

APPENDIX B - CORPORATE /DIRECTORATE HIGH (RED) RISKS									
Category	Ref	Authority	Risk / Opportunity	Latest update and Internal Controls	Owner	Impact	Likelihood	Risk rating	Status
Corporate	C1	Adur	Risk that Adur Council will fail to comply with statutory health and safety obligations as a social landlord (Adur Homes)	<p>November 2023 -</p> <p>The Improvement Programme has been finalised. This has been shared with both the Regulator of Social Housing (RSH) and Councillors. It is currently being reported to both stakeholders through a series of boards. These include a Housing Improvement Board and RSH review meetings. The Corporate Leadership Team (CLT) is provided with periodic updates in respect of delivery against the the plan and ensures performance is monitored. Work is underway to assess the financial plan to develop decent homes and invest in a longer term plan for Adur Homes.</p>	CLT/Director for Housing and Communities	Major	Very Likely	High	Improved
Corporate	C2	Joint	Cost of living (coastal inequalities) crisis	<p>December 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, TellJo, 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 retain to the round 4 HSF we have successfully lobbied the County Council level to directly allocate £221,850 to A&amp;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/Director for Housing and Communities	Major	Very Likely	High	Worse
Corporate	C3	Joint	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	<p>December 2023 - The Councils have agreed to utilise a proportion of the UKSPF funds to a Business Support Programme (BSP). The BSP will be delivered in 2024 by a series of business experts that will support organisations to help navigate the current challenges whilst also exploring new opportunities around innovation, leadership and management and sustainability. Pressures on the local economy are significant and diverse, with the need to also address major local term transitional challenges associated with climate change and the rapid development of artificial intelligence. The Worthing Heat Network is a key strategic initiative which will provide long term price certainty the Councils in terms of building heating whilst providing the opportunity for other businesses and residential customers to achieve the same, whilst also decarbonising their heat.</p>	CLT	Major	Likely	High	No change

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Corporate	C4	Joint and Adur and Worthing	Council Finances - Risk that Councils finances will continue to be under pressure	<p>January 2024 - Council finances continue to be under severe pressure, an issue widely experienced across local government. In order to address in-year budget pressures, the Councils have implemented a range of spend controls, including vacancy control, triaging purchase requests to bring the forecast overspend, particularly in Worthing, down to addressable levels within reserves. A range of initiatives have been identified in the process of forming the budget for 2024/25, with significant organisational design work remaining to set a balanced budget. Worthing Councils reserves position is expected to reach a critical state as a result of pressures in 23/24, with the 24/25 budget designed to gradually replenish reserves over the next 5 to 10 years. Local government settlement was announced in December 2023 with very little additional funding than previously assumed in the MTFS. The latest budget position for 2024/25 is that both Adur and Worthing are balanced with an assumed 2.99% increase in council tax proposed.</p>	CLT/Chief Financial Officer	Major	Very Likely	High	No change
Corporate	C5	Joint	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>November 2023</p> <p>Preliminary work is underway in respect of a new Housing Strategy. This will look at the priorities for the local authorities around homelessness, housing allocations, housing delivery and keeping people safe and secure in their homes. It is anticipated that a new Housing Strategy will be adopted following local elections in 2024 with an extension to the current strategy approved by councilors in the interim period.</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. 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>As previously reported, demand for homeless services continues to increase as a result of 'no fault' section 21 notices and family evictions as lack of alternative affordable options leaves households unable to secure their own housing in the private sector.</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>Following the chancellor's Autumn statement work is underway to assess how the proposed changes to Local Housing Allowance rates impact the Councils Opening Doors private lettings work.</p>	CLT/Director for Housing and Communities	Major	Very Likely	High	Worse

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Corporate	C7	Joint	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.	November 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. Disaster Recovery Plan being presented to JAGC in January 2024. Audit from Mazars being undertaken on our policies and Mazars are now auditing the Disaster Recovery Plan with results due by the end of December 2023. A major network refresh project will be delivered in 2024, which will deliver major improvements and increased resilience.	CLT/Director for Sustainability & Resources	Extreme	Moderate	High	Improved
Corporate	C8	Joint	Risk that major projects are not delivered.	<p>December 2023 - Inflationary pressures in the construction sector and wider economic uncertainty have had a significant impact on the development sector and have made the viability of some projects more challenging. Up until recently, Interest rates have also been increasing which has undermined the viability of the invest to save proposals.</p> <p>A number of construction companies, notably Buckingham Group (A27 roundabout contractors) have failed during this period; and supply of certain materials such as steel, labour and timber has been difficult with a resultant increase in prices.</p> <p>Whilst the risk of major projects not being delivered remains, the changing economic context means that it is vital that the councils choose the right path toward delivery and the most suitable partners.</p> <p>This risk is closely linked to the Council's wider financial position and remediating this risk will involve making sound decisions around the investment in major projects and the sale of land and buildings to facilitate development.</p> <p>Opportunity -</p> <p>The opportunity presented here is to explore new options to ensure that major projects are still able to come forward in a manner which delivers the best outcomes for our communities.</p> <p>A review of our approach is focussed on a number of major, complex projects at various stages of delivery:</p> <ul style="list-style-type: none"> <li>• testing our original assumptions and success measures are still valid; and</li> <li>• reviewing each project through the lens of a successful exit strategy.</li> </ul> <p>This approach will help to enable the councils to take a proportional, and risk appropriate approach to each project and to best manage and realise our assets.</p> <p>For Worthing, as we go forward, this will mean more often seeking a development partner (Union Place) or pursuing a responsible approach to disposing of our land interests (Teville Gate) whilst ensuring that we maintain a clear focus on ensuring that our strategic objectives will still be delivered.</p> <p>For Adur, the focus will be very much about working with development partners and the statutory agencies to capture the development premium and ensure that this is invested responsibly in the infrastructure needed to support development. This is exemplified by the complex challenges presented by the development of the Western Harbour Arm at Shoreham Harbour.</p>	CLT/Director for Place	Major	Likely	High	No change

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Corporate	C11	Joint	Climate emergency risk - Councils need to mitigate climate change, adapt to climate change and prepare for more frequent extreme climate events and impacts.	November 2023. Progress against the 2030 carbon neutral target is good. The Worthing Heat Network project has progressed well and contract award is expected in December 2023/ January 2024 and will decarbonise heat to the Worthing civic centre site. It will form the foundation to decarbonise heat for the NHS, new builds, and ultimately all households in Worthing. A green fleet strategy was completed in August 2023 and recommendations for implementation will be presented to committee early in 2024. A £1m project to test the use of hydrogen at the crematorium will be the first of its kind in the UK. The testing is expected to take place in spring 2024. The Trees for Streets programme launched in June 2023 and work is progressing on Nature Plans 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 with a further application to Rewilding Britain having been shortlisted. 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/Director for Sustainability & Resources	Major	Likely	High	No change
Corporate	C12	Joint	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.	December 2023 - Renewal of the JSC SC Pilot scheme for decision making which substantially effects one council was extended by members until July 2024 - while retaining joint management and scrutiny of shared operational services under our Joint Committee Agreement. The governance arrangements are working well facilitating differing administrative priorities. Councils need to be ready and able to ensure sound decision making after May elections and any effect this may have on the current pilot scheme. 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
Corporate	C13	Joint	Risks to service delivery due pace of change, staff vacancies and recruitment difficulties.	November 2023 - As part of the organisational design a People & Change team was established under the Chief Executive and Assistant Director, People & Change. 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 and which are undergoing significant change (such as service redesigns), 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	Improved
Corporate	C14	Adur	Risk corporate debt collection. Orchard Housing system and ongoing issues with Academy and other systems means payment of Housing Benefit to some Adur Homes tenants might not be reflected on the Orchard Housing system. Risk that some people might be receiving over or underpayments and this might be moving people into debt or giving money that needs to be claimed back. In addition the Council cannot accurately manage the data. No confidence in accurate balance on accounts impacting income /debtcollection as well as inability to print rent statements and produce mail merges for communications to our tenants. Debt owed to the Council is increasing, unable to quantify but presumed high given the current system failures. The longer debts remain outstanding the less likely they are to be fully recovered.	November 2023 - Officers from the Housing Team are aware of the manual process in generating the file across. The file needs to be moved before the end of each working day so that a new one can be generated. There is currently scoping for this process to be automated. Alternative housing operating systems are to be considered in 2024. Short term and long term impact is high and requires rectification from Benefits and Housing Teams in the event of errors. A debt strategy working group has been set up to commence ethical debt collection.	CLT/Director for Housing and Communities	Major	Likely	High	Worse

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Corporate	C16	Joint	Adoption of the Environment Act - Significant implications for how the Councils collect waste and recycling from households and businesses. Not being in a position to roll out food waste collections due to insufficient resources and not achieving Environment Act targets for 65% recycling by 2035. Potential reputational damage. Legal sanctions. Broader environmental impacts associated with the aim of reducing waste.	<p>November 2023 - In October 2023 the government announced its plans for Simpler Recycling as part of the Environment Act. It requires, amongst other things, local authorities to collect food waste from households by 1 April 2026. It also announced that residual waste would have to be collected at least fortnightly if not weekly, ruling out the option of the 1,2,3 collection model.</p> <p>The Government has said that funding will be available for these new services but the extent and nature of funding remains unclear at this point. Introducing food waste collections will be a significant cost burden (early modelling suggested £1.6 million across Adur and Worthing per year, with the passage of time these costs will be significantly higher). In the current climate the councils are not in a position to fund even part of these new revenue and capital costs which is why this is a high corporate risk. Procurement time-scales compound the risk - if funding is made available many local authorities will be looking to source food waste collection vehicles, at a time when lead times for some vehicles are already 9-12 months., Implementation of food waste collection will potentially also have implications for Commerce Way depot, in terms of works required to accommodate the new vehicles, which need to be EVs if we are to meet our 2030 Net Zero Target.</p> <p>The Environment Act also requires businesses to recycle the same materials as domestic properties. We offer recycling and food waste collections to our commercial customers, but many have not taken these services up yet. We need to be able to offer these services to all commercial customers by March 2025 to enable them to be compliant and to avoid customers moving to other providers, which would have an adverse impact on our income generation.</p>	CLT/Director for Sustainability & Resources	Major	Likely	High	Worse
Financial Services	F1	Joint Adur Worthing	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>November 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>	Chief Financial Officer	Major	Very Likely	High	Worse

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Financial Services	F2	Joint Adur Worthing	Future spending requirements are under-estimated - Budgets are insufficient to fund core costs leading to an overspend.	<p>November 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>	Chief Financial Officer	Major	Likely	High	Worse
Financial Services	F3	Joint Adur Worthing	Risk that future resources from Government are less than assumed	<p>November 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>	Chief Financial Officer	Major	Likely	High	Worse
Financial Services	F4	Joint Adur Worthing	General risk of not finding significant budget savings from both Councils.	November 2023 - External grant assistance only sought where this contributes to Corporate Priorities. Ongoing review and update of MTFP to include consideration of exit strategies.	Chief Financial Officer	Major	Likely	High	Worse
Housing/Adur Homes	HS/AH1	Joint/Adur Worthing	Failure to comply with Social housing regulation - Reputational damage, increasing complaints from tenants and leaseholders about service levels and financial consequences for not being compliant.	January 2024 - Establishment and monitoring of KPI's by senior management, Council Committees and the Adur Homes Board, systems and procedures in place - including rent analytics and escalation policy , IT system purchased and new HRA business plan.	Assistant Director Housing & Homelessness Prevention	Major	Moderate	High	Improved
Resident Services	RS1	Joint	<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>November 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. Customer Service staff are calling customers that are in arrears as they will no longer receive a formal reminder.</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>	Head of Residents Services	Major	Likely	High	Worse