy.</p> <p>Review of Borrowing Strategy.</p>	12 (3x4)	<p>Service led recovery plan.</p> <p>Set up regular and dedicated supervision for income recovery with officers to ensure that cases are progressed in a timely manner.</p> <p>Use data analysis more effectively to identify cases for next stage recovery action/ more specific intensive recovery action.</p> <p>Regular case reviews with specialist Housing Officers.</p>

Contract Management.

Review of Repairs Contract.

Close adherence to rent arrears policy and procedures.
Ensure officers understand the impact of timely intervention.

Staff training.

Debt advice- dedicated officer.

Good communication with tenants.

Specialist IT software.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 2	All Directorates	Organisational capacity to deliver.	<p>Lack of resilience in the existing staff structure, so do not have the necessary number of staff with the right skills to deliver services and the Council's priorities.</p> <p>Inability to meet the expectations of service users due to organisational capacity.</p> <p>Inability to attract and retain suitably skilled staff.</p>	<p>Uncompetitive salaries offered for certain positions/ professions.</p> <p>A comprehensive job profiling process that does not recognise external market forces and is resource intensive.</p> <p>Uncertainty around future home working arrangements.</p> <p>Limited scope for career progression can reduce the retention of talented staff.</p> <p>Inadequate training/ handover.</p> <p>Failure to recruit and retain talented staff.</p> <p>Lack of prioritisation of key workstreams.</p> <p>Impact and potential future impact of the coronavirus pandemic.</p> <p>Skills shortage externally – this is not Arun specific impacting Arun's ability to recruit.</p> <p>Local government – attractiveness/ age profile implications (approx. 60- 70% of staff over 40).</p> <p>Image of Local Government- increased by the media presenting a negative image of the public sector.</p> <p>Negative social media compounds the negativity related to the Council in general.</p>	<p>Non- achievement of corporate priorities.</p> <p>Loss of staff with essential knowledge and experience.</p> <p>Service disruption leading to a loss of productivity- whilst new starters/replacements are recruited and trained.</p> <p>Service performance and staff health and welfare could be compromised due to high attrition rates.</p> <p>Increased staff sickness.</p> <p>Increased costs of recruitment.</p> <p>High turnover.</p> <p>Hybrid/ remote working- positive or negative impact not yet fully known. This depends on the demographic, research to date points to flexibility being attractive.</p> <p>Over reliance on agency workers.</p> <p>Stress can be more hidden when staff are working from home/ adopting the hybrid mode.</p> <p>Reduced sickness rates have been recorded whilst staff have been working from home.</p> <p>Inability to respond to additional priorities or emergency situations.</p>	Karl Roberts/ Philippa Dart

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p>16 (4x4)</p>	<p>The Council's performance appraisal process identifies individual training requirements and individual objectives linked to service delivery plans.</p> <p>Utilisation of secondment opportunities to benefit from existing skills and develop individual staff.</p> <p>Investment in development of staff via the corporate training budget.</p> <p>Adequate notice periods built into posts.</p> <p>Staff sickness monitoring and reporting undertaken.</p> <p>The use of market supplements and other recruitment and retention payments to attract applicants to vacancies and retain staff.</p> <p>Job profiling is used to determine grades.</p> <p>Pay comparison/ benchmarking exercise with other Local Authorities is regularly undertaken.</p> <p>Lead specialist appointed to help develop the Council's operating model.</p>	<p>12 (4x3)</p>	<p>To review recruitment and retention initiatives to attract and retain appropriately skilled staff.</p> <p>Identify a specific training plan for all management tiers to cover business and management processes (for example, including Risk Management, the Constitution, Committee Structure/ Committee Reports and Budget management/ monitoring.</p> <p>Undertake regular staff engagement surveys.</p> <p>Annual workforce/ resource planning in conjunction with the zero- based budgeting process. Aids the alignment of Corporate, directorate and service area priorities.</p> <p>Operating Model/ Workforce Strategy/ Service reviews to align resources with new Council Vision.</p> <p>Review of job profiling and current reward strategy.</p> <p>All of the above have to be considered in the context of the Councils current financial position and the need for in year savings in 23/24. Progress will be considered when a savings strategy is developed in the autumn of 23.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 7	All Directorates	Climate Change	<p>Failure to make the activities of the Council carbon neutral by 2030.</p> <p>Failure to complete/ achieve the actions detailed in the Council's Climate Action and Biodiversity Work Plan 2022- 2023.</p>	<p>Increased severity of global warming caused by continued use of carbon.</p> <p>A lack of understanding, resource allocation, and commitment to achieving climate change goals, through both officer actions and members vote.</p> <p>Slow take- up of energy saving measures e.g. green/ renewable tariffs, smart meters, installation of PV etc.</p> <p>Increase of sustainable energy costs verses carbon energy in short term.</p> <p>Inadequate level of sustainability required in proposal/ approved developments.</p> <p>Inadequate level of sustainability required in the Councils procurement process, for both purchased goods and services.</p> <p>Slow development of Government led policies for home/office energy standards, including for new developments and retrofit projects.</p> <p>Lack of financial support through relevant and applicable Government funding/grants.</p> <p>Government slow to introduce waste strategy including mandatory food waste collection.</p> <p>Slow take-up of electric, hybrid and low- emission vehicles- lack of accessible charging points. Progress of initiatives delayed due to Covid.</p>	<p>Increased likelihood of extreme weather: (hot and cold) impacting vulnerable residents and staff.</p> <p>Increased likelihood of flooding (coastal, fluvial and surface) impacting on properties.</p> <p>Extreme weather impacting the delivery of day-to-day services and damaging properties, both residential and cooperate. In turn an increased budget required for regular repairs of these damages.</p> <p>Detrimental impact on the local environment, including a significant reduction or loss in biodiversity and ecosystem stability.</p> <p>Continued reduction of air quality and resident health through emissions associated with petrol/diesel fuelled transport.</p>	Philippa Dart/ Joe Russell- Wells

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
<p style="text-align: center;">16</p> <p style="text-align: center;">(4x4)</p>	<p>Climate Change & Sustainability Manager appointed.</p> <p>Prioritisation of climate change in council Vision</p> <p>Increased national awareness and drive for change including Member desire to progress climate change agenda.</p> <p>Government manifesto promises and global input (COP26 and beyond) and introduction of legislation.</p> <p>Council monitoring and implementing changes to Government standards (e.g. Future Homes).</p> <p>The Council's Carbon Neutral Strategy 2022- 2030 and Climate Action and Biodiversity Work Plan 2022- 2023 including actions and clear priorities being progressed.</p> <p>Continued annual monitoring of Scope 1, 2 and 3 emissions in line with greenhouse gas protocols and guidance.</p> <p>Annual update and review of the Council's Climate Action and Biodiversity Work Plan.</p> <p>Work has started around the procurement 'deep dive' and emission analysis for the 22/23 financial year. This works includes extensive analysis and review of procurement emissions (Arun's single largest emitter) and will help determine next steps and produce a list of actions which will be used to help increase reductions in this area.</p> <p>Development of climate related training for officers (mandatory) and members. This will include an introduction to climate change/ sustainability, emissions and what the Council aims to do and is doing to reach the 2030 carbon neutral target. As this is mandatory training this should be completed by mid-August 2023.</p> <p>Provision of Carbon Literacy training at senior level (including director and group heads, along with managers) to help start behavioural change within the Council. Further trainings to be carried out through the 23/24 year to include other officers to help imbed climate change/sustainability thinking throughout all levels of the Council. Cohorts and 3 and 4 have been booked in for the end of 2023 and early 2024.</p> <p>Arun become a Bronze certified Carbon Literate organisation in 2023, requirements to become Silver are being reviewed.</p>	<p style="text-align: center;">16</p> <p style="text-align: center;">(4x4)</p>	<p>Appointment of Climate Change and Sustainability officer to provide further support to the Council in reducing emissions. Job advert is currently live and interviews to take place mid-September. This position was previously filled but has become vacant.</p> <p>Support to be provided to suppliers and contractors, as well as local SMEs, businesses and companies around emission reduction and procurement changes. This will be in the form of support via information sheets and guidance documentation, as well as sign posting to external help and support.</p> <p>Training opportunities for members to be reviewed and provided where possible. Members have been asked to express interest by end of August in Carbon Literacy training and the climate related e-learning has been advertised and made available for them to complete.</p> <p>Increased internal and external communication on climate change factors.</p> <p>Procurement strategy prioritising low carbon purchasing as well as undertaking a 'deep dive' into procurement emissions to determine next steps and produce a list of actions which will be used to help increase reductions in this area.</p> <p>Additional funding (£100k) has been provided for the 23-24 financial year. An officer report is being drafted to take to Policy and Finance Committee in October 2023 to showcase what this will be used for. Current target is to provide an external fund for non-profits to support them in their journey of sustainability. This has been copied from what Horsham are doing - Community Climate Fund Horsham District Council.</p>

Work has been completed around the energy audits of a selection of key buildings for the Council. These provide next steps on how to improve efficiency and drive down emission production. Building on from this funding for the LCSF phase 4 was successful and a heat decarbonisation plan is now underway for Arun Leisure Centre, using the energy audit for this to help inform this. Willmott Dixon have been appointed and enquires have been sent around support for application of the PSDF opening in Autumn 2023 for the leisure centre. If won, this will allow ALC to become net zero.

Continued connection with other D&Bs within West Sussex (and externally) to share ideas and support climate change related work.

Regular reporting of carbon reduction targets and actions to Committee

Options for developing planning policy guidance and Supplementary Planning Documents (SPD) aimed at improving the sustainability of developments compared to the current position and action plan to be progressed.

Liaison with external agencies (water agencies on local water quality- Blue Flag beaches and the Sussex Air Quality Partnership, Sussex Nature Partnership around biodiversity and BNG across Sussex).

Liaison with partners/ advice on provision of suitable vehicle charging points for the future and advice to residents on energy saving, reduction in carbon emission, wellbeing etc.

Providing support for other national/ local initiatives e.g. waste recycling and the Sussex Kelp Project. A members brief event has been booked in for Mid-October to provide members (and interested officers) on an update on the Kelp restoration occurring off the South Coast.

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 10	Growth	Planning Policy and Conservation (Local Plans Team)	Not having an up-to-date Development Plan, guidance and a supporting evidence and monitoring framework.	<ul style="list-style-type: none"> - Key staff vacancies not filled/insufficient capacity and experience. - Unmanageable workload. - Competing work priorities within the policy team. - Member decisions to pause/postpone. - Council elections/Purdah (though this only affects a very short period and does not affect all decisions). - National Policy changes. - Failure of budget management/project planning. 	<ul style="list-style-type: none"> • Non compliance with Local Development Scheme – Local Plan update. • Failure to deliver Neighbourhood Plan preparation/updates. • The above would result in failure to have a 5-year land supply in place which would render certain policies out of date and trigger the presumption in favour. • Failure under Housing Delivery Test. This does not place an additional burden as the presumption would already apply without a 5 year land supply. • Risk of Plans being prepared by Government intervention. • Policy Framework out of date and decision making at risk of appeal and costs. • Additional budget needed to cover additional National policy requirements. • Legal costs (Appeals and JR) of failure to comply with national planning legislation. • Developments will be granted on appeal at an ever-increasing rate leading to reactive rather than proactive planning. Smaller sites not allocated in Plans would come forward and be difficult to resist. Opportunity for joined up infrastructure would be significantly reduced. • Insufficient evidence commissioning to support plan making. • Inability to progress important work on matter such as biodiversity, climate change or infrastructure (for example). These matters will be contained in future planning policies and betterment will only be secured when policies are adopted. • Abortive work/costs. 	Karl Roberts/ Neil Crowther

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<ul style="list-style-type: none"> • More proactive engagement with Members. A need for more regular and detailed meetings to discuss issues and implications. • There was some preparatory work prior to the decision (June 2023 Planning Policy Committee) on whether to resume work on the Local Plan. • Clear project plan to be prepared and adhered to. • Regular team meetings specifically on Local Plan update and Neighbourhood Plan to review progress and to identify any difficulties arising with a view to finding solutions. • Full use of Neighbourhood Planning grant. • Ensure statutory consultation stages are achieved and compliant. 	8 (2x4)	<p>Political commitment must be sought and agreed on the back of these meetings. Full Council agreed to proceed with review of Local Plan in July 23.</p> <p>Develop/monitor Recruitment Strategy and call off contract support for output deliverables. Proposed outsourcing of preparation of Local Plan</p> <p>Further regular benchmarking – monitoring and review.</p> <p>Production of a Project Initiation Document in respect of the Local Plan that will be regularly reviewed.</p>

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 11	All	Major Projects	<p>Failure to regenerate coastal towns within the district.</p> <p>Failure to deliver major projects in line with funder requirements meaning funding is withdrawn.</p> <p>Insufficient resources to deliver vision and aspirations for the district.</p>	<p>Lack of funding to deliver major projects.</p> <p>Decisions not made swiftly enough.</p> <p>Lack of public/ partnership acceptance of, and buy-in to strategies.</p> <p>Legal challenges increase.</p> <p>Multiple major projects running simultaneously- resources stretched.</p> <p>Impact of growth of Butlins and Chichester University influencing local market conditions.</p> <p>Other Council borrowing priorities/ increase in PWLB rates.</p> <p>Uncertainty surrounding major Government schemes impacting the area e.g. Arundel by-pass, Chichester by- pass.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Inconsistent decision making leading to projects being started and then abandoned.</p>	<p>Project fails to deliver objectives on time and/ or exceeds budget.</p> <p>Developers and invested could be deterred.</p> <p>Lack of growth.</p> <p>Possible legal issues from developer plans submitted before the Council consideration of schemes.</p> <p>Missed opportunities to invest in areas of development potential.</p> <p>Lack of visible progress with developments.</p> <p>Area turns into a commuter belt and is not regenerated leading to decline.</p> <p>Financial and reputational risk/ poor publicity.</p> <p>Development of Council land (car parks etc) could mean loss of income streams.</p> <p>Further uncertainty over availability of Council and external funding in the future.</p> <p>Business closure e.g. in retail, hospitality and leisure sectors.</p> <p>The Council could face large revenue costs for aborted projects if external funding is withdrawn.</p>	Karl Roberts/ Philippa Dart

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Briefings for members.</p> <p>Temporary employment of Head of Regeneration (extended until 31/12/23).</p> <p>Bidding for external funds (Levelling Up Fund and Funding from Coast To capital LEP.</p> <p>Use of external support – Project Officers, Mace and Faithfull & Gould.</p> <p>Communications – Press Releases</p> <p>Engagement with Partners e.g.: University, Bognor Regis Regeneration Board, Town & Parish Councils.</p>	12 (3x4)	<p>Growth of Economy & Regeneration team to improve speed and depth of delivery. This has been suspended pending development of savings strategy.</p> <p>Increased briefing & reporting to members.</p> <p>External resourcing for support on Arundel Bypass- this awaits updated decision from govt in RIS 3.</p> <p>Seek legal advice on possible legal challenges.</p> <p>Funding secured from Brownfield Land Fund. Other external funding opportunities being explored.</p>

APPENDIX 3: CORPORATE RISK REGISTER- ADDITIONAL RISK

CRR Ref	DIRECTORATE OR SERVICE AREA	RISK AREA	RISKS IDENTIFIED	CAUSES	EFFECTS	RISK OWNER
CRR 18	Finance	Housing Benefit Subsidy 2023/24	Delayed audit of the housing benefit subsidy	<p>External audit resource shortages (this applies to other local authorities and is not unique to Arun).</p> <p>Delays in the procurement/ appointment process.</p>	<p>Reimbursement of the housing benefit subsidy is denied or delayed. (Total value of the subsidy is c.£35- £45m for 2023/24).</p> <p>Financial penalties or sanctions- potential for 1 month's subsidy to be held back (approx. £2.5m).</p> <p>Budget implications.</p> <p>Reputational damage.</p>	Tony Baden

GROSS RISK LEVEL (Risk is Likelihood x Impact)	EXISTING CONTROLS/ MITIGATING ACTIONS	NET RISK LEVEL (Risk is Likelihood x Impact)	FURTHER ACTIONS
12 (3x4)	<p>Procurement advice from Hampshire County Council.</p> <p>Procurement process has commenced. Appointment of external auditor anticipated by 1st October 2023 (subject to expressions of interest).</p> <p>Liaise with the DWP to provide assurance that action is being taken to procure an auditor and complete the audit process as soon as possible.</p>	8 (2x4)	