



ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 May 2020
Agenda Item 10

Ward(s) Affected:N/A

Risks and Opportunities Updates Report

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report provides updates on the management of the Councils' risks and Opportunities.

2. Recommendations

- 2.1 That the progress in managing risks and opportunities be noted;
- 2.2 That the Committee consider if it would like any further information on any of the Risks and Opportunities; and
- 2.3 That the Committee agree to receive a further progress report in September 2020.

3. Context

- 3.1 The Committee has previously requested that progress update reports on the management of the Councils' risks and opportunities should be reported to the Committee to assist it in its role monitoring the effective development and operation of risk management and corporate governance in the Councils. The Committee has also requested that more detailed information be provided on the 'High/Red' Service Risks for each Directorate. The last report to the Committee was on 28 January 2020.

4. Issues for consideration

- 4.1 Progress continues to be made to monitor and review the full Risk and Opportunity registers. Corporate Risks and Opportunities, which reflect the aims set out in Platforms for our Places are reported regularly to the Councils Leadership Team. The Joint Strategic Committee also receives an annual summary report on the management of the Corporate Risks and Opportunities. Service Risk registers are regularly updated in consultation with Directors, Heads of Service and Departmental Management Team meetings.
- 4.2 This report has been produced during the middle of the Global Covid-19 Pandemic and the Councils responses to the crisis and, therefore the report this time include changes required to the Risks/Opportunities because of the impact of Covid-19 on some services and the responses being put in place to mitigate the risks. Details of particular Covid-19 impacts are set out in the attached Appendices for each Risk affected.

5. A Summary of the Risk and Opportunities Management updates

- 5.1 A summary of the main changes to the Risks and Opportunities since the last updates report in January 2020 and Covid-19 related updates are included in the table attached as Appendix A to this report. At the request of the Committee, this report also includes details of the mitigation measures in place for all 'High/Red' Risks (Corporate and Service), including Covid-19 impacts and these are attached at Appendix B to the report.
- 5.2 The number of 'High' Risks now reported is 8 Corporate and 11 Service (4 for Financial Services, 4 for Housing Services, 2 for Major Projects & Investment and 1 for Leisure). A new Corporate Risk dealing with the overall Covid-19 impact and likelihood has been added since the last report. Updates on changes to the other Risks and Opportunities including any added

or removed are included in Appendix A to this report and the regular review undertaken with Heads of Service and Directors has identified any key issues emerging relating to the delivery of the Services amidst the ongoing Covid-19 response. This work continues to highlight the good practice being followed across the organisation in the management of Risks and Opportunities and the importance of risk and opportunity management, especially in these difficult times.

6. Engagement and Communication

6.1 The Councils Leadership Team and Organisational Leadership Group have been consulted on the production of this report.

7. Financial Implications

7.1 There are no direct financial implications as a result of this report but there are some financial implications if the Risks/Opportunities occur.

8. Legal Implications

8.1 There are no legal matters arising as a result of this report. The Joint Governance Committee does have responsibility for receiving the annual risk report and also for monitoring the effective development and operation of risk and opportunity management.

8.2 Risk and Opportunity management is an important element in ensuring that service delivery objectives are achieved.

Background Papers

Adur and Worthing Councils Risk and Opportunity Management Strategy - 2018 - 2020

Risk & Opportunity Management updates report to Joint Governance Committee - 28 January 2020

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Sustainability & Risk Assessment

1. Economic

Matter considered. The Risks and Opportunities are directly linked to the projects and work streams that have been in place to help deliver the commitments and activities contained in the Councils strategic vision 'Platforms for our Places'. Some of these will impact on the economic development of the areas if they occur.

2. Social

2.1 Social Value

Matter considered. Some of the Risks and Opportunities do impact on communities.

2.2 Equality Issues

Matter considered. Some of the Risks and Opportunities refer to equalities issues.

2.3 Community Safety Issues (Section 17)

Matter considered. Some of the Risks and Opportunities may relate to crime and disorder issues.

2.4 Human Rights Issues

Matter considered and no direct issues identified.

3. Environmental

Matter considered. Some of the Risks and Opportunities may impact on environmental issues.

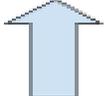
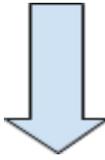
4. Governance

Matter considered. As part of good governance the Councils need to manage Risks and Opportunities. The Councils Risk and Opportunity Management Strategy sets out clear governance controls for the management of Risks and Opportunities and part of these include provision for the Service Risks and Opportunities to be considered three times a year by the Joint Governance Committee.

Updates on Risk and Opportunity Management

Risk & Opportunity Management Dashboard	Area	January 2019 update	May 2019 update	September 2019 update	January 2020 update	May 2020 update
Corporate Risks & Opportunities	Risks	9	9	9	10	11 ↑
	Opportunities	5	5	5	5	5 ↔
Service Risks & Opportunities	Environmental Services	4	5	5	4	3 ↓
	Housing Risks Opportunities	8	8	8	8	9 ↑
		2	2	2	2	2 ↔
	Wellbeing	5	5	5	5	6 ↑
	Customer & Digital	8	8	8	7	7 ↔
	Financial Services Risks Opportunities	7	7	7	7	7 ↔
		1	1	1	1	1 ↔
	Human Resources	5	5	5	5	5 ↔
	Legal Services Risks Opportunities	2	2	1	1	1 ↔
		1	1			
Revenues & Benefits	5	5	4	4	4 ↔	
Facilities & Technical Services	5	5	5	6	7 ↑	
Major Projects & Investment	10	10	10	10	10 ↔	

	Place & Economy	5	5	5	6	7 ↑
	Planning & Development Risks Opportunities	17 1	18 1	19 1	18 1	18 ↔ 1 ↔
	Leisure			1	2	3 ↑
Number of High Risks on Service Registers	Housing	4	4	4	4	4 ↔
	Financial Services	4	4	4	4	4 ↔
	Major Projects & Investment					2 ↑
	Leisure					1 ↑

 Risks where assessment score has increased since the last report	<p><u>Covid-19 related</u></p> <p>Major Projects & Investment - Estates income - Failure to meet property income targets - Risk increased to High Risk due impact of Covid-19</p> <p>Major Projects & Investment - Shoreham Airport - Airport as a regional airport has limited demand and there is potential it might cease to operate. - Risk increased to High Risk due to Covid-19 impact.</p>
 Risks where assessment score has reduced since the previous report.	<p>Major Projects & Investment - Provision of flood defence walls on the Sussex Yacht club site - Risk reduced to Low Risk on the basis of the mitigation in place and likelihood reducing.</p> <p>Major Projects & Investment - Failure to develop and adhere to property acquisition and management protocols for the Council's commercial property portfolio. - Risk reduced to Low Risk because of controls now in place and impact now reducing.</p>

<p>New Risks/Opportunities added since last report</p>	<p><u>Covid-19 related</u></p> <p>Corporate Risk - Covid-19 response - High Risk</p> <p>Leisure - Leisure providers cease trading or suffer severe financial impact which curtails their ability to provide service - High Risk</p> <p>Facilities & Technical Services - Potential delay to capital projects to improve or refurbish Council assets because of social distancing - Medium Risk</p> <p>Place & Economy - 'Time for Worthing Brand' will not become integrated - Medium Risk</p> <p>Housing Services - Potential delays in undertaking Housing repairs due to Covid-19 and social distancing measures in place and potential delays in undertaking repairs when 'lockdown' measures are removed due to demand for repairs - Medium Risk.</p> <p>Wellbeing - Covid-19 - Community response - Medium Risk</p>
<p>Risks/Opportunities removed since last report.</p>	<p>Environmental Services - Potential opening of new crematorium in the Arun District. Risk removed because planning permission for a new crematorium has now been refused and no longer poses a risk.</p>

Joint Governance Committee - 28 May 2020**Corporate 'High' Risks**

<u>Risk</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
<p><u>Covid-19</u></p> <p>Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The Government, on the advice of medical experts, has introduced social distancing measures, emergency legislation and economic packages to mitigate the effects of the crisis.</p> <p>This will continue to affect the operations of the councils to meet the demands of the response normal business functions and subsequent recovery effort which may last 12 months or more before we reach a stage of "relative normality".</p> <p>A future social and economic landscape will be significantly different and our ability to adapt will require careful consideration.</p>	<p>May 2020 - The duration of the pandemic is unclear. The duration is dependent on a number of unknowns at this stage. Until a vaccine has been produced and distributed, emergency measures will continue in one form or another. This will continue to disrupt "normal" life. Any relaxation of social distancing at the wrong time runs the risk of a second wave of infection which places additional and potentially significant escalation of infection rates.</p> <p>The impacts arising from the prolonged crisis will be managed through the recovery effort which ultimately aims to return to "relative normality" The timescale is uncertain.</p> <p>Key recovery objectives for Sussex are in the following key areas;</p> <ul style="list-style-type: none"> ● Community and staff welfare ● Infrastructure ● Economy <p>Internally the risk will continue to increase as the crisis extends. The impacts as an organisation will cover a number of areas including;</p> <ul style="list-style-type: none"> ● Economic Impacts through loss of income and wider demands relating to increased benefit claims, business rate relief and a reduction of business operating within the local authority area. ● Staff welfare - Prolonged lockdown measures will increase the risk of mental health concerns and general welfare concerns. 	Major	Likely

<p><u>Council Finances</u></p> <p>Council finances continue to be under pressure after several years of reducing income from central government. The councils have set balanced budgets every year, and do not rely on reserves to do so. A recent LGA Peer Review also found that a series of plans and strategies are in place to address challenges going forward, although there remains a projected shortfall currently for 2020/21. The councils' reserves position is in the lower quartile of SE Districts and the position needs improvement.</p>	<p>May 2020</p> <p>There are currently significant costs and loss of income being borne as a result of the COVID-19 crisis and lockdown measures. These include financial pressures in leisure trusts, the costs of housing the homeless, and impacts on a range of income streams such as car parking income.</p> <p>A further tranche of funding from central government - £1.6bn - was recently announced and the Councils have received £1.7m of additional support for 2020/21. Councils Leadership Team are receiving regular reports on the financial position and have initiated a strategic review over the next months, as well as immediate spend control measures whilst ensuring work continues to deliver against the platforms for our places strategy as our programme will support economic recovery and community resilience.</p> <p>There is a high degree of uncertainty with regard to the length and nature of lockdown measures, and the possibility of future central government support. A report will be brought to the Joint Strategic Committee in July to set out the position at that time.</p>	<p>Major</p>	<p>Very Likely</p>
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<p><u>Welfare Reform</u></p> <p>'Welfare Reform' is used to cover a range of issues in particular:</p> <ul style="list-style-type: none"> • Changes to how benefits paid to those who are working to incentivise work. • Changes to the maximum level of benefits paid to families and individuals who are not working • Changes to how working age benefits are paid and a shift to one benefit package 'Universal Credit' (UC) • Benefits being administered largely by central government as opposed to local government - UC administered by DWP vs Housing Benefit by local authorities. • UC being paid monthly, to an individual person or family member, into a bank account. • Benefits for young people and single people reduced • Benefits for larger families reduced <p>The impact of these changes are still working through the system but in areas where Universal credit has been rolled out fully the following effects have been reported.</p> <ul style="list-style-type: none"> • 5-6 weeks gap before UC is paid (in some cases longer) • Local systems unable to track individuals in need, as the system is centralised and data is no longer available • Housing costs not being met by the 	<p>May 2020 -</p> <p>The rollout of Universal Credit continues to have a limited impact in reducing the number of live Housing Benefit claims. However, the COVID-19 situation has resulted in</p> <ol style="list-style-type: none"> 1. A significant number of new claims for Council Tax Support 2. The Government announcing increased awards of Housing Benefit and Council Tax Support (LHA rates have been increased for private sector tenants and the value of income not taken into account has been increased) 3. The Government announcing discretionary awards of £150 for working-age Council Tax Support customers <p>For the DWP overall there has been a 6 fold increase in the number of UC claimants during March for Adur and Worthing (combined) the majority of which (85%) are self employed people. DWP is managing to deal with most UC claims within 5 weeks.</p> <p>The percentage of UC claimants in Adur Homes has increased from 16 to 19%</p> <p>There is therefore likely to be an increase in rent arrears which would impact on homelessness. There is an Adur Homes Improvement plan in place to focus on rent arrears which is being monitored by the Head of Service. Work is also taking place with the Wellbeing Team to promote budgeting and financial inclusion strategies. The team is also recruiting a specialist rent arrears officer.</p>	<p>Major</p>	<p>Very Likely</p>
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<p>level of out of work benefits</p> <p>The impact for the Councils of this is potentially on two fronts, increased homelessness presentations and/or reduced rental income for Adur Homes. This is compounded by the year on year reduction in social rents by 1% which also reduces the financial income for Adur Homes.</p> <p>Recent agreements to cut budgets from WSCC lines - e.g the Local Assistance Network funding; Supported Housing and IPEH (Universal services) may also impact in these areas.</p>			
<p><u>Economic uncertainty</u></p> <p>Covid 19 will have a severe impact on the local economy. The impact on our town centres will be significant and key sectors such as hotels, restaurants and retailing will be particularly adversely affected. Some businesses will not survive and there will be an increase in unemployment.</p> <p>Resilience will be key and local councils will be expected to play a key role in supporting economic recovery. As part of this, many businesses will need to change their model of operation and the councils will need to respond to their changing needs in terms of factors such as regulation; infrastructure and logistics.</p>	<p>May 2020 - The Councils will need to respond quickly to support the interests of local business and the wider economy. A number of measures will be needed to ensure that the local economy develops the necessary resilience:</p> <p>Supporting the local economy where there are opportunities for growth. The digital and creative industries sector has been growing at a significant rate nationally. Understanding this sector and nurturing its growth in our local economy will continue to be important;</p> <p>Supporting our major businesses as they develop new business models;</p> <p>There will be an expectation that local authorities play a more central role and we have already seen this in the distribution of Government grants and processing of business rate relief requests. We will need to partner with some of our major employers to secure access to public</p>	<p>Major</p>	<p>Likely</p>

	<p>investment monies that do become available;</p> <p>Economic recovery will require local authorities to be agile and flexible in using their powers to respond at pace to support the economy. This is likely to mean that new and innovative approaches will be needed to overcome traditional barriers and traditional bureaucratic obstacles;</p> <p>A resilient local economy will demand affordable and high speed digital infrastructure 'on tap'. Publicly available digital access will help to support town centre recovery and the wider visitor economy.</p> <p>Supporting our town centres and helping create the right conditions for trade. In the short term this will include working to help ensure that our town centres and supporting infrastructure offer a safe environment for residents and visitors. This includes car parks; public spaces community facilities; civic buildings; seafront and cultural and leisure venues.</p> <p>Using our asset base wisely to provide opportunities for employment to support start up businesses and those with the opportunity to scale up;</p> <p>Accelerating our programme of major development projects to support economic recovery;</p> <p>Accelerating the digital infrastructure programme to ensure that local businesses are well placed to compete;</p> <p>Respond to changing patterns of consumer behaviour together with greater expectations around ethical supply chains and locally sourced products. The councils are well placed to support business through their procurement activity;</p> <p>Working with training and skills providers to assist people back into employment;</p> <p>The Councils commissioned a review of economic data in 2019. The</p>		
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	<p>pandemic recovery will demand that we continue to closely monitor data and trends to ensure that we can make timely and well informed decisions.</p>		
<p><u>Housing supply</u></p> <p>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> <p>Emergency/Temporary Accommodation - the lack of EA/TA supply at LHA rates means that the Councils are paying for costly B&B accommodation whilst assessing customers for statutory obligations.</p> <p>The lack of move on accommodation at LHA rates means there are blockages in TA</p> <p>The lack of suitable/affordable private sector rented accommodation is placing more pressure on the Councils in terms of demand and budgets.</p> <p>Planning applications are subject to an increasing level of scrutiny, including both the level of affordable housing and the tenure mix.</p>	<p>May 2020</p> <p>EA/TA</p> <ul style="list-style-type: none"> • ADC was underspent on its EA/TA budget in 19/20 and WBC was on target. COVID-19 has created significant pressure in Worthing with a doubling of numbers and a smaller rise in Adur resulting in relation to EA/TA demand and cost in 20/21:- • Costs of the arrangement with the Chatsworth Hotel in Worthing to accommodate those that have been rough sleeping and insecurely housed. • Associated ASB issues as a result of the challenges of accommodating single people with complex needs • Increase in EA/TA demand likely to continue due to challenges with move on and lifting of restriction on evictions by landlords. • Increase is also likely to continue into the winter months and will impact on how the night shelter is delivered in line with covid19 restrictions given the constraints around social isolation. • Increase waiting time for housing advice and casework • More long term lease arrangements are being explored with 2 new ones in the pipeline. • A new campaign to attract more private sector properties to the Opening Door Scheme is being planned, with 13 signed up to the scheme in the last 2 months • Completion of Downview phase 1 (9 flats) is due this month. Build contracts for phase 2 (8 flats) have been signed with start on site forecast for early summer. • Rowlands Road (19 flats) build contracts are due to be signed this month with a start on site due shortly after. 	Major	Very Likely

	<p>Other</p> <ul style="list-style-type: none">• The contractor for Cecil Norris House has re-mobilised following site shutdown due to Covid-19. Site is not currently at full capacity due to social distancing measures.• A preferred bidder has been selected on Albion St in order to achieve a fixed contract sum. JSC report was approved in Feb 2020.• JSC report approved in Jan 2020 to commence design work on the delivery of the Adur Homes Small Sites (Hidden Homes) programme. The programme is targeting the delivery of c.10 new sites.• The Council continues to support new applications as per below. Fulbeck and Union Place sites were both submitted for approval in the period.• Work is continuing to help unlock new sites for housing delivery. <p>The adopted Local Plan for Adur has identified key strategic housing sites and planning applications have been submitted to and or approved on the following sites which will deliver a significant level of housing and affordable housing to meet future housing needs:</p> <ul style="list-style-type: none">• New Monks Farm (600 homes inc. 180 affordable homes)• West Sompting (520 homes inc. 156 affordable homes)• Western Harbour Arm (Free Wharf 540 inc. 162 affordable) <p>To assist the delivery of these sites the Council has worked with the developers and has helped to secure over £20 million additional public sector funding from the LEP and Homes England. The Council has also contracted to sell the Civic Centre site to a Registered Provider to deliver 170 affordable homes on the site of the former Council offices.</p> <p>The emerging Local Plan for Worthing is looking at allocating key green and brownfield sites to help increase the level of housing to help meet future housing needs. The Council has also been active to secure LEP and Homes England funding (over 15 million) to help deliver the</p>		
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	<p>following brownfield sites and ensure the delivery of affordable housing:</p> <ul style="list-style-type: none"> ● Teville Gate ● Union Place ● Grafton <p>In addition, in view of the Council's housing need Worthing Council has agreed to bring forward two greenfield sites in advance of the Local Plan (West Durrington (Phase II) and Fulbeck Avenue). These two sites have the potential to bring forward 400 new homes including 120 affordable homes.</p> <p>Worthing is also reviewing its Community Infrastructure Levy in view of concerns that it is affecting the delivery of affordable housing on brownfield sites.</p>		
<p><u>IT Disaster recovery</u></p> <p>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.</p>	<p>May 2020</p> <p>Covid-19 impact</p> <p>Rapid response to home working in response to Covid-19 has tested resilience and business continuity. Overall transition has gone very well and Councils are reviewing where further improvements are needed.</p> <p>Work continues to migrate services to the cloud, and out of the Town Hall data centre, providing in-built and often seamless disaster recovery services. The councils' strategy to adopt Google services and it's cloud based low code platform among other modern technologies has served us well in the crisis.</p>	<p>Extreme</p>	<p>Moderate</p>
<p><u>Major Projects delivery</u></p> <p>Unlocking major development can be complex and take some time to deliver. The successful</p>	<p>May 2020</p> <p>Covid-19 impact - Covid19 impact will add a degree of uncertainty to the property market but the extent of this is not known at this stage.</p>	<p>Major</p>	<p>Likely</p>

<p>delivery of a major scheme will often depend on economic conditions over an extended period.</p>	<p>The Councils have embarked on an ambitious programme of development that makes the best use of their existing assets and commits to forming effective partnerships with other landowners and investors. This will help to 'de-risk' projects and create the right conditions for development to take place. For example, Worthing Borough Council has entered into a Land Pooling Agreement to help de-risk the development of Union Place and secure access to the agencies and skills necessary to deliver. A different approach has been taken on the former Aquarena site and Former Adur Civic Centre Site where the site's disposal was favoured as the best route to deliver new homes and regeneration. Direct delivery was the favoured development approach in the construction of Focus House in Shoreham.</p> <p>Both Councils have used Local Growth Fund monies to deliver the necessary infrastructure to support development. The councils have also played a pro-active role in supporting Coast to Capital in the development of a Strategic Economic Plan to ensure that their priorities for the development of major projects are represented and therefore, more likely to benefit from future public funding in the future.</p> <p>The councils have provided clear and unambiguous signals to the development sector about their intentions and commitment to deliver. A dedicated team has been established to manage the major projects and capital budgets adjusted to reflect the priority attached to this work. Regular monitoring of progress provides oversight and formal reporting to the relevant executive councillors; internal project groups and formal Committee meetings take place to oversee progress.</p>		
<p><u>Climate Emergency</u> Climate Emergency</p> <p>Council response to the Climate Emergency needs to be threefold;</p>	<p>May 2020</p> <p>Next steps</p> <ul style="list-style-type: none"> • Establish the new Carbon Reduction Team September 2020 	<p>Major</p>	<p>Likely</p>

<p>1) Mitigating climate change Through reducing greenhouse gas emissions from council activities, working towards the carbon neutral target made as part of the Climate Emergency Declaration, and through working towards 100% clean energy for Adur & Worthing under the UK100 Cities Pledge.</p> <p>2) Adapting to climate change; By working across the council services and estate and with local stakeholders and partners to provide environmental resilience across Adur and Worthing and the South East. Measures required include</p> <ul style="list-style-type: none"> • Addressing drought and heatwave planning, addressing urban heat island effect, increasing green infrastructure, addressing wildfire risk. • Preparing for tidal and storm surges, heavy rainfall and wind events, addressing risk of coastal, surface and river flooding through sustainable drainage, natural flood management, coastal defences, flood resilience. • Preparing for extreme cold events. <p>3) Preparing for more frequent extreme climate events and impacts Through emergency planning and developing resilience in the short and long term, and the ability of the council to respond to crisis situations in conjunction with the emergency services and other partners.</p> <ul style="list-style-type: none"> • Preparing for risks of damage to properties and infrastructure as well as risk to public health and safety 	<ul style="list-style-type: none"> • Finalise Feasibility Study for a heat network on the Worthing Civic Quarter Site, and if viability proved, apply to BEIS for funding for commercialisation and build out. • Commence the ERDF funded LoCase project 2020-23 halving emissions from Worthing Town Hall and Portland House subject to award of finance. • Progress Options for investment in a large scale Renewable Energy scheme. • Progress options for an offsetting/sequestration programme following AECOM options paper with stakeholders. • Smarthubs programme will, subject to Stage Gate 1.1 approval, commence programme of smart energy installations across Adur and Worthing 2020-22 • Continuing to explore Kelp project which could reduce height of storm surges and tidal influence on the shore line by 70% • Ongoing exploration of opportunities on council owned land for climate adaptation schemes • Develop a cross sectoral Climate Partnership for Adur & Worthing • Develop a Climate Emergency Plan for Adur & Worthing following the Climate Assembly. <p>Covid-19 impact - Covid19 has created 3-6 month delays to the following projects</p> <ul style="list-style-type: none"> • Delivery of the Adur & Worthing Citizens Assembly • iUK funded Smarthubs programme • LoCase - consideration of the funding bid by HCLF & EU • Further engagement with community, business and partners on the creation of a cross sector Climate Partnership with TTW and WCAN following Zero 2030 the climate conference • Anthesis: SCATTER study for Adur & Worthing to become carbon neutral by 2050 (2m delay) 		
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<p>from extreme weather events.</p> <ul style="list-style-type: none"> • Developing resilience in local food, transport, energy and water systems and the built environment. • Lobbying government for a more robust approach to the multiple threats of climate change. 			
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Communities Directorate High Service Risks and Projects

Housing

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>
<p>1. Compliance - Fire, Gas, electrical and water quality (Adur Homes)</p>	<p>1. Death/injury/illness. - Fire/safety related; - water borne disease (legionella)</p> <p>2. Potential legal action and-or claims. - Legal action against accountable staff (up to Head of paid Service) - compensation and or other claims for injury etcl</p> <p>3. Financial risk -Of managing service failure and loss of accommodation</p> <p>4. Reputational risk -see above</p> <p>5. Loss of use of premises and personal impact to tenants as well as operational and financial risk to councils - see above</p>	<p>May 2020 - Covid-19 implications - Works required are being undertaken as required with 130 done in the first week of May. At this time there are 19 outstanding due to a combination of issues. Some are due to tenants not allowing access because they are isolating due to COVID-19. The Councils have made appointments with tenants for when they end isolation. Others are because tenants have either passed away, are hospitalised or have refused to respond. Councils have undertaken cold calls where tenants have refused to respond and are treating these as tenancy breaches. Detailed records of all actions taken are being kept as required by law and government guidance.</p> <p>Capital Investment works - Fire Safety Risk manager has been appointed and she is overseeing the completion of all Fire Risk</p>	<p>Extreme</p>	<p>Moderate</p>

	<p>6. Court judgement relating to BSW case. Judge found in favour of contractor and Council requested to make a fee. Wider impact risk now because two other contracts awaiting adjudication.</p> <p>1-5 Can result from a failure to comply with regulatory standards around Fire/Gas/Electrical and Water Safety and/or implement action plans agreed with WSFR and other bodies.</p>	<p>Assessments across HRA properties. All actions and remedial works emanating from these assessments are being categorised and prioritised.</p> <p>Contracts for fire safety remedial works and upgrade to community alarm to sheltered housing was awarded and ready to commence but had to be put on hold in March as sheltered housing residents fall within the most vulnerable group and hence recommended to isolate for 12 weeks.</p> <p>A tender process has been completed and a contract will be awarded to complete the works identified from the fire risk assessments to general needs blocks and flats.</p> <p>Southern Fire Doors have furloughed staff and closed for business. This has caused a delay to the planned fire resistance test of the doors. The closure will impact on delivery timescales for the doors with commencement planned for 06/07/2020.</p> <p>Engagement with leaseholders to identify and support them to bring their doors into compliance with the current legislation, is also ongoing.</p> <p>Work to install Smoke Alarms in flats without adequate smoke alarms have been paused due to COVID-19. As an interim measure flats where works have not taken</p>		
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		<p>place are being given battery power smoke alarms and supported to install them.</p> <p>Fire Safety Policy reviewed and updated</p> <p>Quarterly meetings being held with WSFRS.</p> <p>Water tanks are now inspected and a plan in place to replace them when necessary.</p> <p>Gas safety monitoring and compliance at 99.7%. New contract has been implemented.</p>		
2. Rising costs of emergency and temporary accommodation	<p>Increased pressure on general funds</p> <p>Councils have to spend money on expensive B&B type accommodation.</p> <p>COVID-19 pressures have been significant and there have been additional placements into emergency accommodation in March and April. This has put significant pressure on EA/TA budgets, which is likely to continue during and beyond the COVID-19 restrictions as moving placements on will present a challenge.</p>	<p>May 2020 update- Efforts continue to reduce the cost of nightly paid accommodation and prevent homelessness as early as possible. 2 new long term leases are about to be agreed and Downview Phase 1 (which was purchased by WBC) will be ready for occupation in the summer. Contracts to commence work on Phase 2 and Rowlands Road (WBC) and Albion Street (ADC), which will all provide useful TA units are about to be signed. Opening Doors – scheme now has had a number of new landlords signing up, allowing households to either move households on from TA or to avoid going into TA.</p> <p>Significant TA placement has resulted from COVID-19 particularly single people. As part of the next steps, those unlikely to be owed long term housing obligation will be</p>	Major	Very Likely

		given advice and support to find alternative accommodation to reduce the number of households in TA.		
3. Overall Risk of increasing demand for housing advice and homelessness applications	<p>Impact on front line service delivery for customer services in terms of Contact Centre and front line services from Portland House.</p> <p>Increased waiting time for housing advice and casework.</p> <p>Increased costs of temporary and emergency accommodation.</p> <p>Increased competition for limited affordable housing supply.</p> <p>Risk of not meeting legal obligations of the new Homelessness Reduction Act 2017</p> <p>Covid-19 impact has caused the demand to increase significantly.</p>	<p>Triage system implemented to provide advice and guidance at the earliest opportunity to reduce presentations as homeless.</p> <p>Create more housing options for those at risk of homelessness via the housing solutions officer dedicated to seeking private sector accommodation</p> <p>Early identification of potentially vulnerable individuals and families to the development of multi agency pathways eg hospital discharge and care leavers. Better joint working with agencies to prevent crisis presentations.</p> <p>Improving Communication and digital offer to increase customer self service and understanding of alternatives with the aim to reduce administration and officer time processing applications.</p> <p>Working with partners across sussex in Sussex Home-Move Partnership to implement the new Home Connections System Better recording and case management.</p> <p>Improve the Housing Team performance.</p>	Major	Very Likely

		<p>Trialling different methods of assessing people's needs.</p> <p>Capacity of Portland House being assessed.</p> <p>Service redesign - This has created 3 additional officer posts to provide advice.</p>		
<p>4. Housing Revenue Account - Financial sustainability as a result of Rent Reduction Policy and Rent collection levels - Impact on budget and service provision</p>	<p>1. Financial</p> <ul style="list-style-type: none"> -Reduced ability to Invest in capital expenditure to maintain buildings and properties and new homes <p>2. Operational</p> <ul style="list-style-type: none"> - Limited ability to deliver good quality services and meet customer need -Ability to cover day to day repairs and maintenance <p>3. Business Sustainability/failure</p> <ul style="list-style-type: none"> -deficit budgets set for forthcoming years, any further uncertainty could result in business failure <p>Background - Until 2020 the Government requires all social housing providers to reduce their rents by 1% each year.</p> <p>This creates a financial pressure over the next 3 years.(£0.68m in 2018/19 and by 2020/21 this will have increased to £1,944,000)</p> <p>Arrears level is running at 3.19% (£452,202). Good practice benchmark is 1%.</p> <p>Loss of income to the HRA.</p> <p>Use of reserves.</p> <p>Covid-19 impact - rent arrears are expected to be higher.</p>	<p>30 year business plan shows the potential to outlive the issues highlighted if the service is able to raise rents post 2020</p> <p>Reviewing what services we offer with the budget available.</p> <p>Prudent management of revenue budget</p> <p>AH Improvement Plan focuses on reducing rent arrears and being monitored monthly by the Head of Service and Operations Manager.</p> <p>Engagement with Wellbeing and Housing Solutions staff to promote budgeting and financial inclusion strategies.</p> <p>Income streams review taking place.</p> <p>Planning to increase rent by 2.7% in the next Financial Year and for next years there will be increases at CPI plus 1%.</p>	Major	Likely

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Digital & Resources Directorate High Service

Risks and Projects

Financial Services

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
<p>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>	<p>1. Go over budget 2. Do not have resources to meet priorities.</p> <p>Covid 19 will have a significant impact on the Council's budgets both in 2020/21 and in future years. Full extent of the impact is currently being assessed.</p>	<p>Covid-19 - Developing a new strategy to help address the financial implications of the Covid-19 emergency.</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>New budget management strategy in place to build reserves and to better manage risks.</p>	<p>Major</p>	<p>Likely</p>

<p>Future spending requirements are under-estimated - Budgets are insufficient to fund core costs leading to an overspend</p>	<p>Budgets are insufficient to fund core costs leading to an overspend.</p> <p>Covid-19 having a significant impact on the future cost of services. Budgets are currently insufficient to fund costs and an overspend is expected for 2020/21.</p>	<p>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 undertaken 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>	<p>Major</p>	<p>Likely</p>
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<p>Future resources from Government are less than assumed</p>	<p>Budget shortfall is understated leading to a greater level of savings. Particular issue in 21/22 Financial Year is likely due to fairer funding review.</p>	<p>Lobby Government for an appropriate resource distribution. • Take action to reduce the overall cost of services or increase income where possible.</p> <p>Government has moved to a 4 year settlement which gives the Councils greater certainty about grant levels.</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>Councils have received a 1 year settlement for 2020/2021. Awaiting outcome of fairer funding review.</p>	<p>Major</p>	<p>Likely</p>
<p>General risk of not finding significant budget savings from both Councils.</p>	<p>Impact on ability to balance the budget to deliver the Corporate Priorities and priority services.</p>	<p>Sufficient savings have been identified for 2020/21. Risk is now in the 2021/22 Financial Year.</p> <p>Introduced Medium Term Financial Plan Tracker to check savings over 3 years.</p>	<p>Major</p>	<p>Likely</p>

Economy Directorate High Service Risks

Major Projects & Investment

<u>Risk</u>	<u>Potential Effect</u>	<u>Internal Controls</u>	<u>Impact</u>	<u>Likelihood</u>
<p>Estates Income - Risk that the Councils fail to meet property income targets which affects the Councils funds.</p> <p>(Need to actively manage the properties as assets and reduce void and ensure effective maintenance.)</p>	<p>Councils income is reduced.</p> <p>Covid-19 impact - Impact of Covid19 lockdown has had a significant effect on the operation of tenants of the Council. While each of the investment portfolios has performed very well for the March quarter date, the June date is more likely to be adversely affected.</p> <p>Long term impact as tenant and consumer behaviour is changed as a result of Covid19.</p>	<p>Property income is monitored every month and a rental income spreadsheet is updated each month as well which helps keep an eye on the income against the budgets.</p> <p>The Council has set up a strategic asset management board to look at scope to purchase additional land/buildings as investment opportunities increase revenue income.</p> <p>Adoption of a joint investment strategy to govern purchase of properties for income generation.</p> <p>Monitoring and reviewing changes to government policy which affect LA ability to borrow for investment purposes.</p> <p>Strategic Property Investment Fund</p> <p>In terms of the local (in District/Borough estate) these are less geared due to a lack of historic debt and the fall in income is likely to be covered through planned void allowances within budgets which has mitigated the impact on the Council's revenue position.</p>	Major	Likely

<p>Shoreham Airport - Airport as a regional airport has limited demand and there is potential it might cease to operate.</p>	<p>The airport's contribution to the area economy will end and it will diminish Shoreham's distinctive sense of place.</p>	<p>WBC and BHCC are working together to finalise a new lease which in turn should assist the airport to emerge from administration.</p> <p>Planning approval secured for business development on a site allocated in the Adur Local Plan to secure long term income streams necessary to improve the long-term financial stability of the airport operation.</p> <p>Council Place and Economy team have been offering specialist support to navigate the Governments business loan and grants systems.</p>	<p>Major</p>	<p>Likely</p>
<p><u>Leisure</u></p>				
<p>Leisure provision - Covid-19</p>	<p>As a result of the Covid-19 pandemic, the local leisure providers cease trading or suffer severe financial impact which curtails their ability to provide a service.</p>	<p>Appointment of consultants to work in partnership with the leisure providers on a financial strategy designed to enhance their prospects for delivering leisure services. This will result in options being worked up in partnership with others.</p>	<p>Major</p>	<p>Likely</p>