

Crawley Borough Council

Report to the Audit Committee

3rd March 2021

Progress Report and Risk Management

Report of the Audit and Risk Manager – FIN/521

1. Purpose

- 1.1 The Committee has a responsibility to review the Internal Audit Progress report to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

2. Recommendations

- 2.1 The Committee is requested to receive this report and note progress to date, as at 19th February 2021.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk based issues identified by Internal Audit.

4. Background

4.1 Work Completed

Since the last report, as at 31st August 2020 the following work has been completed/undertaken:

Audit Title	Audit Opinion
Car Parking – Visitor Parking Permits	No Assurance
Disabled Facility Grants	Satisfactory Assurance
Cash and Bank	Substantial Assurance
Creditors	Substantial Assurance
Sundry Debtors	Substantial Assurance
Throughout the year:	
Attendance at Corporate Project Assurance Group	
Attendance at Town Hall Board	
Member of Information Management Project Board	
Member of Information Governance Board	
Subject Access Requests	

4.2 Work in Progress

The reviews in progress and other work that we have undertaken in the period are shown at Appendix A.

We will complete a large proportion of the annual Internal Audit Plan by 31st March and where this has not been possible due to the re-prioritisation of resources across the Council during the COVID-19 pandemic, we have carried forward a small number of audits. This has been done with the agreement of the S151 Officer.

4.3 High Priority Findings in this Period

There were 10 high priority findings identified in this period, all of which relate to the Car Parking – Visitor Parking Permits audit.

Car Parking – Visitor Parking Permits Audit 2021

- High Priority Findings – 10
- Medium Priority Findings - 1

Crawley Borough Council operates a Visitor Parking Permit system, whereby discounted Staff Daily Permits (SDPs) are available to members of staff who occasionally bring their car to the Town Hall and would otherwise pay the full parking charge.

The cost for a single SDP is £2.50, with the cost of a book of 10 permits being £25. Each permit comes in the form of a scratch card which has its own unique sequential reference number and is valid for one calendar day.

These are used to park at the Town Hall, although were not required during the initial lock down due to COVID-19, where the parking fee was waived. Staff usage has increased since 1st July 2020 when parking charges were reintroduced; staff were only required to attend the Town Hall on one or two days per week. Using one of these permits is cheaper than paying for a whole day's parking, where the charge for over three hours is £3.50.

Due to the increased use of SDPs, we have been asked to undertake a short review of how they are controlled.

During this audit, we reviewed the ordering of permits, sale of permits, records maintained by Parking Services and physically counted the stock of permits held, recording their serial number. This aim of this work was to enable us to ensure that all permits that had been ordered were accounted for, that is were either sold or still in stock.

However, due to the poor controls in relation to the recording of stocks received, the lack of a reconciliation between permits held and permits sold, the absence of an accurate stock record and the poor custody of permits, this was as difficult task.

Based upon the work that we have undertaken, and in the absence of any evidence to the contrary, either from the records maintained, or from staff in Parking Services, we can advise you that there are 5,533 parking permits unaccounted for, i.e. they have not been sold and are not held in stock. This represents a value of £13,832.50 of lost income to the Council.

The main findings of this work are summarised as follows:

- Procedure notes covering for the issue of SDPs were not in place at the time of the review. Whilst there was some guidance on the operation of the computer system, no guidance was available in relation to ordering and sale of permits, safe custody of the permits, and the reconciliation between sales and stock held.
- New stocks of SDPs are not formally checked into the Council by a responsible officer and confirmed as received by Parking Services.
- A record of all stock received into Parking Services is not formally recorded, with numbers of permits noted.
- Whilst stock reorder levels are set, they are of little value as the formal and regular stock takes are not undertaken to confirm the level of stocks held and the permits held by serial number. At the time of the audit, Parking Services did not have an accurate record of the stock held or the individual permits.
- Stock of permits are held in the Cashiers, in a cabinet, and in the Strong Room. Both are accessible to officers who do not work in Parking Services.
- Permits are at times issued without the name of the recipient being recorded. This makes it difficult to undertake a reconciliation of income received and permits issued. It also loses an opportunity to identify if an officer is buying more permits than they need and passing them onto others.
- Permits have been issued out of sequence, with newer permits being issued before older ones. This indicates poor stock control.
- The system for storing the permits revealed that they are not in number order.
- A record of all permits issued, either sold or on rare occasions given free, is not maintained by Parking Services.
- A reconciliation of permits sold to permits still in stock is not undertaken by Parking Services. This loses the opportunity to identify lost or misappropriated permits.

Actions have been agreed by Management to improve the control environment, and we will undertake further work before the next meeting of this Committee to ascertain whether improvements have been made and are sustained.

We would add that the staff in Parking Services were helpful and co-operative at all times.

4.4 Follow Up Audits

We have not undertaken any follow up audits in this period.

4.5 Freedom of Information (FOI) Requests

Between 1st October 2019 and 19th February 2021 we have processed 355 requests, and of these, 23 were responded to late.

We have responded to requests for information in as timely a manner as possible, but due to the challenges on resources that arose due to the COVID-19 pandemic, some requests were late, and in some cases, the information requested was not provided as it was necessary for resources to be diverted away from usual compliance of information rights work, and be applied to serving and protecting Crawley Borough Council's communities during this challenging time.

5. Corporate Risks

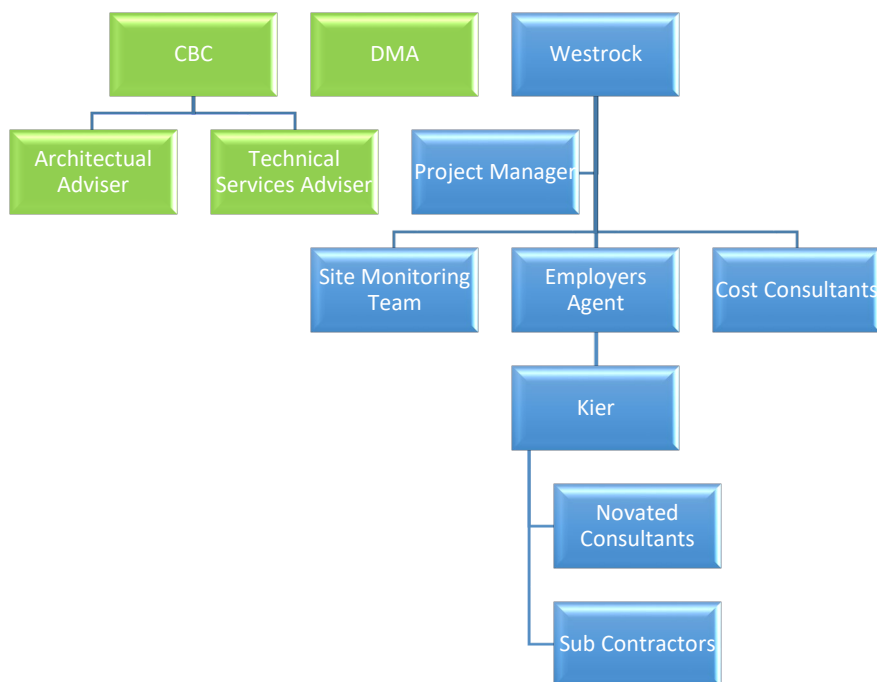
5.1 Failure to deliver key infrastructure projects as planned, on time and within budget, such as:

a) New Town Hall

Despite the challenges of Covid, the construction of the New Town Hall building continues to time and budget, and working across stakeholders continues to improve. Commercial agents have been appointed and very early indications for tenants are positive, but this remains a key risk. Conversely Covid has accelerated new ways of working that provides greater confidence that the organisation will be ready to move, and allows the Council to occupy a smaller amount of space. Decisions on exact ways of working have been put on hold wherever possible until the post-Covid picture is clearer. Significant progress has been made around facilities management approach and this will continue. The wider benefits of the redevelopment is being actively pursued, albeit that some skills and educational opportunities have been lost due to Covid. The project board overseeing the development has structured itself around these risk areas, and has developed a programme that identifies and manages interdependencies and is actively managing the identified risk. A detailed risk register has been created to reflect this stage of the development and continues to be updated as this stage of the project embeds itself, this is attached as at Appendix B.

Governance Structure –

Contractual Arrangements



Internal Governance

Member Oversight

- Updates to Cabinet Briefing & regular liaison with Portfolio Holders
- Reporting as requested to Overview & Scrutiny Committee
- Member Working Group advising with particular interest in Groups 2, 4 and 6

Town Hall Board

Group 1: Design & Build	Group 2: Moving into NTH	Group 3: Commercial Space	Group 4: Facilities Management	Group 5: District Heat Network	Group 6: Benefits Realisation
<ul style="list-style-type: none"> • Construction monitoring • Car Park works • Contractor liaison • Financial monitoring • Communications • Interface with other developments 	<ul style="list-style-type: none"> • Cat C design and procurement • Link Transformation Programme • Layout and accommodation • Decant planning and moving 	<ul style="list-style-type: none"> • Appointment of commercial agent • Marketing of building • Tenancy agreements • Occupancy arrangements • Interface with FM 	<ul style="list-style-type: none"> • Commissioning & training for M&E and plant equipment • Plant maintenance contracts etc • Emergency planning • Risk assessments • Car Parking • Front of house 	<ul style="list-style-type: none"> • Procurement of O&M contractor • Billing & Client arrangements • Test & Commission plant • Switch over A2D & Kilnmead • Phase 2 planning and business case 	<ul style="list-style-type: none"> • Public Square and 4th Plinth moment • Public spaces within town hall • Sustainability benefits • CSR benefits

b) District Heat Network

The final element of the Town Hall Site Redevelopment is the District Heat Network. This element has taken considerably more time to get to contract but this has now been achieved, and the impact of delays mitigated across the wider programme. The project team structure has been agreed and this will continue to report into the Town Hall Board and member oversight mechanisms in the same way as above. The mechanisms for identifying and managing risk also mirror the wider approach. To date works have progressed largely to programme and budget and the remaining design areas are being finalised. The procurement of the O&M Contractor is in the very final stages and once in place will be a key milestone in the project.

c) LEP Infrastructure – Crawley Growth Programme

CBC, together with WSCC (the lead body) was successful in securing £14.6 million of Local Growth Fund from the Coast to Capital LEP in autumn 2017, as part of the Crawley Growth Programme – a £60m package of public and private sector funding with an additional scheme and further funds added by WSCC to increase the package to £72m. The principal purpose of the Crawley Growth Programme investment is to help bring forward regeneration sites to achieve new homes, jobs, and commercial space.

The Queensway scheme was completed on time and within budget in October 2019. The Town Centre signage scheme was rolled out and completed last year with an additional phase delivered, providing further signage in and around Memorial Gardens. The Station Gateway scheme has been successfully project managed through its initial stage, with the Borough Council able to broker successfully a way forward between Network Rail, GTR, West Sussex County Council and the Arora group on the

development of proposals for a brand new Crawley railway station complex and associated public realm / parking / access improvements on site. These proposals, alongside a residential development at Station Gateway, are the subject of a live reserved matters planning application, which is due to be considered by planning committee.

The following projects will be led by CBC as part of the Crawley Growth Programme over the period to March 2025:

- Station Gateway public realm improvement
- Grade A commercial space development
- Three Bridges Station Improvement scheme
- Town Centre and Manor Royal Cycle Schemes
- Town Centre and Manor Royal 'super hub' bus shelters

The remaining risks associated with the continuing delivery of the Crawley Growth Programme are the following:

- Risk of budget overspend for the future project delivery within the Programme
Mitigation: regular financial monitoring and audit work carried out. Quarterly LEP audit; Head of Corporate Finance attends six weekly Programme Delivery Team meetings with West Sussex County Council. A "mid-term" programme review to take place summer 2021.
- Scheme delivery time overruns – Remaining Crawley Growth Programme schemes must be delivered by the end of March 2025.
Mitigation: Regular project monitoring undertaken by individual Project Boards, the Programme Delivery team with West Sussex County Council and reported to the Crawley Growth Board, chaired by the CBC Chief Executive.
- Discontinuation or withdrawal of support from key partners
Mitigation: Regular interaction to identify and resolve issues promptly at project Board level with the Manor Royal Business District, Network Rail, GTR, Metrobus etc. A "mid-term" programme review to take place summer 2021
- A sustained period of economic downturn which slows up private sector investment on key regeneration sites in the town centre:
Mitigation: The type of infrastructure investment being delivered by the Crawley Growth Programme in public realm, transport and infrastructure transcends the economic cycle and delivers structural improvements to strengthen Crawley's economic prospects. The target date for delivery of regeneration site outcomes is actually 2030 to take account of the economic cycle and potential for a sustained down turn, which is now likely in view of the impact of the COVID-19 crisis nationally and internationally.

Ineffective co-ordination of delivery across projects, leading to multiple disruption in the town centre and Manor Royal when this was avoidable. **Mitigation:** Careful planning and close cooperation between CBC, WSCC officers and third party partners / contractors. A "mid-term" programme review to take place summer 2021

- Absence of CIL funding receipts in contribution to the delivery of the Crawley Growth Programme
Mitigation: Officers will defer from seeking Member approval to progress any elements of a scheme requiring CIL funding until such time as the requisite CIL receipts have been received.
- Ineffective co-operation and communication with WSCC
Mitigation: Where WSCC is the lead partner in the delivery of a Crawley Growth Programme scheme, such as the Eastern Gateway, CBC expects to be kept up to date in a timely and effective fashion well in advance of scheme milestones. This will be channelled through the Crawley Growth Board, chaired by the CBC Chief Executive and the Programme Delivery Team. A "mid-term" programme review to take place summer 2021

d) **Three Bridges Railway Station**

On 11th February 2015 [SHAP/43](#), Cabinet approved the allocation of £430,000 of S106 funding towards the delivery of improvement works to the Station Forecourt. Network Rail have formally agreed to extend the S106 funding spend deadline to end March 2021. This funding remains on track to be spent by the deadline.

Member approval was granted in June 2016 to reallocate £1.5 million of Borough Council capital programme funding, originally earmarked for the Queens Square regeneration scheme, to the Three Bridges station improvements programme. These funds have been combined with the above S106 resources, in addition to a further £89,000 of S106 funds along with over £1.1 million of Community Infrastructure Levy, (approved by Cabinet on 7th February 2018), subject to receipt of the CIL funds.

At the Full Council meeting on 26 February 2020, Members debated the recommended design option for the Three Bridges Station Improvement scheme in the context of a petition received with over 1,000 signatories objecting to the removal of the right hand turn for vehicles out of the station and a Council motion requesting that an alternative design option is developed retaining the right hand turn and then being subject to public consultation.

Full Council voted to request that Cabinet note the petition and consider its contents and then voted to approve a Council Motion which requested that Cabinet refer the matter of retaining the right hand turn to West Sussex County Council, the Highway Authority, requesting that the Highway Authority determine whether an alternative design option retaining the right hand turn is viable. This course of action was approved by Cabinet in March this year and a response received in June has confirmed the Highway Authority's support for the proposed scheme and the preferred design option. A planning application is in preparation for the scheme as well as a budget review and work to secure the outstanding Community Infrastructure Levy required to finance the scheme.

A comprehensive risk register is overseen by the Project Board of the Crawley Growth programme. The principal strategic risk looking ahead to the next steps is that a way forward is unable to be agreed.

5.2 **Delivering the Affordable Housing Programme**

The Administration has pledged to build as much affordable housing for local people as possible. Delivery is being programmed through the Strategic Housing Board and scrutinised at CMT and through the Corporate Projects Assurance Board. Projections for the current 4 year delivery period (2018-2021) indicate that delivery can be maintained at a similar level to the previous 4 year monitoring period at just over 1,000 new affordable homes. Approximately 2/3rds of this delivery will be by the Council and the remainder by other Registered Providers of affordable housing. Delivery is expected to remain at a similar level for the following 4 year monitoring period to 2025.

The greatest risk to the delivery of affordable housing lies beyond the medium term, once the current programme has been delivered. This reflects the fact that the majority of larger sites within the Council boundary that can easily be built will have been developed. This will leave smaller sites that are more challenging and contentious in nature and therefore more resource intensive to bring forward, or finding other opportunities such as regeneration.

- Work has been undertaken that will seek to identify these future sites and opportunities, feeding into the Local Plan and developing programmes of work. The

Strategic Housing Board has reviewed and strengthened its governance to adapt to the new development environment and the associated risks this will bring.

5.3 Transformation Programme

The Council had set itself a change agenda to be completed ahead of the move to the new Town Hall and to help us meet future demand, needs and financial pressures. One impact of the Covid19 pandemic has been the move of almost all staff to home working arrangements, thereby achieving in a matter of days, a shift in mind-set towards more agile ways of working that might well have taken months to achieve.

Given this progress and recognising the wider financial and community impacts of Covid, a review of the Transformation Programme has been completed and our plans refreshed to refocus our objectives. These are Channel Shift, New Ways of Working, People Strategy, Service Redesign, Commercialisation and Assets.

At a programme level, the key risks are:

- Financial – restricting the scope of work and change arising
- Capacity to deliver the scale of the Transformation Programme given other pressures
- The interdependencies between the areas of work not being recognised

The Transformation Board at CMT level brings together and provides oversight at a high level plan to ensure coherence, manage interdependencies and change, allocate resources and ensure delivery. Furthermore the Digital, Transformation and Corporate Support teams have been reinforced to ensure there is sufficient capacity both to support and deliver the transformation programme. Finally, significant work is taking place with third and fourth tier managers to ensure to support implementation.

A further senior management group – Corporate Project Assurance Group - ensures appropriate governance of projects and that key projects beyond the transformation programme are not adversely impacted from the constraint of capacity and resources.

5.4 Disaster Recovery and Business Continuity

Currently, our core data centre is based at the Surrey Data Centre in Redhill. 99% of all systems are hosted there with a few remaining hosted at the Town Hall. The migration of users to Office 365 in the cloud, means that core communication tools like Outlook are available from anywhere. The rollout of hybrid devices, the new Virtual Private Network (VPN) and the rollout of MS Teams has successfully delivered the capability for staff to work in any location where an internet connection is available. Bewbush remains as a site for face-to-face services even though it wouldn't be required for access to systems.

There remains a risk that the Surrey Data Centre could go offline, leaving CBC unable to access its line of business systems. The options for fully duplicated disaster recovery are being drawn up ready for implementation over 2021/22 (see move to cloud below). Until such time there remains the following risk.

- The Surrey Data Centre were to go offline – CBC would retain access to Office 365 (MS Teams, Outlook etc.), but not service specific systems hosted at Surrey until the data centre was restored.

5.5 Move to Cloud

The Council is undertaking substantial work to modernise its IT Digital Infrastructure to support our Transformation Programme, and ensure its IT estate is fit for purpose ahead of the move to the new Town Hall. The optimal strategy, in terms of future proofing our IT infrastructure and reducing the risks associated with that infrastructure, has identified moving our estate to the cloud. Whilst this will de-risk the Council over time, it is recognised that there will be risks associated with the change itself. Financially it requires a shift from a capital to a revenue model of funding IT and ways of mitigating this are being investigated. Structurally it will require short term investment and medium term shifts in human resources as elements of the Digital Team shifts into new roles. From a data security point of view it will require careful consideration of the implications to ensure the Council is compliant.

Risks of the move to cloud:

- Covid V19 financial impact makes the revenue investment difficult to achieve.

5.6 Data Breaches

This risk relates to inadequate data sharing and data security arrangements including failure to maintain public services network accreditation (PSN). Improper disclosure of confidential information, failure to comply with GDPR requirement could lead to major reputational damage, loss of public confidence and the inability to operate key business processes.

The Council has made some considerable strides in this area in recent months. Most significantly it has re-secured its PSN certification providing assurance that its infrastructure is robust and secure. This will continue to be tested on an annual basis. Secondly, and in preparation for the move to the new Town Hall, an Information Management project has been set up to audit all information assets and policies, and prepare them for transfer to a new electronic document and record management system. Thirdly the Information Governance Board has been refreshed and this will oversee all aspects of this work, and is currently reviewing guidance and training for staff.

5.7 **A Balanced Budget is Not Achieved in the Medium Term Resulting in an Increased Use of Reserves, which is Not Sustainable.**

The Budget Strategy report to [Cabinet](#) on 25th November 2020 identified future budget gaps and mitigations. The budget report which was presented to Cabinet and the Full Council included the outcome of decisions made on savings, taking into account the results of the resident's survey.

The Budget and Council Tax 2021/22 [FIN/514](#) report to Cabinet on 3rd February 2021 and the Full Council on 24th February 2021 included the outcome of decisions made on savings, taking into account the results of the resident's survey. The report identified in Table 6 £1.819m of savings and efficiencies in order to address the gap and the impact of the pandemic. Despite this there is still a small budgeted use of reserves of £155,506. The future budget gap was identified of £447,000 for 2022/2023, however there are many unknowns going forward. The proposed Fair Funding Review has now been delayed together with a review of business rates retention and the future of Local Government financial settlements are unknown. There has been a consultation document of the [future of New Homes Bonus](#).

This will be responded to and will impact on future assumptions.

The impact of Covid19 is having a significant impact on both the current and future years. In year savings, efficiencies and other mitigations of £1.78m have been identified, despite receiving Government support there is still a budgeted shortfall of £109,000 identified in the Quarter 3 [FIN/516](#) report to Cabinet on 3rd February 2021. The Corporate Management Team will be working on the budget position throughout the new financial year and assessing the impact on the budget due to Covid-19 and will report through regular Quarterly budget monitoring reports to Cabinet.

5.8 **Organisational Capacity, Recruitment, Retention and Succession Planning**

There are a number of current and forthcoming workforce challenges facing the Council. As we seek to transform, continuously improve and meet a budget gap, we will be asking more of our staff, potentially with less resource. Some of this will be met through greater productivity, but not all. Having reduced the workforce in recent years from c1000 to c600, the Council is already seeing potential points of failure, for instance single standalone specialists. It is also recognised that there are teams that are potentially already under-resourced and the impact of Covid 19 is adding other pressures on staff.

Recognising these challenges, the Transformation Plan has as one of its objectives the creation of a People Strategy overseen by a People Board. This will bring corporate drive to addressing some of the following challenges. This group was established at the end of 2020 and will shortly seek wider representation from staff, managers and Unison as it develops its agenda.

The recruitment and retention of key specialist and professional roles can be challenging. The impact of higher salaries in the private sector is evident and as a result has led to problems with recruitment and retention in roles such as Procurement, IT, Legal and some Planning and Surveying roles. HR are working with managers to ensure that we promote hard to recruit roles effectively and actively encourage managers to have transparent conversations around salary throughout the recruitment process.

We have also seen a number of skills gaps in the market when recruiting, as a result HR has worked with managers to creatively approach their recruitment by either upskilling employees internally or re-evaluating and recruiting to trainee level posts, this has resolved some retention issues, but it has impacted on workload for these business areas as there are greater levels of support and training for staff in these circumstances.

We offer a generous employee benefits package, with a range of discounts, benefits and wellbeing incentives to suit everyone and by raising the profile of these to prospective and existing employees with our benefits hub and external webpage, we can address candidate attraction and retention.

We continue to promote and support the creation of apprenticeship opportunities and we are making progress with better promoting ourselves as an employer of choice. The Corporate Management Team are discussing succession planning and putting processes in place to plan for the future.

5.9 **Challenges and Risks: Workforce Capacity, Resilience and Health and Wellbeing**

a) **Workforce Capacity**

The challenges facing the workforce has been unprecedented over the last year as the Coronavirus pandemic has affected everyone in some way or another. We have seen the impact upon Crawley residents with local firms making significant job redundancies and firms using the Coronavirus Job Retention Scheme (CJRS) placing staff on furlough. These measures have significantly increased the amount of people using council services and making financial claims that would otherwise not have made claims to us. With forthcoming changes to the government's schemes we expect the demand to continue for several months, therefore placing additional demands on staff in these critical services.

In our response to these demands staff have been working considerably more hours and although this can be attained in the short term with the continued high levels expected, this would be unattainable longer term. When the council set out to respond to the demand we could not foresee the levels or duration that this would be for. Departments put into place their business continuity plans (BCP) however this has been an unprecedented emergency and although the BCP helped the workforce to respond, these plans we not necessarily

designed as long term solutions. To support colleagues we have reassigned staff from different work areas to help meet the need.

Going forward the challenges and risks we face are if further job cuts happen within the borough, more people will seek the services of the council. Our response is to evaluate where we consider these pressure points will be and in advance of the impact identify staff we can reassign and in preparation will have undergone specific training for the roles they may be asked to cover.

b) Workforce Resilience

We have seen the workforce respond and apply flexibility to the demand placed upon them and they have got to grips with the new pieces of legislation and subsequent government changes, of which there have been many.

Everyone has been affected in some way, whether it be directly by the virus itself, we have known some staff have lost loved ones to the virus, or staff shielding as they have medical conditions which means they are critical or vulnerable to the virus or they live with someone in their household who is shielding. A large number of staff have been home schooling whilst juggling working from home. For staff who work out in the community concerns have been about their ability to remain safe and maintain the social distance requirements whilst undertaking their jobs. Despite these challenges the workforce have largely responded well. We have also conducted two staff surveys, with a third currently ongoing to gauge the impact of the pandemic on our staff, services, productivity and morale. Feedback from these staff surveys have confirmed that staff are coping and performing well although the third lockdown is taking its toll on staff, particularly their wellbeing and fatigue.

Some staff have been financially impacted as their partners/husbands/wives may have been furloughed or made redundant.

We have increased the measures to support staff with ongoing support and a comprehensive staff wellbeing programme

c) Health and Wellbeing

Throughout this time the organisation has ensured our workplace have been supported in working from home, we have advised staff how to staff stay safe and healthy giving them access to health initiatives and links to variety of support avenues.

We have prepared for when staff return more regularly to the workplace and have robust health and safety measures and guidelines in place.

d) Challenges and Risks We Face

We face a number of challenges in the forthcoming months, some we are able to anticipate as mentioned earlier and some we may only know about and experience as they happen.

The Coronavirus pandemic is unprecedented, and should a further spike of the virus occur we could see our workforce health impacted and have a reduced workforce for some time. It is therefore paramount that we continue to establish a core of staff who can be deployed to key critical areas as and when needed.

We have an aging workforce and as some staff members may be able to access their pension, we may see an increase of staff leaving the organisation. It is known that when people experience a life changing event, which one could liken the pandemic, people often

re-evaluate their personal circumstances. If this was to present itself we could see a loss of key officers with significant knowledge and skills leave the organisation.

5.10 **Climate Emergency**

In July 2019 the Council declared a climate emergency and pledged to aim to reduce carbon emissions generated by Crawley Borough Council activities by at least 45% by 2030 and to zero by 2050 as recommended by the Inter-governmental Panel on Climate Change (IPCC). The risks here are broadly two-fold, the costs of not acting and the difficult choices involved in acting. A Climate Change Scrutiny Panel was established in autumn 2019 and undertook an assessment of the Council's carbon emissions and a series of meetings to support that assessment. Unfortunately that assessment was significantly delayed due to the pandemic. The Scrutiny Panel presented a report in February this year to Cabinet with recommendations for the Council's Climate Change Emergency Action Plan. Officers will draw up the Action Plan over the coming months and this will be submitted to Cabinet for approval, alongside an audit of the Borough's carbon emissions. The officer Climate Emergency Advisory Group is evaluating the recommendations of the Scrutiny Panel as part of the development of the Council's Climate Emergency Action Plan which will be brought to Cabinet for consideration later this year.

5.11 **National Waste Strategy (incl Food Waste)**

The National Waste and Resources Strategy is scheduled for final consultation in spring 2021. Although yet to be confirmed, it seems likely that the Strategy will mandate changes to refuse and recycling collections which could place additional resource burdens on waste collection authorities. The Draft Consultation Strategy indicated introduction of a mandatory weekly food waste collection which could then impact upon residual waste and dry mixed recycling collection frequencies. The Council's contract for Waste and Recycling has been extended to allow sufficient time to understand this impact and undertake the planning required to take account of the changes to come.

5.12 **Public Health**

The Covid-19 pandemic reminds us of the risks associated with public health emergencies. As host borough to Gatwick Airport, the Council has additional responsibilities when such issues emerge, in addition to those faced by other Councils.

5.13 **Local Plan Failure to Adopt**

Crawley's refreshed Local Plan 2021-2037 has been published for another round of "Regulation 19" consultation, which commenced on 6th January 2021. Officers have reviewed the written representations received from the previous consultation from residents, stakeholders, other local authorities, businesses and developers and have completed further supporting evidence ahead of the next steps, including a review of the impact of the COVID-19 crisis on the Borough's economic growth forecasts. Some additional further evidence remains outstanding and until that has been completed and published the consultation on the Local Plan will remain open, to allow sufficient time for stakeholders to review the Local Plan in light of the full evidence base and make their representations accordingly. Following the completion of this current "Regulation 19" consultation, officers will consider the written representations received and the intention is to submit the refreshed Local Plan in summer 2021 in order for an examination of it by the government Planning Inspectorate in autumn 2021. Subject to process and the outcome of the examination, the Local Plan document would then come back to Cabinet and the Full Council for approval to adopt as policy.

- The principal risk associated with adoption at this stage is that the Inspector finds the Local Plan not to be legally compliant, in which case it would not be able to proceed through examination. In addition, there is a risk that the Inspector considers at examination, having taken into account duly made representations, that the Local Plan is not yet "sound" and that it requires significant modification. Only minor modifications

can be undertaken by the council before or during the examination process, unless these are required by the Planning Inspector in order to make the Plan “sound”. Adoption could be delayed should the Inspector require a revised draft to be produced to go out to a further period of modifications consultation; the examination to be ‘paused’ to allow significant time to undertake further work; or the council to withdraw the Plan to make substantial amendments where the modifications would go to the heart of the Plan. The adoption of the Local Plan is a Full Council decision, there is a risk the council may not agree to adopt the Local Plan. Where this has occurred in other authorities it has been due to political changes since the approval for publication and submission, or because of Main Modifications required by the Inspector which were not accepted by the council (there is no allowance to adopt a Plan except in accordance with the Inspector’s modifications, the only other option would be to withdraw the Plan and start work on a new Plan). Finally, there is the risk that a third party could ask the Secretary of State to intervene to prevent adoption of the Local Plan, or might subsequently raise a judicial review which could risk the Plan (or a specific part of it) being quashed.

5.14 **Brexit**

The implications to the supply chain are yet to be seen due to leaving the EU, this will be monitored and reported during the next financial year.

5.15 **Covid-19**

Whilst not a specific Crawley Borough Council organisation risk there is a very large community risk of the pandemic on our residents. These include inequalities, health, housing and businesses. We are trying to mitigate this through help and support including providing Government grants and supporting eligible residents to apply for Council tax reduction. Some impacts however, will not show until the housing eviction ban has been lifted, courts reopen and furlough schemes end and there may be an increase in job losses which will result in increased demands on services.

Report author and contact officer: Gillian Edwards, Audit and Risk Manager