



ADUR & WORTHING
COUNCILS

Joint Governance Committee
22 September 2020
Agenda Item 8

Ward(s) Affected:N/A

Risks & Opportunities Update

Report by the Director for Digital, Sustainability & 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 January 2021.

3. Context

- 3.1 Progress update reports on the general management of the Councils' Risks and Opportunities are reported to the Committee on a regular basis to assist the Committee in its role monitoring the effective development and operation of risk management and corporate governance in the Councils. This report also includes detailed information on the 'High/Red' Service Risks for each Directorate. The last report to the Committee was on 28 May 2020.

4. Issues for consideration

- 4.1 The coronavirus pandemic has had a profound effect on local communities and businesses, who have needed the Councils' support, and of course had a direct impact on Council finances and operations. Rapid transition to remote working and remote committees was required, and the Councils were required to provide a range of support for the homeless, others vulnerable and self-isolating, local businesses and tenants. The financial pressures in homelessness were significant as were losses of income in car parking, advertising, markets and elsewhere. The Councils' response has been widely regarded as very good, with our digital work receiving national attention.
- 4.2 A series of reports to the Joint Strategic Committee provide detailed information on how the Councils have responded to the lockdown, the recovery, and how the Councils' finances have been managed. Relevant reports that should be read in conjunction with the information provided in this report are:
- COVID Response (Item 5, JSC July 7th 2020)
 - "And then...." bouncing back in post pandemic Adur and Worthing (Item 7, JSC July 7th 2020)
 - Financial Performance 2019/20 - Revenue Outturn (Item 8, JSC July 7th 2020)
 - First Revenue Budget Monitoring Report- Q1 (Item 5, JSC September 8th 2020)
- 4.3 It is important to acknowledge that in some areas, profound changes have taken place that have accelerated pre-existing trends and demonstrated new, more sustainable ways of living. Successful remote working and video conferencing have shown that a permanent reduction in commuting and business miles is possible. During lockdown we also saw remarkable levels of community volunteering, and our communities teams are working to help maintain new levels of active citizenship. Radical shifts in retail, leisure and

transport have been hugely disruptive to incumbents but also provide opportunity for new business models and micro-entrepreneurialism.

- 4.4 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: Going Further' 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 and this will be reported later in 2020. Service Risk registers are regularly updated in consultation with Directors, Heads of Service and Departmental Management Team meetings.
- 4.5 The management of the Risks and Opportunities continues to take place during the challenging times of the Covid-19 pandemic. The report includes 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 May 2020 including any Covid-19 related updates are included in the table attached as Appendix A to this report. The 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 this report.
- 5.2 The number of 'High' Risks now reported is 8 Corporate and 10 Service (4 for Financial Services, 4 for Housing Services, 1 for Major Projects & Investment and 1 for Leisure - This compares to 11 Service Risks in May 2020 - Corporate Risks remain the same). 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 to the delivery of the Services amidst the 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 good risk and opportunity management during these difficult times.

6. Engagement and Communication

- 6.1 The Councils Leadership Team and Organisational Leadership Team 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 but there could be legal implications for the Councils if the risk events occur. The Joint Governance Committee has the responsibility for monitoring the effective development and operation of risk and opportunity management.

Background Papers

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

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

Officer Contact Details:-

Mark Lowe

Scrutiny & Risk Officer

Tel: 01903 221009

mark.lowe@adur-worthing.gov.uk

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: Going Further'. 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 may have an impact on the value that communities experience from social value projects if the Risks and Opportunities occur.

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.



APPENDIX A

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Updates on Risk and Opportunity Management

	May 2020 update	September 2020 update
<u>Corporate Risks and Opportunities</u>	11 Risks 5 Opportunities	11 Risks - No change 5 Opportunities - No change
<u>Service Risks and Opportunities</u>		
<u>Communities Directorate</u>		
Environment	3 Risks	3 Risks - No change
Housing	9 Risks	9 Risks - No change
Wellbeing	2 Opportunities 6 Risks	2 Opportunities - No change 6 Risks - No change
<u>Digital, Sustainability & Resources Directorate</u>		
Customer & Digital	7 Risks	7 Risks - No change
Financial Services	7 Risks 1 Opportunity	7 Risks - No change 1 Opportunity - No change
Human Resources	5 Risks	6 Risks - Plus 1
Legal Services	1 Risk	1 Risk - No change
Revenues & Benefits	4 Risks	4 Risks - No change
<u>Economy Directorate</u>		
Facilities & Technical Services	7 Risks	7 Risks - No change
Major Projects & Investment	10 Risks	10 Risks - No change
Place & Economy	7 Risks	7 Risks - No change
Planning & Development	19 Risks 1 Opportunity	20 Risks - Plus 1 1 Opportunity - No change
Leisure	3 Risks	1 Risk - Minus 2

High Risks on Service Risk registers	May 2020 update	September 2020 update
Housing	4	4 - No change
Financial Services	4	4- No change
Major Projects & Investment	2	1 - Minus 1
Leisure	1	1 - No change

 Risks where assessment score has increased since the last report	<p>Planning & Development - West Durrington development - Risk increased to Medium to reflect the delays in obtaining the necessary deed of variation.</p>
 Risks where assessment score has reduced since the previous report.	<p>Human Resources - Risk of staff not engaging in mandatory training - Risk reduced to Low Risk because of work undertaken to enable staff to engage in this training.</p> <p>Major Projects & Investment -</p> <p>Development of Worthing Civic Centre Car Park site - Risk reduced to Low Risk due to further mitigations (Planning permission granted August 2020).</p> <p>Estates Income - Risk reduced to Medium Risk due to mitigations and rent collection performing better than anticipated during Covid-19.</p> <p>Planning & Development -</p> <p>New Monks Farm and Shoreham Airport planning application - Risk reduced to Low Risk to reflect mitigations in place and developments.</p> <p>Shoreham Harbour regeneration - Risk reduced to Low Risk to reflect mitigations and progress in developing site.</p>

	<p>Fire safety - Failure to bring in additional income. - Risk reduced to Low Risk to reflect mitigations and additional income achieved.</p>
New Risks/Opportunities added since last report	<p>Human Resources - Failure to implement the HR Payroll system effectively - Medium Risk</p> <p>Place & Economy - Managing 'Place' Projects - New Risk added about managing 'Place' Projects which incorporates Risk on Seafront Observation wheel - Medium Risk.</p> <p>Planning & Development - Chatsmore Farm development - Possible impact on Local Plan/strategic gap - Medium Risk</p>
Risks/Opportunities removed since last report.	<p>Leisure - Failure of boilers and plant at Wadurs swimming pool - Risk removed because new boilers have been installed and new changing rooms provided.</p> <p>Impact on the financial ability of the Worthing and Adur Leisure Trusts. - Risk removed. Issues now covered in overall Risk on Leisure provision - Post Covid</p>

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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 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>September 2020 -</p> <p>The Community Response continues and is being developed into a third phase to ensure emergency support for people who are self isolating. We are now creating an addition to the app for the purposes of advising and helping people who have lost their jobs.</p> <p>Outbreak planning is underway for the Councils. We are working closely with the WSCC Public Health Team to develop a communications and engagement approach and prevention work around outbreaks. This includes monitoring data and risks around outbreaks.</p> <p>Further responses to COVID-19 are included in several sections below, e.g. housing/homelessness and supporting the local economy.</p>	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>September 2020 - Government funding is now estimated to be £ 3.453m (Adur £1.081m, Worthing £2.372m) towards Covid 19 pressures. In particular, the government will compensate local authorities for 75% of lost income after the first 5% which will help mitigate much of the pressures from lost income. However, the duration and depth of the pressures arising from Covid 19 are still a cause for concern, particularly within Worthing due to the extent of losses in car park income.</p> <p>Due to ongoing economic issues the Councils are also experiencing an increase in the number of Council Tax Support claimants, thereby reducing income from Council Tax in future years until such time as the economy improves.</p> <p>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>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>September 2020 -</p> <p>Since the last report to the Committee in May 2020 there has been little change to the impact that the rollout of Universal Credit is having on the number (reduction) of live Housing Benefit claims but there has been an increase in the number of claims that are being received for Council Tax Support - average weekly volumes have been</p> <ul style="list-style-type: none"> • Throughout 2019/20: 40 • April 2020: 103 • May 2020: 85 • June 2020: 71 • July 2020: 54 • August 2020: 51 <p>Statistics about the number of new claims for UC in both areas are now being provided by the DWP - since the beginning of June 2020 average weekly volumes have been 40 in Adur and 78 in Worthing.</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>September 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</p>	<p>Major</p>	<p>Likely</p>

	<p>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 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. New ultrafast fibre is currently being installed across our area, the first towns in the south east, and a funded initiative to provide "Citizen WiFi" will also support the town centre and seafront, and those who cannot afford data plans.</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>A Safe Towns Group has been formed to drive forward a range of actions to help support businesses to reopen safely including:</p> <ul style="list-style-type: none"> ● Developing a new pavement policy - to make greater use of outdoor space, ● Developing a new #WelcomeBackAW campaign for local 		
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	<p>residents to the town centre</p> <ul style="list-style-type: none"> ● Undertaking wise regulation to ensure businesses are operating safely ● Providing information and guidance for businesses to enable them to reopen safely, including targeted advice and support ● Adapting practices within the PH&R Team to ensure businesses can adapt, e.g. online food safety assessments. <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 during the pandemic in July 2020. The pandemic recovery will demand that we continue to closely monitor this data and trends to ensure that we can make timely and well informed decisions.</p>		
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<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>September 2020 - Demand for emergency accommodation continues to increase, with more households presenting homeless currently due to eviction from friends and family.</p> <p>Due to COVID-19, the Councils are not able to use the traditional nightshelter arrangements to accommodate individuals sleeping on the streets this winter. Therefore, temporary accommodation will need to be provided and if there is a second spike in the virus this winter, a similar response will need to be provided to the 'Everyone In' Scheme in March where the Chatsworth Hotel was used to accommodate all those at risk of sleeping on the streets.</p> <p>The Councils have submitted a bid for financial assistance to support those sleeping rough this winter and individuals accommodated during the last COVID-19 outbreak through the government's Next Steps Accommodation Programme.</p> <p>Though the government has extended the ban on eviction until the end of September 2020 and increased the notice period to 3 months, it is likely that increased evictions from both private sector and social landlords will begin to impact more from January next year. While we already anticipate evictions resulting from antisocial behaviour, it is likely that the end of the furlough period and a downturn in the economy may result in more evictions resulting from rent arrears.</p> <p>The Councils intend to engage with social landlords to reduce evictions especially due to rent arrears. A multiagency group, through the "Thrive Project" is currently exploring the best way to engage those in rent arrears and their landlords.</p> <p>Furthermore, the Housing Needs Team continues to work closely with the DWP and WSCC's Early Help service to identify vulnerable households at risk of losing their home so that the Councils can intervene jointly (see service risk narrative below).</p>	<p>Major</p>	<p>Very Likely</p>
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	<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</p>		
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	<p>and Homes England funding (over £15 million) to help deliver the 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>September 2020 -</p> <p>Migration of systems to cloud is making good progress, however there is still a reliance on the data centre for several key systems which present a risk to business continuity. Progress with migration is affected by a range of factors including technology suppliers ability to deliver and technical capacity to run several complex projects in parallel. A review of the Data Centre is being carried out to ensure risks are minimised as far as practicable.</p>	Extreme	Moderate
<p><u>Major Projects delivery</u></p> <p>Unlocking major development can be complex and take some time to deliver. The successful delivery of a major scheme will often depend on economic conditions over an extended</p>	<p>September 2020 -</p> <p>Covid-19 impact - Covid19 impact will continue to add a degree of uncertainty to the property market but the extent of this is not known at this stage.</p>	Major	Likely

<p>period.</p> <p>.</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>(As requested by the Joint Governance Committee, information relating to individual Major Project Risks has been included as part of this report and is contained at Appendix C).</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.</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>		
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<p><u>Climate Emergency</u></p> <p>Council response to the Climate Emergency needs to be threefold;</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</p>	<p>September 2020 -</p> <p>1) Mitigating climate change</p> <ul style="list-style-type: none"> ● A Draft Climate Plan has been developed with community partners for further engagement/consultation and establishing closer working relationships on local climate action. ● The councils are working closely with DemSoc and an Advisory Group of local experts to deliver and hold an online Climate Assembly with 40 Assembly members September-December. ● The New Carbon Reduction Team have been recruited to work on carbon reduction across councils services to deliver the 2030 carbon neutral target. ● Progress developing project to radically decarbonise heat on the Worthing Civic Quarter; consultants have completed techno-economic assessment and identified a viable scheme, stakeholders are engaged and preparing to sign MoU. Further £125K funding secured from BEIS to develop Outline Business Case and next stages. ● A study is underway to investigate solar PV opportunities on council owned land and building assets. ● The councils have collaborated with WSCC on procurement of a concessionaire and delivery of a countywide EV charging network ● The councils are participating in the Sussex Solar Together programme offering high quality, discount price solar and battery installs to Adur and Worthing residents ● Ongoing exploration of opportunities on council owned land, in and bordering Adur & Worthing for offsetting, biodiversity, rewilding and climate resilience schemes in particular New Salts Farm, the Adur Estuary and Kelp restoration with external partners. ● All funding opportunities from new Govt funding streams for the Green Recovery are being pursued wherever possible. 	<p>Major</p>	<p>Likely</p>

<p>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 from extreme weather events. • 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. 	<p>2) Adapting to climate change;</p> <ul style="list-style-type: none"> • The Worthing Strategic Flood Risk Assessment is being updated. • Adur DC has approved project costs for coastal defence works at Kingston Beach • Technical Services are assessing flood risk on/in vicinity of council owned land/buildings to identify opportunities for projects to improve climate resilience. • Parks planning to review opportunities for flood mitigation through an increase in permeable surfaces and rain gardens • Ongoing collaboration with external partners to investigate restoration of kelp forests which could reduce storm surge and tidal influence on the shore line by 70%; and to investigate an Adur Estuary project to provide flood mitigation and multiple additional benefits. • Emerging Worthing Local Plan includes a new chapter on climate adaptation. Adur Local Plan will need to be refreshed to improve its response to Climate Adaptation <p>3) Preparing for more frequent extreme climate events and impacts</p> <ul style="list-style-type: none"> • Adverse weather impacts are considered by AWC Emergency Planning service based upon pan Sussex risks using the National Risk Register of Civil Emergencies. The Sussex risks are in the public domain available to all via the Sussex Police register. <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 Climate 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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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>
1. Compliance - Fire, Gas, electrical and water quality (Adur Homes)	<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 etc</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>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>September 2020 -</p> <p>COVID-19 Impact Contact has been made with most tenants isolating and gas safety inspections carried out. 99.57% of properties now have a valid Landlord Gas Safety certification with only 10 properties left. Efforts continue to gain access to these properties. We are now liaising with Legal on two of these properties which we have been unable to gain access to despite several efforts, which predates COVID-19.</p> <p>Capital Investment works Discussions with Southern Fire Doors has restarted on the Fire Safety Door project.</p> <p>Work has commenced on the Sheltered Housing Communal Alarm project with installation of the new system in Marsh House almost complete. The contract for fire safety remedial works to general needs blocks of flats had to be re-tendered to ensure compliance with regulations on consultation with Leaseholders. Tender documents have been reissued and</p>	Extreme	Moderate

	<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>consultation with affected leaseholders has commenced. Fire safety remedial works to sheltered housing blocks have also been delayed because the Contractor is experiencing delay getting materials delivered on site.</p> <p>Work to install Smoke Alarms in flats without adequate smoke alarms has restarted and is nearly complete.</p> <p>Fire Safety Policy reviewed and updated</p> <p>Quarterly meetings being held with WSFRS.</p> <p>Water tanks are inspected and a plan in place to replace them when necessary.</p>		
<p>2. Rising costs of emergency and temporary accommodation</p>	<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. 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>September 2020 - End to restrictions on evictions likely to put even more pressure on EA/TA budget and homelessness teams.</p> <p>Efforts continue to reduce the cost of nightly paid accommodation and prevent homelessness as early as possible. See also information included in the entry for the Corporate Housing supply risk referred to above.</p> <p>Opening Doors – scheme now has had a number of new landlords signing up, allowing households to either move</p>	Major	Very Likely

		<p>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 given advice and support to find alternative accommodation to reduce the number of households in TA.</p>		
<p>3. Overall Risk of increasing demand for housing advice and homelessness applications</p>	<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>September 2020 - End to restrictions on evictions likely to result in a significant increase in homeless presentations. Covid-19 impact continuing to cause 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>	Major	Very Likely

		<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> <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>		
4. Housing Revenue Account - Financial sustainability as a result of Rent Reduction Policy and Rent collection levels - Impact on budget and service provision	<p>1. Financial -Reduced ability to Invest in capital expenditure to maintain buildings and properties and new homes</p> <p>2. Operational - Limited ability to deliver good quality services and meet customer need -Ability to cover day to day repairs and maintenance</p> <p>3. Business Sustainability/failure -deficit budgets set for forthcoming years, any further uncertainty could result in business failure</p>	<p>September 2020 - 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>The end of furlough scheme and the predicted downturn in the economy is likely to have a negative impact on rental income.</p>	Major	Likely

	<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>AH Improvement Plan focuses on reducing rent arrears and is 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>		
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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>1. 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</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>September 2020 - Covid-19 - Developing a new strategy to help address the financial implications of the Covid-19 emergency. As a result of Covid 19 pressures, enhanced budget controls implemented with all vacant posts being reviewed by Directors prior to recruitment, maximised the amount of underspend placed into the working balance</p>	<p>Major</p>	<p>Likely</p>

<p>than assumed.</p>		<p>at the year end to mitigate financial risks, all unnecessary spend is on hold until the financial position is more secure.</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>		
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<p>2.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>September 2020 - Closely monitor progress through Budget/ Performance Monitoring. • Where issues are identified these are built into the 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>3. 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>September 2020 -</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 2020/21. Awaiting the outcome of the Fairer funding review which has been delayed a further year due to Covid 19 impacts.</p> <p>1 year Comprehensive spending review is expected.</p>	<p>Major</p>	<p>Likely</p>
<p>4. General risk of not finding significant budget</p>	<p>Impact on ability to balance the budget to deliver the Corporate Priorities and priority services.</p>	<p>September 2020 -</p> <p>Sufficient savings have been identified for 2020/21.</p>	<p>Major</p>	<p>Likely</p>

savings from both Councils.		<p>Introduced Medium Term Financial Plan Tracker to check savings over 3 years. Significant progress has been made in identifying savings for 2020/2021.</p> <p>Risk is now for the 2021/22 budget round which is in progress.</p>		
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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>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>September 2020 - 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>

<u>Leisure</u>				
Leisure provision - Covid-19	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>September 2020 - July 2020 Director reported that Adur Community Leisure (Impulse) went into insolvency.</p> <p>Remains a significant risk as there is no guarantee of a suitable operator coming forward.</p> <p>Project group formed and paper prepared for September JSC recommending use of Covid powers to make a direct award.</p> <p>To mitigate this risk an experienced team of consultants (SLC) appointed to advise the Council.</p>	Major	Likely

Joint Governance Committee - 22 September 2020**Major Projects Risks**

<u>Risk</u>	<u>Internal Controls</u>	<u>Risk Impact</u>	<u>Risk Likelihood</u>	<u>Risk assessment</u>
Union Place, Worthing - Risk that the Council will be delayed in bringing the site forward as a mixed use development and planning permission will not be achieved.	<p>Appointment of consultants to protect Council's position and financial safeguards to be put in place to manage or reduce the level of the risk.</p> <p>LEP funding drawn down and spent.</p> <p>Development partner (LCR) in agreement.</p> <p>Project Plan, resources and funding in place.</p> <p>Update reports to the Joint Strategic Committee.</p> <p>September 2020 update - Planning application submission - March 2020 and due for determination October 2020.</p>	Minor	Unlikely	Low
Decoy Farm - Risk that development will not proceed. Significant development costs and risk of losing funding	<p>Report to Joint Strategic Committee setting out the procurement strategy and planned project timeline.</p> <p>Local Growth funding of £4.84 million secured to reduce the risk of the project and to ensure a viable redevelopment.</p> <p>Work completed to inform development proposals. Business case prepared and submitted to Coast to Capital. Funding drawn down. .</p> <p>Deliverable development strategy in place.</p> <p>Commencement of testing and onsite works ensures that progress is being made and LEP funding will be secured in line with agreements. Tangible progress now visible on site.</p>	Moderate	Unlikely	Medium

<p>Development of former Civic Centre, Shoreham-by-Sea - Risk of a delay in the regeneration of the site to provide homes and jobs</p>	<p>Phase I - Management of construction. (Complete).</p> <p>Phase II - Project plan for bringing site to market. - Site advertised for disposal/development going through process.</p> <p>Disposal of site agreed to Hyde Group. Planning application anticipated in 2020 in order to complete sale late 2020.</p>	<p>Moderate</p>	<p>Unlikely</p>	<p>Medium</p>
<p>Redevelopment of Grafton site, Worthing - Risk that the development does not proceed in order to create new car parks and residential units</p>	<p>August 2020 - Progress being made on resolving technical and title issues. Site will be marketed for development partner in latter part of 2020.</p> <p>Condition survey of car park undertaken and structural survey to inform car parking strategy.</p> <p>Purchase of retail units in Montague Street to give greater control of the retail units affected by the proposed redevelopment.</p> <p>Options appraisal of site undertaken to inform revised development brief for the site.</p> <p>Work to be undertaken to assess site constraints and the overall viability of the preferred development option.</p> <p>To continue to purchase additional retail units in Montague Street to secure the optimum redevelopment scheme.</p> <p>Work underway to address key development issues, party wall, rights to light, access act, procurement and parking.</p> <p>Wider town centre parking strategy produced and agreed by the Joint Strategic Committee.</p>	<p>Moderate</p>	<p>Moderate</p>	<p>Medium</p>
<p>Provision of flood defence walls on the Sussex Yacht Club site - Risk of further flooding if defence walls are not built</p>	<p>LEP funding secured (£3.5 million). Further gap funding (as necessary) agreed at July 2020 JSC meeting following procurement.</p> <p>Approval from JSC in January 2017 to purchase land to undertake flood defence works and to seek planning permission for demolition of buildings on site to construct flood defence walls.</p> <p>Purchase of land completed. Works commenced Summer 2019.</p>	<p>Moderate</p>	<p>Rare</p>	<p>Low</p>

<p>Redevelopment of the Civic Centre car park site, Worthing - Risk that the redevelopment does not proceed or is delayed.</p>	<p>August 2020 - Planning permission granted.</p> <p>Outline Business case produced in Autumn 2019.</p> <p>Meetings with relevant Health authorities/NHS to resolve issues around Head Lease and ensure overall business case is approved by the NHS Project Appraisal Unit.</p> <p>One Public Estate Bid through Greater Brighton Economic Board to secure investment into the project.</p> <p>Detailed feasibility studies and a 5 part business case using One Public Estate funding to access development options and to inform a new development brief for the site.</p> <p>Measures in place to fund proposal and appointments made to secure planning permission.</p> <p>Procurement strategy agreed and underway. Funding strategy agreed.</p>	<p>Moderate</p>	<p>Unlikely</p>	<p>Medium</p>
<p>Teville Gate redevelopment site, Worthing - Risk of delays in the development</p>	<p>LGF awarded (£5.6 million) to acquire and demolish Teville Gate House.</p> <p>Planning permission granted at Committee on the 4 March 2020 subject to s106 agreement. Heads of Terms agreed and awaiting ongoing discussions with Homes England regarding infrastructure.</p> <p>September 2020 update - Delays in completing the s106 agreement as it appears the developers are seeking to sell the site.</p>	<p>Major</p>	<p>Moderate</p>	<p>Medium</p>
<p>New Monks Farm/Shoreham Airport - Risk of failing to deliver housing and employment as set out in the Local Plan if the development does not proceed.</p>	<p>April 2020 - Planning permission granted for both developments (27 Dec for Airport and 4 Feb 2020 for New Monks Farm).</p> <p>August 2020 - Construction work started on site and Cala Homes building the first few properties.</p>	<p>Moderate</p>	<p>Rare</p>	<p>Low</p>

	September 2020 update- Risk reduced to Low Risk with lower impact and likelihood to reflect the progress/mitigations being undertaken. - Shoreham Airport is being sold with outline planning permission.			
Shoreham Harbour regeneration - Risk that site is not developed and housing and employment envisaged by Local Plan is not delivered.	<p>Taking a proactive stance dealing with high density planning applications and seeking external funding.</p> <p>Planning permission now granted for Kingston Wharf securing a further 255 homes and commercial floorspace. As a result a total of 795 dwellings already approved and an application for a further 200 expected therefore the level of development envisaged by the Local Plan has been reached. Work has started on 540 homes and the Hyde scheme starting in the New Year.</p> <p>September 2020 update - Risk reduced to Low Risk to reflect mitigations and progress in developing site.</p>	Moderate	Rare	Low
West Sompting redevelopment - Risk of failing to meet Local Plan housing targets and deliver affordable housing if development does not proceed..	August 2020 - Planning application Amended plans received and public re-consulted and application due to go to Committee in October.	Moderate	Moderate	Medium
Chatsmore Farm redevelopment - Risk to strategic gap and emerging Local Plan if development proceeds	August 2020 - Planning application submitted.	Major	Moderate	Medium