

# ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

## ARUN DISTRICT COUNCIL – Risk Profile

<b>Likelihood</b>	<b>4</b> Certain		X	16, 18	1, 6a
	<b>3</b> Probable		6b	3	8, 13
	<b>2</b> Possible		5,10	2, 4, 7, 9, 11	12
	<b>1</b> Unlikely			14, 15	17
<b>Impact</b>	<b>1</b> Insignificant	<b>2</b> Marginal	<b>3</b> Significant	<b>4</b> Severe	

The overall risk rating score is Likelihood x Impact


The matrix has 3 filters – red, amber and green:-

	Red risks are those which cause the Council or service greatest concern, are in need of closer attention and may require more frequent scrutiny, review and reporting
X	Amber risks are those that should be reviewed periodically to determine if practical steps can be taken to reduce the scoring to 'green' and the control measures in operation regularly reviewed
	Green risks are likely to require no further action but should still be subject to review

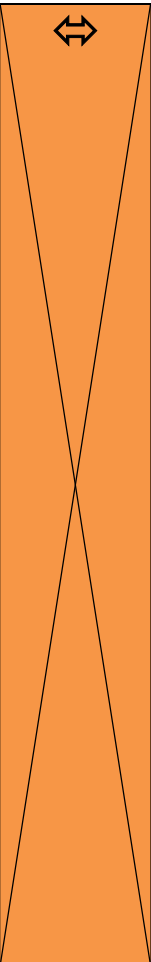
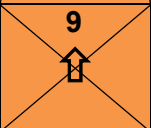
Risk No.	Risk Scenario Title
1	Finance
2	Change Management and Service Transformation
3	Regeneration and Economic Development
4	Contracts Management
5	Member Engagement and Capacity
6a	Homelessness
6b	Affordable Housing Development
7	Local Plan
8	Partnerships
9	Information and Data Security
10	Community Engagement and Customer Insight
11	Coastal Protection & Land Drainage
12	Corporate Business Continuity
13	Cybersecurity
14	New Littlehampton Leisure Centre
15	Local Authority Trading Companies
16	Corporate Stock Compliance Issues
17	Elections
18	Brexit Implications

Updated following review at Audit & Governance Committee meeting 15 November 2018

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No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
1	16 	<ul style="list-style-type: none"> <li>• Uncertainty around outcome on business rates changes</li> <li>• Uncertainty over future central government funding</li> <li>• CIL funding changes</li> <li>• Reduction in government grants going forward</li> <li>• Impact of changes in immigration rates</li> <li>• Impact of squeeze on HRA rents</li> <li>• Uncertainty around outcome of welfare reform</li> <li>• '2020 Vision' work fails to achieve required level of savings</li> <li>• Leaving the European Union – increased uncertainty over the economy</li> <li>• Possible multiple future borrowing requirements for General Fund and HRA</li> <li>• Significant external funding required to progress regeneration proposals</li> </ul>	<p><b>Finance</b></p> <p>The council faces a great deal of financial uncertainty which could result in budget deficits, loss of HRA &amp; General Fund balance etc.</p> <p>Deficit worsens and balances reach minimum level in a shorter period of time</p> <p>Although Article 50 has been triggered, options and timescales for the progress of Brexit remain uncertain</p>	<ul style="list-style-type: none"> <li>• Financial insecurity and possible extra local funding to be found</li> <li>• Possible pressure to further outsource service areas</li> <li>• The council may fail to realise capital investment and/or income generation opportunities</li> <li>• Additional savings to be made in future years</li> <li>• National and institutional investment uncertainty – UK credit ratings reduced</li> <li>• Ongoing low interest rates, reducing treasury investment returns</li> <li>• Loss of EU grant funding (regeneration impact)</li> <li>• Further pressure on demand-led services e.g. benefits, homelessness, etc.</li> <li>• Possible negative impact on housebuilding, etc.</li> <li>• Interest and capital repayments to be made on borrowing</li> <li>• Ability to maintain minimum reserve level will be threatened</li> <li>• Major regeneration projects cannot be progressed</li> </ul>	<ul style="list-style-type: none"> <li>• ADC initially accepted the 10% loss in Council Tax Support funding. New scheme implemented for 2017-on and subject to review for 2019-on</li> <li>• Good culture of financial management previously = strong position going forward</li> <li>• Medium Term Financial Strategy (MTFS) regularly reviewed and reported to Cabinet</li> <li>• Strong asset management</li> <li>• Appetite to invest capital strategically</li> <li>• Treasury strategy / good investment performance – monitoring of available investment opportunities</li> <li>• Savings in 2020 Vision Plan being monitored</li> <li>• Outstanding 'review of service' programme areas to be completed – aim being better service, at reduced cost</li> <li>• Innovative schemes being considered to generate future revenue e.g. Property Investment Fund</li> <li>• Updated HRA Business Plan produced and monitored</li> <li>• Leader involvement in LGA and DCN lobbying, etc.</li> <li>• Monitoring of possible changes to Government policy, legislation, etc.</li> <li>• Other more innovative investment schemes being considered, but higher risk to obtain rewards</li> <li>• Efficiency Plan in place to obtain 4 year funding settlement</li> <li>• WSCC engaged with the Council to progress the Arun Growth Deal – more weight to requests to the LEP for funding</li> </ul>
2	6	<ul style="list-style-type: none"> <li>• Ineffective prioritisation in a</li> </ul>	<b>Change Management and</b>	<ul style="list-style-type: none"> <li>• Knowledge gaps are not filled</li> </ul>	<ul style="list-style-type: none"> <li>• The Arun Improvement Programme (AIP)</li> </ul>

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		<p>smaller organisation</p> <ul style="list-style-type: none"> <li>Residual '2020 Vision' work and management/operational restructures stretching resources and possibly leading to conflicting outcomes</li> <li>Limited specialist project management staff for future major developments</li> <li>Uncertainty surrounding Government's 'devolution' agenda</li> </ul>	<p><b>Service Transformation</b></p> <p>The council may not have the resource capacity (numbers, knowledge, expertise); and staff and members may have inherent resistance to change which will make it difficult to deliver the strategic outcomes</p>	<p>(loss of experienced managers / staff)</p> <ul style="list-style-type: none"> <li>If capable staff are not developed internally and given opportunities they are more likely to leave – long term recruitment and retention issues</li> <li>Lower morale and motivation (may increase in areas of potential outsourcing)</li> <li>Possible increase in sickness absence, stress claims etc.</li> <li>Potential governance issues in unfamiliar roles</li> <li>Loss of strategic vision as operational duties (the day job) takes over</li> <li>Political and management change harder to implement and embed</li> <li>There may be lost opportunities for sharing services and work</li> <li>Reliability of service delivery</li> <li>Customer dissatisfaction / loss of trust or confidence within community</li> <li>Potential reputational issues</li> <li>More financial pressure on services</li> <li>Projects / new initiatives fail to deliver desired outcomes</li> <li>Limited budget for capital projects</li> </ul>	<p>reviews all major ICT and business change requests to ensure we invest in the right projects (board consists of officers and Members)</p> <ul style="list-style-type: none"> <li>ICT Service Strategy being progressed in 2018 which will provide direction in terms of future capability</li> <li>Separate Digital Strategy to be developed</li> <li>Customer Access Strategy being reviewed and updated</li> <li>Training and development plans considered in annual performance review</li> <li>Senior Management Development Programme and New Manager programmes to be progressed</li> <li>Short vs Long term sickness absence reported to Cabinet</li> <li>Capital project plan agreed by Cabinet to allow for initial work load prioritisation</li> <li>Outstanding 'review of service' programme areas to be completed – aim being better service, at reduced cost</li> <li>Council will continue to investigate partnering opportunities with other Councils</li> <li>Elements of shared services with other public bodies are working well</li> <li>Council open to looking at more shared services and partnerships in future</li> </ul>
3		<ul style="list-style-type: none"> <li>Lack of visible progress with Bognor Regis developments</li> <li>Failure to resource and implement the action plan to</li> </ul>	<p><b>Regeneration and Economic Development</b></p> <p>The plans to develop Bognor Regis and Littlehampton are</p>	<ul style="list-style-type: none"> <li>Developers and investors could be deterred</li> <li>Possible legal issues from developer plans submitted in</li> </ul>	<ul style="list-style-type: none"> <li>Options for Regis Centre and Hothampton sites considered by consultants and outline design options agreed</li> <li>Funding and development options being</li> </ul>

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	<del>6</del>	<p>deliver the long term regeneration strategies (for Bognor Regis and generally throughout ADC)</p> <ul style="list-style-type: none"> <li>• Lack of funding to deliver major regeneration projects</li> <li>• Decisions not made swiftly enough – political will?</li> <li>• Lack of public/partner acceptance of, and buy-in to strategies</li> <li>• Legal challenges increase</li> <li>• Multiple major projects running simultaneously – resource stretched</li> <li>• Impact of growth of Butlins and Chichester University influencing local market conditions</li> <li>• Other Council borrowing priorities</li> <li>• Uncertainty surrounding major Government schemes impacting the area e.g. Arundel by-pass, Chichester by-pass</li> </ul>	<p>vulnerable to challenge and delays. The council may also be unable to agree a wider mid-long term strategy for economic development and regeneration across the district</p>	<p>advance of Council consideration of schemes</p> <ul style="list-style-type: none"> <li>• Missed opportunities to invest in areas of development potential</li> <li>• Reputational issues around non-delivery</li> <li>• Development of council land (car parks, etc.) could mean loss of income stream</li> <li>• Lack of growth</li> <li>• Increase in economic stagnation</li> <li>• Area turns into a commuter belt and is not regenerated leading to decline</li> <li>• Financial and reputational risk / poor publicity</li> </ul>	<p>progressed</p> <ul style="list-style-type: none"> <li>• Revised Sir Richard Hotham planning application rejected following Council determining its position as landowner, but approved on appeal</li> <li>• ADC leadership commitment to regeneration objectives to drive the project forward</li> <li>• Some capital spend projects progressed (East Bank, River Arun, Hotham Park café, etc.)</li> <li>• Bognor Regis Seafront Delivery Plan to progress</li> <li>• Further funding bid to be progressed for Littlehampton regeneration ideas</li> <li>• Central funding obtained and significant progress made on some regeneration schemes (Bognor Regis public realm, BR station)</li> <li>• National supermarket chains investing in the district</li> <li>• Rolls Royce investment programme at Bognor Regis Enterprise Zone</li> <li>• New planning applications for Salt Box site and bid to LEP for infrastructure grant</li> <li>• Bognor Regis Town Centre BID established</li> <li>• Continued working with key partners (e.g. Butlins, Chichester University)</li> <li>• Projects prioritised to best use available resource</li> <li>• Investment prospectus prepared for Bognor Regis</li> <li>• Investment Conference for Bognor Regis held in September 2017</li> </ul>
4	<del>6</del>	<ul style="list-style-type: none"> <li>• Major contracts let (waste collection, leisure, greenspace) -</li> </ul>	<p><b>Contracts Management</b> The Council has recently let</p>	<ul style="list-style-type: none"> <li>• Tension between existing contractors and the council</li> </ul>	<ul style="list-style-type: none"> <li>• Contract specialists used for the re-tender processes</li> </ul>


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	↔	<p>contractors may not be making the expected savings, achieve the level of external investment, or provide service to the expected standard</p> <ul style="list-style-type: none"> <li>• Other major contracts under review/approaching re-tender</li> <li>• Public health transition may put leisure services under more pressure and scrutiny</li> <li>• Political commitment to weekly waste collections impacting future contract costs</li> <li>• Council may be reliant on third party (e.g. WSCC) timescales</li> <li>• Major IT systems due for re-tender</li> </ul>	<p>a number of its most significant contracts (leisure, waste management, grounds maintenance, services for the elderly)</p>	<p>through tendering / change periods</p> <ul style="list-style-type: none"> <li>• Poor publicity / reputational issues</li> <li>• Cost savings are not achieved</li> <li>• Service quality deteriorates</li> <li>• Possible major projects and operational changes required if it is decided to change long-established IT systems</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Strategy in place</li> <li>• Leisure management officer resource in place</li> <li>• Clearer communication of council's expectations of contractor(s)</li> <li>• Strategic view going forward</li> <li>• Leisure Management and Greenspace contracts awarded with significant savings and investment commitment</li> <li>• Waste management contract extended to allow additional savings</li> <li>• Services for activities for the elderly being progressed as joint procurement exercise with WSCC</li> </ul>
5	4 ↔	<ul style="list-style-type: none"> <li>• Historically, some members have failed to engage wholeheartedly with processes (don't attend training, fail to embrace electronic working practices / revised IT systems, etc.)</li> <li>• Small opposition</li> <li>• Some lack of understanding of resource requirements and change issues</li> <li>• Unwillingness by many members to communicate unpopular changes and decisions to the public</li> <li>• Lack of interest by backbenchers</li> <li>• Some members are county councillors and Parish/Town Councillors leading to "twin-hatting or triple hatting"</li> <li>• Uncertainty concerning potential</li> </ul>	<p><b>Member Engagement and Capacity</b></p> <p>The complexity of current legislation could lead to some members not having the necessary skill-set to meet the demands of the changes and increasing financial and service delivery pressures facing the council</p>	<ul style="list-style-type: none"> <li>• Strained relationships between officers and members</li> <li>• Potential DPA / FOI issues</li> <li>• More vulnerability to governance and compliance failures</li> <li>• Decisions held up by process</li> <li>• Less ownership and leadership at local levels through lack of engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Overall member desire to see council move forward</li> <li>• Common goals clearly understood and agreed – Member involvement in '202 Vision' work and consideration of alternative service delivery mechanisms</li> <li>• Cabinet Working Party review of scheme of delegation of authority completed</li> <li>• Review of Constitution and Codes of Conduct progressing</li> <li>• Agreed Corporate Plan with focus on key issues (to act as a "temperature gauge")</li> <li>• Induction plan for new members to be developed in 2018 for May 2019 elections</li> <li>• New committees system and equipment approved by Full Council for use by Members post the 2019 elections</li> </ul>

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		future 'devolution'			
6a	16 ↔	<ul style="list-style-type: none"> <li>Overarching homelessness strategy – but service needs to be more proactive</li> <li>Increase in demands on the Council</li> <li>'Squeeze' on rents will have an impact on HRA, Council house building and RSLs in the area</li> <li>Uncertainty over Government 'levies' (e.g. pay to stay, sale of high value properties, etc.)</li> <li>Increase in immigration due to current EEC Policy on free movement and current crises in Middle East and Africa</li> <li>Increase in demands from the Welfare Reform Act</li> <li>Significant increase in university campus at Bognor will impact availability of accommodation</li> <li>Uncertainty over government benefit changes – Universal Credit, etc.</li> <li>Lack of internal officer capacity to deliver changes in addition to existing capital programme</li> <li>Impact of HMO's becoming student or staff accommodation on local rental market stock</li> <li>Additional responsibilities under the Homelessness Reduction Act 2017</li> <li>Continuing loss of HRA properties through Right To Buy (RTB)</li> <li>Potential loss of WSCC funding</li> </ul>	<p><b>Homelessness</b></p> <p>The council may not be able to provide sufficient affordable housing and/or temporary accommodation, at a time when the community in general is under great pressure from the Welfare Reforms</p>	<ul style="list-style-type: none"> <li>More vulnerable people and increase on council demands</li> <li>Future increase in number of homeless</li> <li>Less capacity within charities/voluntary organisations</li> <li>Extra bed and breakfast costs being incurred again in future</li> <li>Council may not fulfil statutory obligations</li> <li>Universal Credit leading to tenancies ending &amp; mortgage costs increasing leading to foreclosure</li> <li>Increased demand on customer services – enquiries, complaints, etc.</li> <li>Failure to increase Council housing stock</li> <li>Increased borrowing</li> <li>Poor publicity / reputational risk</li> </ul>	<ul style="list-style-type: none"> <li>New strategy to cut waiting lists realistically including re-definition of the qualification criteria</li> <li>More effective processes (including prevention) and additional software being obtained, leading to reduction in B&amp;B costs incurred</li> <li>New Housing &amp; Homelessness Strategy being progressed</li> <li>Housing contracts being examined and reviewed</li> <li>Council commitment toward building new affordable homes and bringing empty homes into re-use</li> <li>Purchase of properties by the Council in 2017 as part alternative to continued use of private bed &amp; breakfast accommodation</li> <li>Updated HRA Business Plan produced and monitored. Commitment to deliver 250 new homes in period to 2027/28 to offset RTB sales</li> <li>Some additional Government grant funding</li> <li>Council investigating development of General Fund land for .e.g. student accommodation to ease pressure on rental market</li> <li>LGA/Councils lobbying Government regarding changes to RTB legislation/receipts</li> <li>Council Chief Executives liaising with WSCC to identify impact and consequences on local Councils and voluntary organisations</li> </ul>

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		for 'commissioned services'/to voluntary organisations			
6b	<p>6</p> 	<ul style="list-style-type: none"> <li>• Lack of in depth internal development expertise for house building</li> <li>• Internal legal and finance teams capacity is stretched</li> <li>• Lack of available and fit for purpose properties (council able to build or buy but requirement is for smaller properties)</li> <li>• Lack of Council-owned land for further development</li> <li>• New developments vulnerable to challenge from members and community</li> <li>• Uncertainty over changes to Government Right to Buy Scheme and additional Government 'levies'</li> <li>• Reduction in the amount of stock from RTB release, leading to reduced rental income</li> <li>• Significant negative impacts of Government changes to national rent setting policy on HRA Business Plan</li> <li>• Reduction in HCA grants for affordable housing</li> <li>• Possible clawback of Right To Buy (RTB) 1:1 receipts if not used in time</li> <li>• Delay in new house build program</li> <li>• Government legislative changes not encouraging Local Authorities to build at social rents</li> </ul>	<p><b>Affordable Housing Development</b></p> <p>The council may not be able to fulfil the development targets for building new homes</p>	<ul style="list-style-type: none"> <li>• Reputational issues for council &amp; revenue investment not maximised</li> <li>• Delays in building new Council housing / reduction in proposed scheme due to lack of finance</li> <li>• Reviews and changes are resource intensive</li> <li>• Impact on council legal team resource / extra costs of external resource</li> <li>• Significant reduction in HRA rent income until rent increases allowed</li> <li>• Development schemes are less economically viable and not progressed by landowners</li> <li>• Area is not seen as a viable market for development</li> <li>• Potential return to Government of 1:1 receipts</li> <li>• Forced sale of properties to meet Government requirements</li> </ul>	<ul style="list-style-type: none"> <li>• as 6A above</li> <li>• New Housing &amp; Homelessness Strategy being progressed</li> <li>• Requirement for proportion of new developments to be affordable housing (e.g. via S106)</li> <li>• Review of Council-owned land for possible development</li> <li>• Engagement with appropriate partners to attract funding and development</li> <li>• Monitoring / reporting of RTB 1:1 receipts to CMT and Cabinet</li> </ul>

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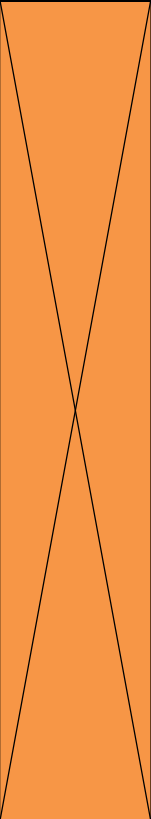

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		<ul style="list-style-type: none"> <li>Infrastructure deficit (e.g. GP reductions) could lead to lower take up of housing in the area</li> </ul>			
7	6 ↓	<ul style="list-style-type: none"> <li>Delivery delayed at recommendation of Planning Inspector – adopted by Full Council (subject to modifications required by the Inspector) in July 2018</li> <li>Housing numbers are a 'starting point', not a target. Land supply and Local Plan must be kept under review to ensure Housing Delivery Test and 5-Year Housing Land Supply requirements are met</li> <li>Loss of planning led infrastructure investment funding from developers</li> <li>Loss of funding from New Homes Bonus (NHB) to sustain Council's delivery of services</li> <li>More neighbourhood plans are being developed at Parish/Town Council level</li> <li>Council vulnerable to planning decisions being overturned on appeal</li> <li>Loss of Community Infrastructure Levy contributions</li> </ul>	<p><b>Local Plan</b></p> <p>Although the Local Plan has been adopted, the Council could still be vulnerable to developers. There is also the possibility of loss of corporate identity &amp; inward infrastructure funding</p>	<ul style="list-style-type: none"> <li>If ongoing test and supply requirements are not met, there will be less ability to make strategic planning decisions, with random developments and no cohesion within the area,</li> <li>Objectively Assessed Needs numbers already increased and are not a fixed target</li> <li>Possible additional requirements transferred from neighbouring authorities</li> <li>Increased staff and consultant costs</li> <li>Wrong type of investment for area</li> <li>Loss of corporate control and reputational damage</li> <li>Financial risk – loss of CIL monies until charges are agreed and implemented Potentially significant financial shortfall if NHB is removed or reduced</li> <li>Loss of developer funding</li> <li>'Made' Neighbourhood Plans may need redevelopment and referenda</li> <li>Increased infrastructure deficit</li> </ul>	<ul style="list-style-type: none"> <li>More information to members (seminars and workshops, etc.) to explain the issues &amp; Government planning requirements and implications thereof</li> <li>Planning department resource remains under review – LGA Peer Review in June 2018</li> <li>Revised studies and policies consulted on and agreed by Members, prior to submission to the Inspector</li> <li>Schedule of Main Modifications (MM's) submitted to Inspector and being included in adopted Local Plan</li> <li>Land supply and strategic sites to be kept under review</li> <li>Funding for revision of 'made' Neighbourhood Plans once the Local Plan is agreed identified</li> <li>CIL charging schedule being developed</li> </ul>
8	12 ↑	<ul style="list-style-type: none"> <li>Council may enter into arrangements which do not serve its longer-term best interests</li> <li>Informal and voluntary partnership arrangements do not</li> </ul>	<p><b>Partnerships</b></p> <p>If key partnerships are not robustly governed, they may not offer the best longer-term value for ADC. There may</p>	<ul style="list-style-type: none"> <li>There may be lost opportunities for sharing services and work</li> <li>Reliability of service delivery</li> <li>Customer dissatisfaction / loss of trust or confidence within</li> </ul>	<ul style="list-style-type: none"> <li>The Council will continue to investigate partnering opportunities with other Councils</li> <li>Engagement with external partner agencies</li> </ul>



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		<ul style="list-style-type: none"> <li>produce benefits / synergy</li> <li>Public health transition will mean partnership working with NHS clinical commissioning groups – significant local concerns in respect of GP practice closures and lack of overall co-ordination of activities within the NHS</li> <li>Government impetus to share more, leading from funding reductions &amp; potential lessening of political control</li> <li>Lack of understanding of potential opportunities in the market places</li> <li>Increased financial pressure on all parties</li> <li>Increased partnership complexity – both contractually and through service delivery</li> <li>Lack of definition surrounding the constitution of a partnership, grants and shared service</li> <li>Reduction / lack of commitment from external partner agencies</li> <li>Impact of Local Policing Plan putting greater pressure on specific Council services e.g. Community Safety, Environmental Health, Housing, etc.</li> <li>Potential loss of WSCC funding for 'commissioned services'/to voluntary organisations</li> </ul>	<p>also be missed opportunities by not exploring enough options</p>	<p>community</p> <ul style="list-style-type: none"> <li>Potential reputational issues</li> <li>Lack of governance and clarity around objectives of partnerships</li> <li>New responsibilities for council with the public health transition</li> <li>Funding reductions means having to find different income streams</li> <li>More financial pressure on services</li> <li>Projects fail to deliver desired outcomes</li> <li>Less capacity within charities/voluntary organisations</li> </ul>	<ul style="list-style-type: none"> <li>Roles and responsibilities, priorities, finances, etc. defined as part of arrangements</li> <li>'Partnership' definition agreed by CMT to inform relevant discussions on Vision</li> <li>Group Head of Policy to progress 2015 audit findings</li> <li>Voluntary and support sector funding subject to ongoing review</li> <li>Council Chief Executives liaising with WSCC to identify impact and consequences on local Councils and voluntary organisations</li> </ul>
9	6 ↓	<ul style="list-style-type: none"> <li>Increasing FOI and DPA requests (national issue) / complexity and limited resources</li> </ul>	<p><b>Information Governance and Data Security</b></p> <p>The council is facing an</p>	<ul style="list-style-type: none"> <li>Increased vulnerability to breach of Data Protection Act / GDPR leading to reputational damage /</li> </ul>	<ul style="list-style-type: none"> <li>Trained resource to handle FOI / DPA requests</li> <li>DPA / FOI training programme progressed</li> </ul>

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No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		<p>which are stretched</p> <ul style="list-style-type: none"> <li>• Council may be recording or have access to more data as a result of public health transition, etc.</li> <li>• More information sharing can lead to less control</li> <li>• Lack of Member awareness on information governance and data security requirements and standards.</li> <li>• Lack of formal mandatory training and staff awareness of new requirements</li> <li>• Increasing Cabinet standards in relation to information governance and data security</li> <li>• Additional burdens from EU General Data Protection Regulation (GDPR) – concern over resources available to meet these</li> <li>• Increase in home and mobile working</li> <li>• Limited specialist resource to investigate data breaches – ICT support is not (formally) 24x7</li> </ul>	<p>increased risk of a breach of Data Protection Act / General Data Protection Regulation</p>	<p>financial penalties</p> <ul style="list-style-type: none"> <li>• Less time within Council Advice &amp; Monitoring team to deal with issues could lead to mistakes, etc.</li> <li>• Lack of clarity around what information is where and who is responsible for it</li> <li>• Certain Council services being unable to function without PSN compliance</li> <li>• Potential ICO censure / financial costs from the GDPR</li> <li>• Poor publicity / reputational issues</li> <li>• Incident management of possible breaches will require corporate / CMT support and will impact existing work</li> </ul>	<p>for staff</p> <ul style="list-style-type: none"> <li>• Council networks reviewed by consultant and certification to Public Services Network (PSN) standard achieved (with annual re-certification being progressed)</li> <li>• ICO guidance on preparation for General Data Protection Regulation (GDPR) reviewed and Action Plan progressed. Additional, external advice obtained</li> <li>• Data audit conducted and policies updated for GDPR compliance</li> <li>• Data Protection Officer (DPO) appointed and trained</li> <li>• Policy updates being completed and regular briefings provided to CMT and staff</li> <li>• GDPR training provided to all staff and Members</li> <li>• Information Security Group (ISG) oversight of GDPR and security compliance</li> <li>• Incident management process to be developed and advised to staff / management</li> <li>• Additional skilled data protection resource to be obtained</li> <li>• Availability arrangements for ICT out-of-hours incident response accepted by CMT</li> </ul>
10	<p>4</p> 	<ul style="list-style-type: none"> <li>• Understanding of customer/community “needs” vs “wants to have” can be patchy across the council</li> <li>• Council commitment to digital strategy, but direction unclear - over reliance on web-based systems could alienate public and councillors</li> </ul>	<p><b>Community Engagement and Customer Insight</b></p> <p>Risk of failure to engage effectively with the community, either by communicating the council's objectives and service plans or understanding and managing customer</p>	<ul style="list-style-type: none"> <li>• More difficult to formulate and deliver major initiatives that are effective and relevant (e.g. Local Plan, regeneration)</li> <li>• Difficulty communicating changes to service delivery</li> <li>• Failure to maximise opportunities within the community</li> <li>• Rural opportunities could be</li> </ul>	<ul style="list-style-type: none"> <li>• Your Council – service area objectives extended for 2018-2021</li> <li>• Corporate Plan reviewed / updated for 2018-on</li> <li>• Customer Services changes resulting from Vision work / service transformation</li> <li>• Council commitment to providing more digital opportunities. Further work on website development and social media</li> </ul>

# ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		<ul style="list-style-type: none"> <li>Council not maximising social media and other communication methods</li> <li>The next generation of council service users will have different needs and expectations and could become alienated by traditional methods of delivery of information</li> <li>If changes not progressed effectively, then risk will be increased</li> <li>Challenge / poor publicity surrounding housing proposals by developers</li> </ul>	expectations	<p>overlooked</p> <ul style="list-style-type: none"> <li>Poor publicity / lack of community support</li> </ul>	<p>channels required, but delayed by 2016 consideration of possible shared service arrangements for IT and Customer Services. New Arun ICT Service Strategy 2018-2022 being progressed and a separate Digital Strategy is to be developed</p> <ul style="list-style-type: none"> <li>Social media policies reviewed and updated</li> <li>Customer Access Strategy to be reviewed</li> <li>Planning Peer Review undertaken in 2018</li> </ul>
11	6 ↔	<ul style="list-style-type: none"> <li>Multiple agencies / property owners involved – requirement for individual decisions delaying actions</li> <li>Bad weather increases rate of erosion / chances of flash flooding</li> <li>Longer term – climate change and sea level rise</li> </ul> <p>Coastal Protection:-</p> <ul style="list-style-type: none"> <li>Delays due to legislative / regulatory requirements e.g. environmental studies</li> <li>Conflicting opinions as to required solution</li> <li>Insufficient funding to deliver scheme(s)</li> <li>Rapid deterioration of short-term improvements</li> </ul> <p>Land Drainage:-</p>	<p><b>Coastal Protection &amp; Land Drainage</b></p> <p>Some areas of the District are subject to significant erosion issues, with a high risk to dwellings</p> <p>The Council must fulfil its responsibilities as landowner (riparian) under the Land Drainage Act to ensure that its part of the whole network functions effectively</p> <p>The Council has powers (under the Coastal protection Act) and also responsibilities for maintenance of assets on its controlled land</p>	<ul style="list-style-type: none"> <li>Loss of residents' homes</li> <li>Flood damage to property, land and infrastructure</li> <li>H&amp;S issues</li> <li>Increased costs</li> <li>Reputational issues / poor publicity</li> <li>Need for temporary housing</li> </ul> <p>Coastal Protection:-</p> <ul style="list-style-type: none"> <li>Increased risk of problem extending to neighbouring coastal areas</li> <li>Environmental impact</li> </ul>	<p>Coastal Protection:-</p> <ul style="list-style-type: none"> <li>Council installed additional short-term defences (heavy rocks and shingle recycling)</li> <li>Engaging with residents and Parish Councils</li> <li>Engaging with other relevant authorities (e.g. Environment Agency, Chichester DC)</li> <li>Lobbying central government</li> <li>Some partnership grant funding (flood and coastal erosion grant from the EA) provided to approved major flood and coastal risk management schemes</li> <li>Pagham – spit breached in 2016 and the community now has an approved planning application to cut through the remaining part, although it currently unlikely if this work will proceed</li> <li>The Council has a forward capital programme (informed by the Shoreline management Plan and Coastal Defence</li> </ul>

## ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		<ul style="list-style-type: none"> <li>All parties (across the network) need to be aware</li> <li>Possible removal of Internal Drainage Boards may lead to responsibilities being passed back to the Council</li> </ul>			<p>Strategies) and a year-on-year revenue programme</p> <p>Land Drainage</p> <ul style="list-style-type: none"> <li>Working with EA (automated flood warning) and WSCC (LLFA)</li> <li>Monitoring weather forecasts and noting / responding to Met Office alerts</li> <li>Engaging with Parishes and flood groups across the District</li> <li>Emergency Planning engages with relevant bodies</li> <li>Drainage Engineer appointed to progress Council land responsibilities and to assist other parties</li> </ul>
12	8 ↑	<ul style="list-style-type: none"> <li>Threat of loss of buildings / infrastructure through fire, flooding or other incident</li> <li>Continued uncertainty over the future of BRTH, which would act as recovery site for the Civic Centre, as part of the ongoing Accommodation Strategy work</li> </ul>	<p><b>Corporate Business Continuity</b></p> <p>The Council is facing increased risk of cyber attack</p> <p>There is a risk to business continuity from a major incident either directly impacting the Council's infrastructure / services or the provision of key services, etc. by contractors / suppliers</p> <p>Mass loss of staff through illness e.g. pandemic</p>	<ul style="list-style-type: none"> <li>Loss of buildings or access to buildings through fire damage, flooding or other serious environmental incident, etc.</li> <li>Loss of major contractors / suppliers through a major incident affecting their infrastructure / staff</li> <li>Inability to provide key services / reputational issues</li> </ul>	<ul style="list-style-type: none"> <li>Advice obtained from Council's insurers</li> <li>Corporate Business Continuity Plan under development</li> <li>Service Business Impact Analysis (BIA) and Business Continuity Plans (BCP) being reviewed and updated in order to identify critical service and IT requirements</li> <li>Revised evacuation / incident procedures due after Civic Centre bomb scare incident</li> <li>Workspace recovery plans to address identified impacts and plans</li> <li>Regular testing of 'Day 1' critical plans to be implemented</li> <li>Procurement tender processes require major contractors to have business continuity plans in place</li> </ul>
13	12 ↔	<ul style="list-style-type: none"> <li>Increased threat of cyber attacks (viruses, malware, ransomware, etc.)</li> </ul>	<p><b>Cybersecurity</b></p> <p>The council is facing an</p>	<ul style="list-style-type: none"> <li>Loss of key systems / inability to provide key services</li> <li>Loss or corruption of data</li> </ul>	<ul style="list-style-type: none"> <li>Proprietary security software in use on pc's, networks and mobile devices</li> <li>ICT deploy appropriate security measures</li> </ul>

## ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		<ul style="list-style-type: none"> <li>Increased vulnerability through extended use of internet and cloud facilities</li> <li>Poor working practices by staff / partners could lead to security breaches</li> </ul>	increased risk of cyber threat	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Reputational damage</li> <li>Costs / time spent to recover</li> </ul>	<p>to minimise cyber risks (e.g. firewalls, anti-virus checking, etc.)</p> <ul style="list-style-type: none"> <li>Additional security products (e.g. using artificial intelligence) under review</li> <li>Security and ICT usage policies in place and regularly updated</li> <li>Rolling process is in place to patch all systems to the latest versions</li> <li>Vulnerability testing undertaken to meet certification requirements</li> <li>Additional education for staff being considered due to repeat nature of malware issues</li> <li>Incident response and reporting mechanisms being reviewed</li> <li>Cybersecurity certification being progressed</li> <li>National initiatives (e.g. LGA cybersecurity 'stocktake') will be considered</li> <li>Future use of 'cloud' services included in ICT Service Strategy, which will improve resilience</li> </ul>
14	3 ↔	<ul style="list-style-type: none"> <li>Planned costs of project exceeded</li> <li>Timescales for delivery not met</li> <li>Unexpected additional work is required at the site</li> </ul>	<p><b>New Littlehampton Leisure Centre</b></p> <p>There is a risk to the Council from the size and complexity of the project to deliver the new facility</p>	<ul style="list-style-type: none"> <li>Failure to provide key services</li> <li>Additional costs</li> <li>Financial loss</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Development agreed by Full Council as part of wider Leisure Strategy and regular progress reporting to Members</li> <li>Specialist advice obtained and dedicated resource allocated through all stages of delivering the project</li> <li>Construction contract let and costs agreed following tendering, with approval of Full Council</li> <li>Detailed risk register maintained by project management staff and risks / progress regularly reviewed with contractor</li> <li>Liaising with key partners regarding construction issues and interim/future</li> </ul>

## ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
					leisure activity provision
15	3 ↔	<ul style="list-style-type: none"> <li>Lack of technical knowledge in the Council in respect of the establishment and operation of arms-length companies</li> <li>Companies are poorly managed</li> <li>Additional legal and operational requirements</li> <li>Companies fail to deliver required services, income or cost savings</li> <li>Substantial external borrowing may be required by the Council</li> <li>Council liable for trading company debt</li> </ul>	<p><b>Local Authority Trading Companies</b></p> <p>There are risks to the Council from the establishment of arms-length trading companies in order to provide key services and / or to increase income streams / reduce costs</p>	<ul style="list-style-type: none"> <li>Services are not provided</li> <li>Lack of Council control</li> <li>Financial loss</li> <li>Non-repayment of loans</li> <li>Reputational damage</li> <li>Failure to meet additional legal requirements (e.g. Companies Act)</li> <li>Companies eventually wound-down, leading to additional costs (e.g. redundancy)</li> </ul>	<ul style="list-style-type: none"> <li>External advice obtained from other Councils / consultants regarding business cases</li> <li>Specialist advice obtained e.g. regarding legal issues</li> <li>Business cases being developed for approval by CMT and Members – Local Property Company currently dormant</li> <li>Formal agreements to be put in place for trading companies, including financing, involvement of officers / members as Directors, etc.</li> <li>Constitution changes made in respect of monitoring and reporting to the Council</li> </ul>
16	12 (New)	<ul style="list-style-type: none"> <li>Lack of knowledge / management oversight of compliance issues</li> <li>Inadequate Council monitoring systems</li> <li>Lack of technically competent staff to complete checks</li> <li>Recent restructure and staff losses</li> <li>Compliance requirements differ across various areas of the Council</li> </ul>	<p><b>Corporate Stock Compliance Issues</b></p> <p>There are risks to the Council, its staff and its residents where key compliance checks have not been satisfactorily completed for social housing, corporate buildings, etc. and any issues addressed (e.g. fire, water, gas, etc.)</p>	<ul style="list-style-type: none"> <li>Death or injury to staff or residents</li> <li>Destruction / damage to corporate premises / housing stock</li> <li>Regulatory censure / intervention</li> <li>Corporate manslaughter prosecution</li> <li>Reputational damage</li> <li>Additional costs</li> </ul>	<ul style="list-style-type: none"> <li>Different senior management now responsible under new structure</li> <li>External consultant review undertaken and issues identified</li> <li>Action plan agreed with Regulator of Social Housing</li> <li>Data sources identified and new software obtained</li> <li>Existing data being loaded</li> <li>Program of work to be undertaken by competent staff / contractors to complete missing or out-of-date compliance checks</li> </ul>
17	4 (New)	<ul style="list-style-type: none"> <li>Changing electoral registration practices</li> <li>Potential future changes to voting processes being piloted UK</li> <li>Disenfranchisement of voters</li> <li>Challenge to election results</li> <li>Electoral fraud</li> <li>Lack of preparation for 'snap'</li> </ul>	<p><b>Elections</b></p> <p>There are risks to the Council and its staff when acting on behalf of the Government/Electoral Commission in the conduct of elections/referenda</p>	<ul style="list-style-type: none"> <li>Legal action against Returning Officer</li> <li>Reputational loss</li> <li>Election petition or judicial review</li> <li>Community unrest</li> </ul>	<ul style="list-style-type: none"> <li>Detailed planning performed for elections</li> <li>Electoral Commission regulatory issues and guidance reviewed</li> <li>Detailed risk register maintained</li> <li>Annual canvass progressed to update Electoral Roll</li> <li>Experienced staff used where possible</li> <li>Training provided to polling and count staff</li> </ul>

# ARUN DISTRICT COUNCIL – STRATEGIC RISK REGISTER 2018/19

No	Rating	Vulnerability	Trigger	Consequence	Current Controls / Mitigating Actions
		election <ul style="list-style-type: none"> <li>Increased burden for multiple Neighbourhood Plan referenda</li> <li>Full District Council elections due in May 2019</li> <li>Insufficient and/or inexperienced elections staff available for poll/count</li> </ul>			<ul style="list-style-type: none"> <li>Established processes for e.g. postal voting</li> <li>Robust count and verification procedures established</li> <li>Liaison with other relevant authorities where voting regions overlap (e.g. Parliamentary elections) or where results are regional rather than local</li> </ul>
18	12 (New)	<ul style="list-style-type: none"> <li>Significant revision of legislation to take place</li> <li>Uncertainty over future EU funding available</li> <li>Impact on availability/costs of consumer items is not known</li> <li>Changes to procurement regulations</li> <li>Uncertain impact on EU citizens in UK/breakdown of communities</li> <li>Potential for delay of leaving date/second referendum</li> <li>Potential for change of Government</li> <li>Economic upheaval – changes to interest rates, inflation, etc.</li> </ul>	<b>Brexit Implications</b> Although Article 50 has been triggered and the UK is due to leave the EU on 29 March 2019, there is still no agreement on how this will be achieved and the impact locally, on the UK, the EU and globally	<ul style="list-style-type: none"> <li>Legislative changes may impact Council services and operations</li> <li>Increased costs</li> <li>Negative impact on tourism</li> <li>Changes required to Council processes and documentation</li> <li>Lack of funding for projects e.g. infrastructure, regeneration</li> <li>Lack of consumer items, leading to panic buying/stockpiling</li> <li>Additional enquiries to Council staff</li> <li>Changes to benefits regime</li> <li>Loss of 'key' workers in some sectors</li> <li>Potential increase in homelessness</li> <li>Potential for further referendum/snap election</li> <li>Protests/civil unrest</li> </ul>	<ul style="list-style-type: none"> <li>Council monitoring progress towards leaving and advice from Government (e.g. on 'no deal' preparation)</li> <li>Council monitoring advice from appropriate other sources e.g. LGA, CIPFA, etc. and any reports/initiatives obtained from e.g. other councils</li> <li>Contingency plans for snap election, etc.</li> </ul>

↑ - risk score increased

↓ - risk score reduced

↔ - no change