



Joint Audit and Governance Committee
29 November 2022

ADUR & WORTHING
COUNCILS

Ward(s) Affected: All

Risks & Opportunities Update Report

Report by the Director for Digital, Sustainability & Resources

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Executive Summary

1. Purpose

1.1 This report provides the latest updates on the management of the Councils' Risks and Opportunities

2. Recommendations

2.1 That the progress in managing the Risks and Opportunities be noted; and

2.2 That the Committee agree to receive a further progress report in March 2023.

3. Context

- 3.1 The Committee receives regular update reports on the general management of the Councils' Risks and Opportunities to assist the Committee in its role monitoring the effective development and operation of risk management and corporate governance in the Councils. This report provides the Committee with the detail of the updates including information on the 'High/Red' Service Risks for each Directorate. The last report to the Committee was on 31 May 2022. Further information on the management of Risks and Opportunities by the Councils is contained in the Risk and Opportunity Management Strategy.

4. Issues for consideration

- 4.1 The Councils have been impacted this year by a number of issues where the outcomes are uncertain which could lead to an impact on the delivery of the long and short term objectives if no action was taken to mitigate these risks. The Councils have needed to be proactive in the management of these business risks and there have been significant challenges in setting the budgets this year and it has been a long time since the Council had any certainty during budget setting. Having come through a pandemic, the Councils have now had to address the challenge of high inflation which is impacting on a number of costs significantly. The impact of any fairer funding review is now looking likely to be deferred yet again for a least a further year, but the councils do not know what will replace it for 2023/24; the Councils have had to address the impact of the industrial dispute and the additional costs required to meet the recently agreed national pay agreement for staff. A proactive programme of job evaluation review at the lower grades is also underway. All of this continues to influence costs; and inevitably the difficult economic climate will continue to influence a number of budget lines, from Council Tax revenues to income for services such as car parks.
- 4.2 The Councils have a clear strategy for facing the challenges of rapidly changing local government finance and will build on the strategy to meet the new and emerging challenges but within the context of supporting our local communities and economies. Careful financial management is being applied to ensure that the Councils manage both the emerging in-year pressures and the implications for the future, whilst driving forward with the new Corporate Plan. The financial strategy includes managed and prudent increases in council tax, and a clear focus on driving efficiency and productivity. The Councils will be increasingly reliant on council tax income, business rate income, and our own income generating services.

- 4.3 Reports are regularly provided to the Councils and the Joint Strategic Committee (JSC) on how the Councils have been managing finances and responding to the pandemic. During these challenging times it is important that the Councils continue to monitor and review the full Risk and Opportunity registers. Corporate Risks and Opportunities which reflect the aims and activities set out in the Corporate Plan are reported regularly to the Council Leadership Team. The Service Risk registers are regularly updated in consultation with Directors, Heads of Service and Departmental Management Team meetings.
- 4.4 This report includes changes required to the Risks and Opportunities since the last report to the Committee in May 2022. At the request of the Committee a new Corporate risk has now been added which relates to staffing issues 'Our People - Resource levels, health and wellbeing, skills and learning'. A Corporate Risk has also been added relating to Adur Homes - 'Risk that Adur Council will fail to comply with statutory health and safety obligations as a social landlord (Adur Homes)' - Information on this risk is set out in Appendix B to this report. Following on from the launch of the new Corporate Plan for the Councils it will also be an ongoing process for the Councils to review the current Corporate Risks and Opportunities to make sure that they continue to align closely with the new Corporate Priorities. Changes will be reported to the Committee on a regular basis.

5. Engagement and Communication

- 5.1 The updates on Risks and Opportunities as contained in Appendices A, B and C have been produced in discussion with Heads of Service and Directors as part of the regular review process. The Council Leadership Team, Organisational Leadership Team and relevant Officers have been consulted on the production and contents of this report.

6. Financial Implications

- 6.1 There are no direct financial implications as a result of this report but there are financial implications associated with some of the Risks and Opportunities referred to in the report and contained elsewhere in the Risk registers.

7. Legal Implications

- 7.1 There are no direct legal implications arising from this report but there are potential legal, compliance, regulation and public protection implications for the Councils if any of the risk events do occur. The Joint Audit and

Governance Committee has the responsibility for monitoring the effective development and operation of risk and opportunity management.

Background Papers

Adur & Worthing Risk and Opportunity Management Strategy 2021 - 2023
Risk and Opportunity Management updates report to the Joint Governance Committee on 31 May 2022

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. 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 Audit and Governance Committee.