

APPENDIX B - CORPORATE /DIRECTORATE HIGH (RED) RISKS								
Category	Ref	Risk / Opportunity	Latest update and Internal Controls	Owner	Impact	Likelihood	Risk rating	Status
Corporate	C1	Risk that Adur Council will fail to comply with statutory health and safety obligations as a social landlord (Adur Homes)	<p>July 2023</p> <p>There is a significant Improvement Programme underway with AHs following the self referral to the Regulator for Social Housing. This programme is being developed and shared with the Regulator and work has been reported to Members. The full programme is due to be shared with Members in September outlining the focus of measures to address compliance, governance, performance and a range of other measures to improve the service on behalf of our tenants/leaseholders</p>	CLT	Major	Very Likely	High	No change
Corporate	C2	Cost of living crisis	<p>July 2023</p> <p>We have yet to fully recover from the pandemic, recovery has undoubtedly been hampered by the Cost of Living crisis. Whilst overall levels of vulnerability in Adur and Worthing are generally lower-overall than the national average, there are significant inequalities between wards.</p> <p>With regard to Universal Credit, the Department for Work and Pensions has confirmed that for Adur and Worthing, the length of time on Universal Credit has a significant impact on the cost of living, over 900 have been on UC for over 3 years (this could correlate with those claiming Personal Independence Payments). We know that long-term unemployment is hugely problematic in terms of tackling inequalities.</p> <p>Our most recent report from Citizens Advice for the 4th quarter of 2022-2023 presents a worrying picture when compared to the same period in the previous year:</p> <p>In Worthing there has been a 45% increase in the number of issues and clients presenting with benefit issues, 25% increase in the number of Universal Credit issues, 80% increase in the number of utilities and communications issues</p> <p>In Adur, the number of benefit and Tax Credit issues has more than doubled, there has been a 162% increase in the number of debt issues, 17% more men are coming to us for financial services help</p> <p>We have remained committed to being data informed using LIFT to identify residents facing financial hardship and debt, we continue to use the Proactive approach to target these residents, to offer help and assistance. We have commissioned additional resources through an interactive early help platform, TelJo. We have secured significant resources through the UKSPF to fund a no Interest Loans Scheme, tackle fuel poverty and build upon both the OneStop and Proactive approach to ameliorate the risks of the CoL crisis. In respect of the round 4 HSF we have successfully lobbied the County Council level to directly allocate £221,850 to A&W councils so that we offer a one off payment to 1,748 households who will miss out on the £900 Government cost of living support in 2023.</p> <p>In addition we have invested in a 1 year post to further embed our CoL approaches.</p>	CLT	Major	Very Likely	High	No change

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Corporate	C3	Wider economic uncertainty in relation to inflation, interest rates and workforce shortages which are impacting on local businesses, including energy costs, upward pressure on wages, inability to fill vacancies, skills shortages	July 2023 - The Councils have navigated these pressures carefully in order to set a balanced budget for 23/24, and schemes like the Worthing Heat Network are aiming to provide options for other organisations, such as Worthing Hospital to achieve energy security. The Councils have developed an Economy theme in the new corporate plan called "Thriving Economy" which will work to ensure "A varied and resilient economy that works for everyone. Our local business strengths are known worldwide. Businesses create jobs to support local people and create aspiration in our communities, they respect and nurture the environment." This approach will help to ensure that our places are well positioned to benefit from those opportunities that will arise in a new economy founded on regenerative principles.	CLT	Major	Likely	High	No change
Corporate	C4	Council Finances - Risk that Councils finances will continue to be under pressure	June 2023 - Councils continue to be under financial pressure. Inflation remains high which is impacting a number of budget lines including pay where the proposed budget will be insufficient. Given the Councils overall financial position, this remains a key risk for the future.	CLT	Major	Very Likely	High	No change

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Corporate	C5	Housing supply - Limited housing supply in all areas and all tenures is a key risk for the Councils in terms of both discharging its statutory duty to prevent homelessness and support those at risk, as well as placing critical budgetary pressures on the Councils. Managing this demand is challenging and places additional capacity pressures on the operational teams.	<p>July 2023</p> <p>New housing and homelessness prevention strategies are being developed this year, focusing on developing the new strategic approach to tackling homelessness, housing needs and housing supply. A new A&W Homelessness Prevention Partnership has been created to develop a more collaborative approach to addressing the drivers for this work.</p> <p>Strategic work continues, the Mental Health Housing Strategy resulting in Mental Health Housing Advisors funded by Sussex Partnership Trust colocating with the Housing Needs Team, the workers are now embedded, with outcomes currently reported for West Sussex with local District and Borough sets being planned. In last reported quarter (Qu.4 22/23) 98% of cases were either supported to remain in current accommodation or move to alternative accommodation, with only 40% of these cases with support of the local authority, preventing homelessness. The work is not only preventing homelessness via case work, but by improving relationships and pathways between services, increasing knowledge of housing and homelessness triggers enabling mental health workers to manage low level issues and refer cases appropriately to the Housing Needs Team.</p> <p>Demand in homelessness continues to increase, driven by 'no fault' section 21 notices as landlords increase rents and sell their properties as a result of new regulations, as well as family evictions as lack of affordable supply is resulting in households being unable to secure their own housing in the private sector and are presenting to the council as homeless.</p> <p>Additional pressures are anticipated as interest rates increase, affecting mortgages as well as arising from Ukraine and Afghan schemes as the Home Office implements the ending of bed and breakfast accommodation and temporary arrangements break down.</p> <p>Worthing Housing Conference took place in February, bringing together developers, private and social landlords as well as commissioned providers to highlight the needs and build partnerships around our opportunities to meet our housing needs.</p> <p>Affordable Housing Delivery Group and subgroup continue to meet to identify opportunities to develop our owned and contracted temporary accommodation portfolios to meet current and predicted future demand. As well as building our strategic relationship with Homes England, we are also working closely with the Department for Levelling Up and Communities and Homes England to secure revenue and capital for housing programmes for single homelessness. Increasing our portfolio of owned temporary accommodation is a priority as the most cost effective way to deliver good standard local accommodation.</p> <p>Opening Doors continues to work with private landlords to secure private sector housing but this is becoming more challenging; the gap between rents and LHA continues to increase with Adur / Worthing notably having least supply and biggest shortfall for 2bedroom properties alongside landlords selling properties. There are currently 41 properties on the scheme with 16 new in the pipeline. 31 have been 'floated off' to date - with the council no longer guaranteeing the rent and the landlord now managing the tenancy. 28 arrangements have been ended predominantly due to the landlords increasing the rents or selling the properties. We are developing the scheme further for all household sizes, a pilot first trialled under the single homeless Next Steps Accommodation Programme. Accommodation is first let as Temporary Accommodation and then converted to Assured Shorthold Tenancies under the Opening Doors Scheme and then backfilled with new</p>	CLT	Major	Very Likely	High	Worse

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Corporate	C7	IT Disaster recovery - Risk that hosting applications locally carries increasing risks given the pace of technological change. As for most councils, we have limited resilience in the team, and too much dependence on key personnel. Our data centre cannot be sufficiently protected from physical threats.	June 2023. ICT and Emergency Response Teams have undertaken a review of procedures and a revised IT Disaster Recovery Plan is nearing completion. All systems have been reviewed and all critical and medium priority systems have specific recovery plans documented. A major network refresh project will be delivered by early 2024, which will deliver major improvements to the position, and increased resilience through a "software defined" network with reduced reliance on hardware.	CLT	Extreme	Moderate	High	Improved
Corporate	C8	Risk that major projects are not delivered.	July 2023 - Inflationary pressures in the construction sector and wider economic uncertainty have had a significant impact on the development sector. Supply of certain materials such as steel, labour and timber has been difficult with a resultant increase in prices. A number of the major projects are market facing so dependent on rental income or disposable income to make their business cases suitable. Should inflation sustain without a commensurate increase in commercial income then the viability of some projects will be challenging. Interest rates are increasing which is undermining the viability of the invest to save proposals. The Councils will need to explore a range of options to ensure that major projects are still able to come forward in a manner which delivers the best outcomes for our communities.	CLT	Major	Likely	High	No change
Corporate	C11	Climate emergency risk - Councils need to mitigate climate change, adapt to climate change and prepare for more frequent extreme climate events and impacts.	June 2023. Progress against the 2030 carbon neutral target is good. The Worthing Heat Network project has progressed well and contract award is expected in July 2023 and will decarbonise heat to the Worthing civic centre site. A green fleet strategy will be completed in summer 2023 and a £1m project to test the use of hydrogen at the crematorium will be the first of its kind in the UK. The Trees for Streets programme launched in June 2023 and work is progressing on a greening guide to help drive the delivery of nature based solutions in development, public realm and open spaces. The Sussex Bay marine project has recently secured external grant funding and a major application is being prepared in partnership with the Universities of Sussex, Brighton and Portsmouth. A revised engagement and participation strategy with businesses and communities is being devised to build strong approach to the delivery of wider area missions for carbon, nature and circular economy.	CLT	Major	Likely	High	Improved
Corporate	C12	Delivery of partnership working and joint services - Risk effect - Delivery of Adur & Worthing Councils partnership working arrangements model and the provision of joint services is impacted by the different competing priorities being set by the new administrations which leads to a failure to deliver strategic objectives, potential reputational damage, an impact on the budget costs for both Councils. A potential risk of the breakdown of partnership arrangements which would be unaffordable.	July 2023 - New governance arrangements introduced following the review of the Constitutions to enable decisions to be taken, and scrutiny undertaken, by individual authorities for sole matters, while retaining joint management and scrutiny of shared operational services. Regular meetings of both Leaders with the Chief Executive to support good working relationships. Regular meetings between the Councils Leadership Team and both Executive teams, and meetings between Director and portfolio holders. Development of shared objectives where possible, such as climate, cost of living crisis and a range of other key agendas. Individual Council priorities now agreed and supported by a new Corporate Plan (Our Plan).	CLT	Major	Likely	High	No change

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Category	Ref	Risk / Opportunity	Latest update and Internal Controls	Owner	Impact	Likelihood	Risk rating	Status
Corporate	C13	Risks to service delivery due to staff vacancies and recruitment difficulties.	June 2023. As part of the new organisational design a People & Change team is being established, under the Chief Executive with a new Assistant Director post currently being recruited to. This team will lead the development of a workforce strategy that will seek to address key strategic issues around recruitment and retention, particular in key areas of skill shortage, addressing succession planning, remuneration and talent retention. Local government in general is suffering recruitment issues in a number of key areas, and work to develop solutions in partnership with neighbouring authorities will be explored.	CLT	Major	Likely	High	New Risk added June 2023
Financial Services	F1	Risk to overall financial position - Known areas of risk within the budget eg Income from demand led services, outcomes of job evaluation, Pay award higher than assumed.	<p>June 2023 - Council holds some contingency budgets against inflationary pressures</p> <p>Council holds reserves to manage the risk of lost income.</p> <p>Where a service has been identified as being at risk a close monitoring regime is put in place.</p> <p>The enhanced monitoring for CLT for areas of commercial risk is continuing. .</p> <p>Proactive control of discretionary spend implemented to help resolve areas of overspend within the budget.</p> <p>Budget management strategy in place to build reserves and to better manage risks. Risk still persists due to economic uncertainty and inflation.</p>	SG	Major	Very Likely	High	Worse
Financial Services	F2	Future spending requirements are under-estimated - Budgets are insufficient to fund core costs leading to an overspend.	<p>June 2023 - Council has set a balanced budget for 2023/24. Closely monitor progress through Budget/ Performance Monitoring. Where issues are identified build into budget for the following year.</p> <p>Proactive management of discretionary budgets to manage in year pressures.</p> <p>Annual savings and budget exercise now in progress to reset budget and deal with areas of high pressure.</p> <p>Staffing budgets are very carefully controlled.</p> <p>Rigorous process for establishing new posts. Other staffing controls – recruitment and selection. Controlling vacancy filling and monitoring against targets.</p> <p>Deferral of expenditure where possible to help mitigate the current financial position.</p>	SG	Major	Likely	High	Worse

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Financial Services	F3	Risk that future resources from Government are less than assumed	<p>June 2023 - Lobby Government for an appropriate resource distribution. Take action to reduce the overall cost of services or increase income where possible.</p> <p>Councils have responded to new Business Rate retention scheme proposals.</p> <p>Councils have responded to the fairer funding review consultation.</p> <p>Councils have responded to the Local Government settlement consultation.</p> <p>Particular issue in 23/24 Financial Year is likely due to fairer funding review</p>	SG	Major	Likely	High	Worse
Financial Services	F4	General risk of not finding significant budget savings from both Councils.	<p>June 2023 - Sufficient savings have been identified to meet 2023/24 budget pressures.</p> <p>Introduced Medium Term Financial Plan Tracker to check savings over 3 years.</p> <p>Risk is now for the 2024/25 budget round which is due to start in July.</p>	SG	Major	Likely	High	Worse

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Housing Prevention & Homelessness	HPH1	Risk of the rising costs of emergency and temporary accommodation - Risk that it puts an Increased pressure on general funds Councils have to spend money on expensive B&B type accommodation.	<p>July 2023</p> <p>Worthing Housing Conference took place in February, bringing together developers, private and social landlords as well as commissioned providers to highlight the needs and build partnerships around our opportunities to meet our housing needs.</p> <p>Affordable Housing Delivery Group and subgroup continue to meet to identify opportunities to develop our owned and contracted temporary accommodation portfolios to meet current and predicted future demand. As well as building our strategic relationship with Homes England, we are also working closely with the Department for Levelling Up and Communities and Homes England to secure revenue and capital for housing programmes for single homelessness. Increasing our portfolio of owned temporary accommodation is a priority as the most cost effective way to deliver good standard local accommodation.</p> <p>Opening Doors continues to work with private landlords to secure private sector housing but this is becoming more challenging; the gap between rents and LHA continues to increase with Adur / Worthing notably having least supply and biggest shortfall for 2bedroom properties alongside landlords selling properties. There are currently 41 properties on the scheme with 16 new in the pipeline. 31 have been 'floated off' to date - with the council no longer guaranteeing the rent and the landlord now managing the tenancy. 28 arrangements have been ended predominantly due to the landlords increasing the rents or selling the properties. We are developing the scheme further for all household sizes, a pilot first trialled under the single homeless Next Steps Accommodation Programme. Accommodation is first let as Temporary Accommodation and then converted to Assured Shorthold Tenancies under the Opening Doors Scheme and then backfilled with new temporary accommodation units. This scheme builds landlord confidence and increases our private sector opportunities.</p>	AE	Major	Very Likely	High	No change

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Housing Prevention & Homelessness	HPH2	Overall Risk of increasing demand for housing advice and homelessness applications	<p>July 2023</p> <p>New housing and homelessness prevention strategies are being developed this year, focusing on developing the new strategic approach to tackling homelessness, housing needs and housing supply. A new A&W Homelessness Prevention Partnership has been created to develop a more collaborative approach to addressing the drivers for this work.</p> <p>Strategic work continues, the Mental Health Housing Strategy resulting in Mental Health Housing Advisors funded by Sussex Partnership Trust colocating with the Housing Needs Team, the workers are now embedded, with outcomes currently reported for West Sussex with local District and Borough sets being planned. In last reported quarter (Qu.4 22/23) 98% of cases were either supported to remain in current accommodation or move to alternative accommodation, with only 40% of these cases with support of the local authority, preventing homelessness. The work is not only preventing homelessness via case work, but by improving relationships and pathways between services, increasing knowledge of housing and homelessness triggers enabling mental health workers to manage low level issues and refer cases appropriately to the Housing Needs Team.</p> <p>Demand in homelessness continues to increase, driven by 'no fault' section 21 notices as landlord increase rents and sell their properties as a result of new regulations, as well as family evictions as lack of affordable supply is resulting in households being unable to secure their own housing in the private sector and are presenting to the council as homeless.</p> <p>Additional pressures are anticipated as interest rates increase, affecting mortgages as well as arising from Ukraine and Afghan schemes as the Home Office implements the ending of bed and breakfast accommodation and temporary arrangements break down.</p> <p>Recruitment to provide additional capacity and triage is underway.</p>	AE	Major	Very Likely	High	No change
Housing Prevention & Homelessness	HPH3	Housing Revenue Account - Financial sustainability as a result of Rent Reduction Policy and Rent collection levels - Impact on budget and service provision	<p>July 2023</p> <p>The government's announcement on 17 November 2022 that the maximum social rent increase will be capped at 7% (with inflation at 11.1%) will increase the pressure on the HRA. With the cost of living crisis, rent collection is predicted to drop as households struggle with their finances but inflation will increase the cost of delivering services. Given the forecasted challenges for the Country's economy for the next few years, the pressure on the HRA is likely to continue for a while. A review of services offered will be undertaken with the likelihood that there will be a reduction in service offer. Housing Transformation Programme has been absorbed into corporate change, which will look at achieving the right balance of staffing, optimised processes and procedures to ensure efficiency and balance budget.</p>	AE	Major	Likely	High	Worse

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Operations & Sustainability	OS1	<p>Adoption of the Environment Act - Additional duties being proposed for Local Authorities - Risk that the proposals in the Environment Act could have significant implications for how the Councils collect waste and recycling from households and businesses.</p> <p>Risks include operational risks (eg having to reconfigure rounds and fleet to change how recycling and food waste is collected and financial risks associated with the potential need for additional fleet, staff and depot requirements.</p>	<p>June 2023 - Details regarding implementation of the Environment Act still awaited. No announcements have been made on consistency of collection or food waste collection. The Deposit Return Scheme is expected to be delayed. Extended Producer Responsibility is due to come into force in 2024. A feasibility study has been undertaken for food waste collection which has identified that the cost to the councils will be in the order of £1.6 million which would require funding from central government and WSCC (who will see a reduction in disposal costs).</p> <p>Members were briefed in May 2023 on the latest situation and officers are staying informed through their relevant networks.</p> <p>Officers staying informed in networks. .</p> <p>Councils responded to the consultations putting forward views and concerns.</p> <p>Work underway reviewing future service needs, including depot requirements.</p> <p>- Government response to consultation has been delayed and still no clarity on how the detail of the Environment Act will be implemented and what if any funding will be available.</p>	JJ	Major	Likely	High	No change
Regenerative Development	RD1	Estates Income - Risk that the Councils fail to meet property income targets which affects the Council funds.	June 2023 - this year's Budget Plan places a high priority on the disposal of several key sites. The Council needs to ensure that this work is appropriately resourced. Recruitment of staff with the appropriate skills and the use of suitable advisors remains challenging and will remain a priority.	CC	Major	Likely	High	Worse
Resident Services	RS1	<p>Revenues and Benefits Team - Reductions in staffing levels may affect service provision. Increase claim turn-around times, increased error/fraud and overpayments, hardship to vulnerable claimants and reputational damage to Councils.</p> <p>Revenues Team has been unable to absorb additional work volumes since April 2013.</p> <p>Opportunity to develop digital solutions that automate some processes.</p> <p>Backlog on Revenues processing times.</p>	<p>June 2023 - The performance of the benefits team has reduced and processing times increased due to less staff and additional work requested by the DWP - full case reviews.</p> <p>The performance of the revenues team has significantly reduced and the backlog increased, due to the recruitment freeze and pay and grading of the posts which has seen experienced staff leave. Currently running with 5 vacant posts. As a result of this a decision was made to stop recovery action for the new financial year which will be reviewed in August 2023. Customer Service staff are calling customers that are in arrears as they will no longer receive a formal reminder. Job roles were re-evaluated in June at a higher pay rate and recruitment will start urgently. A backlog taskforce is being established with specialist temps to recover the position.</p> <p>Majority of self service work implemented. Staff led discovery work completed and translated into a programme of work which includes the introduction of e-forms and automation of data handling of data provided by customers - Director has oversight of this work.</p>	SL	Major	Likely	High	Worse