

Crawley Borough Council

Report to Audit Committee

9 July 2024

Risk Management Update

Report of the Head of Governance, People & Performance – **LDS/222**

1. Purpose

- 1.1. The Committee is asked to review the action taken by the Corporate Management Team and staff to mitigate Strategic Risks.

2. Recommendations

- 2.1. That the Audit Committee:
 - a) Is requested to consider the contents of this report and confirm it is satisfied with risk management arrangements.
 - b) Review the Strategic Risk Register (Appendix A) and determine whether there are any matters that it wishes to draw to the attention of the Chief Executive or to Cabinet.

3. Reasons for the Recommendations

- 3.1. The Committee has a responsibility to ensure that action has been taken by Corporate Management Team and relevant Managers on risk-based issues identified and provide independent assurance that our risk management framework is sound.

4. Background

- 4.1. The Corporate Management Team regularly review the Strategic Risks of the Council and look at the mitigations of those risks. This is a live document and updates on risks are presented to the Audit Committee at its meetings. The internal audit service (SIAP) will give an annual report and opinion on the organisation's framework of governance and risk management on the audit work conducted in the year. The Audit Plan looks at these Strategic Risks.
- 4.2. The focus of effective risk management is the identification and management of risks and opportunities. It increases the probability of success, reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process which runs throughout the Council's strategies and service delivery.

- 4.3. This enables the Audit Committee to meet its responsibilities to provide the Council with independent assurance of the adequacy of the risk management framework and associated control environment.

5. Risk Management Arrangements

- 5.1. The Council's approach to risk management is set out in its [Risk Management Strategy](#). The objectives of a risk management strategy are to:
- Integrate risk management into the culture of the Council by engendering a positive attitude and understanding to risk throughout service areas.
 - Manage risk in accordance with best practice.
 - Prevent injury, damage, and financial loss to those connected with the Council's delivery of services.

6. Strategic Risk Register

- 6.1. A strategic risk is defined as an event or action that will affect the organisations' overall ability to achieve its corporate objectives and execute strategies successfully. By their nature, strategic risks are generally not service or objective specific; they are areas of risk that cut across service and objective boundaries.
- 6.2. The Strategic Risk Register (Appendix A) is a live document which is regularly reviewed by the Corporate Management Team, and it includes a summary of the current analysis of residual risk as well as detail on each Strategic Risk.
- 6.3. The risk tolerance of the Council is the threshold above which the level of risk is not acceptable and requires further action to reduce the risk. The level has been agreed by the Corporate Management Team to be any risk with a residual score (i.e., with controls in place) of 15 or above (red risks). This is set out in the Risk Management Strategy.
- 6.4. Risks around maintaining a balanced budget, reducing homelessness, climate change and migration / asylum pressures are exceeding this score. In these cases, there are external factors that are affecting the score. These scores are being constantly reviewed by the Corporate Management Team and updates will be provided at future Audit Committees.

7. Updates since the last Audit Committee (12 March 2024)

- 7.1. The Corporate Management Team undertook a thorough review of the Strategic Risks. Previously identified risks can change over time, so the risk definitions, scores, mitigations, and risk appetite have been reviewed to ensure they are still suitable. In some cases, this may see risks being downgraded and removed from the Strategic Risk Register and monitored at an operational level. Subsequently, the Strategic Risk register has been revised and the following changes have been made.

Risks that have been revised

7.2 Risk 1: Maintaining a balanced budget

The risk description has been updated to include reference to the increased cost of temporary accommodation which is related to Risk 2: Homelessness and temporary accommodation.

Cost of living (see 7.14) has been added to this risk due to the unpredictable impact on service demand in addition to cost pressures on the council's own cost. The unpredictability of government policy e.g., localisation of business rates has also been included. The mitigations are being addressed via quarterly budget monitoring reports to Cabinet and Overview & Scrutiny Commission. The 2024/25 Budget and Council Tax report identified a budget gap of £1.065m. The Budget Strategy will be updated in the autumn. We continue to lobby central government for assistance with temporary accommodation costs. The risk scores remain unchanged but are still high, with a residual risk score of 20 (catastrophic and probable) red risk.

7.3 **Risk 2: Homelessness and temporary accommodation**

The risk has been broadened to include temporary accommodation. The risk description and mitigations have been updated to reflect our current position. Efforts continue to increase the Council's portfolio of temporary accommodation and to source more cost-effective options. A temporary quota system is in place through the allocations policy to increase priority for those facing homelessness and for those currently in temporary accommodation. However, current demand and pathways out of temporary accommodation efforts to mitigate the risk are not keeping pace. The risk scores remain unchanged but are still high, with a residual risk score of 20 (major and highly probable).

7.4 **Risk 3: Migration / Asylum pressures**

The risk description has been revised to set out the pressures we face, most notably evictions from asylum contingency hotels and the Chagossian BOTC scheme. Longer term the Home Office is seeking over 300 asylum dispersal need spaces in the town. Additional new burdens funding has been made available to help with the additional expenditure we face in meeting the statutory duties, however, this is limited to a 2-year period ending in 2025. The risk appetite has been changed to Mindful from Cautious, as the council is willing to consider all options and choose one that is most likely to result in successful delivery. The risk scores remain unchanged, with a residual risk score of 16 (major and probable).

7.5 **Risk 4: Climate emergency**

The risk description has been revised to reflect how failing to honour our commitment to reducing carbon emissions will lead to reputational, financial and compliance risk. As such the inherent risk is reduced from 25 (catastrophic and highly probable) to 20 (major and highly probable). The mitigations have been updated to reflect the work that is underway in updating the Climate Change action plan. Changes to the Procurement Charter will include climate impact in decision making. Finance is the biggest constraint, but the programme is being aligned around known grant funding opportunities, such as the Public Sector Decarbonisation Scheme. The residual risk has been changed from 15 (catastrophic and likely) to 16 (major and probable).

7.6 **Risk 5: Delivering the Affordable Housing Programme**

The risk description has been revised to include organisational capacity as a risk to delivery. Mitigations have been updated to reflect capacity, which has been bolstered through the recruitment of an additional Senior Project Manager within the Built Environment team. A prioritisation exercise has been undertaken through the Strategic Housing Board to enable resources to be deployed in taking forward those developments yielding the greatest number of new affordable homes. This risk scores remain unchanged, with a residual risk score of 12 (moderate and probable).

7.7 **Risk 6: Water Neutrality**

The risk description has been updated to reflect our inability to successfully implement water neutral developments now that the Water Neutrality Strategy has been agreed. The inherent risk has been increased from 12 (major and likely) to 16 (major and probable). The mitigations now reflect that we need to adopt a joint approach for deliverability through the Sussex North Offsetting Water Scheme (SNOWS). There has also been limited funding provided by the government to support local authorities in dealing with water neutrality. Ongoing engagement at Chief Executive level is taking place with DEFRA and DLUHC Ministers and departments. The residual risk has been increased from 8 (major and possible) to 12 (major and likely).

7.8 **Risk 8: Local Plan**

The risk description has been revised to include the risk of a successful Judicial Review. The inherent risk score has been changed from 15 (catastrophic and likely) to 16 (major and probable). The residual risk score remains at 8 (major and possible). The mitigations have been updated to reflect the current position with the Inspectors final report anticipated in July after the elections.

7.9 **Risk 12: Social Housing Regulatory Requirements (new)**

This is a new risk which relates to the new Social Housing Regulatory requirements. There is an expectation the council will need to meet the new consumer standards, including Awaabs Law and be prepared in the event of an inspection by the Regulator. We will be required to meet the Safety and Quality Standard on our stock which may impact on the 30-year HRA business plan. The inherent risk score is 12 (major and likely). The mitigations identified include the creation of the Crawley Homes Regulatory Compliance Board, which includes key senior officers to monitor actions against the standards. Stock condition surveys have also commenced to better understand the current stock condition. We are awaiting the final details of Awaabs Law to be published, but the new Repairs Policy incorporates the principles set out in draft regulation. The residual risk score is 9 (moderate and likely) and the risk appetite is Mindful.

7.10 **Risk 13: Recruitment, Retention & Succession Planning**

The risk title has been revised with organisational capacity being removed as capacity is addressed in Risk 5: Delivering the Affordable Housing Programme (see 7.6). This risk is focussed on recruitment, retention, and succession planning. Consequently, the inherent risk has been reduced from 15 (moderate and highly probable) to 12 (moderate and probable). The residual risk score remains as 9 (moderate and likely). The mitigations have been updated to reflect the vision and direction of travel for the HR Team which is to automise and digitise routine processes to reduce time spent on administrative tasks. This time can then be spent on complex strategic work such as upskilling, talent development and wellbeing.

Risks that have been removed from the Strategic Risk Register

7.11 **District Heat Network (previously Risk 1)**

This is being monitored as an operational risk as the ongoing delivery forms part of business as usual. The residual risk score was minor compared with other risks and the programme also received “substantial assurance” in the 22/23 audit.

7.12 Three Bridges Station (previously Risk 6)

This has been merged with Risk 11: LEP Infrastructure – Crawley Growth Programme, as delivery forms part of this overarching programme.

7.13 Disaster Recovery and Business Continuity – Health & Safety Breaches (previously Risk 8)

This was included initially as there were significant gaps identified in our approach. However, work has progressed to the point where this can be regarded as business as usual. Health and Safety reports are presented to Corporate Management Team on a quarterly basis and compliance is also reported in the Annual Governance Statement.

7.14 Cost of Living (previously Risk 15)

The main components of this risk are already picked up within other risk categories. This is now referenced within Risk 1: Maintaining a balanced budget (see 7.2).

7.15 Damp and mould (previously Risk 17)

This is being monitored as an operational risk as this forms part of business as usual. We have introduced a new risk, Risk 12: Social Housing Regulatory Requirements (see 7.9) which sets out the impact the new requirements will have on the council and the mitigations to reduce the risk.

7.16 Presence of RAAC in Council properties (previously Risk 18)

This was added initially as a precaution whilst we undertook risk assessments as part of our duty to identify any council properties that may be affected. Work to identify higher risk properties has been undertaken, showing the overall risk is going down. This will be kept under review by the Corporate Management Team.

7.17 Finally, the order of the Strategic Risk Register has been re-prioritised from highest to lowest scoring risks. This will bring focus to higher priority risks and concerns.

8. Recommendations and actions from the last Audit Committee (12 March 2024)

8.1. There was a recommendation that the Corporate Management Team be requested to review the news article cited in question 29 of report LDS/218 (Questions Asked in Advance of the Meeting) and consider whether to add a risk on payments being made to vendors with limited due diligence to the Strategic Risk Register. Corporate Management Team reviewed the news article as requested and noted that adequate measures are in place to mitigate fraud and therefore did not consider this needed to be added as an additional risk.

8.2. At the last meeting the Committee discussed the possibility of reviewing the frequency of the risk management update reports coming to future Audit Committee meetings. Following that meeting, the Head of Governance, People and Performance and the Head of Corporate Finance have decided not to put forward any proposals to change the reports frequency at this time.

Report author and contact officer: Anna Pedlow, Corporate Performance Manager

Strategic Risk Register

Appendix A

This register details the strategic risks faced by Crawley Borough Council in relation to achieving its priorities and includes the mitigation action being taken to control these risks. The register is owned by the Chief Executive and Corporate Management Team and is updated regularly.

Risks are prioritised using the scoring system in the risk matrix below:

| | | | | | | | |
|--------|--------|------------------------|-----------------|-------------------|-----------------|-------------------|--------------------------|
| The we | Impact | Catastrophic 5 | 5 | 10 | 15 | 20 | 25 |
| | | Major 4 | 4 | 8 | 12 | 16 | 20 |
| | | Moderate 3 | 3 | 6 | 9 | 12 | 15 |
| | | Minor 2 | 2 | 4 | 6 | 8 | 10 |
| | | Insignificant 1 | 1 | 2 | 3 | 4 | 5 |
| | | | Remote 1 | Possible 2 | Likely 3 | Probable 4 | Highly probable 5 |
| | | Probability | | | | | |

risk assessment criteria use for assessing each category is as follows:

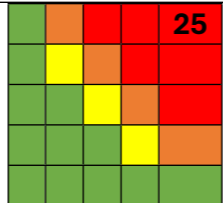
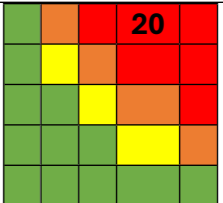
Impact Criteria
Probability Criteria

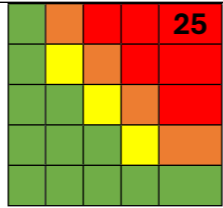
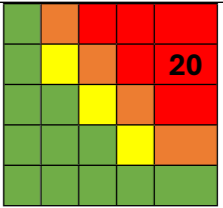
We also consider the risk appetite for each risk based on the following definitions:

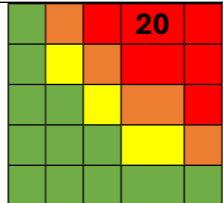
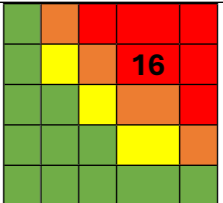
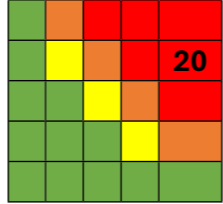
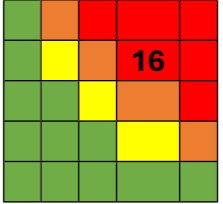
| Risk Appetite | Description |
|---------------|--|
| Opposed | Avoidance of risk and uncertainty is key objective |
| Minimalist | Preference for safe options that have a low degree of inherent risk |
| Cautious | Preference for safe options that have a low degree of residual risk |
| Mindful | Willing to consider all options and choose one that is most likely to result in successful delivery |
| Enterprise | Eager to be innovative and to choose options that suspend previous held assumptions and accept greater uncertainty |

| Risk Level | Financial | Service | Reputation |
|------------|----------------------|-------------|---|
| 5 | Catastrophic | >£1m | Total service failure |
| | | | National publicity more than 3 days. Resignation of leading Member or Chief Officer |
| 4 | Major | £500k - £1m | Serious disruption to service |
| | | | National public or press interest. Damage to the reputation and standing of the council in the public eye. |
| 3 | Moderate | £50k – 500k | Moderate disruption to service |
| | | | Local public / press interest. Partial loss of credibility of the council |
| 2 | Minor | £5k - £50k | Some minor impact on service |
| | | | Contained within service. Reduced confidence in delivery of individual services |
| 1 | Insignificant | <£5k | Annoyance, but does not disrupt service |
| | | | Contained within business unit |

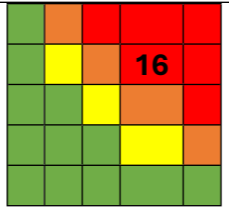
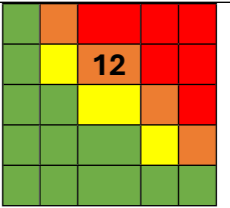
| Risk level | Description |
|------------|---|
| 5 | Highly probable |
| | Expected to occur in most circumstances (>80%) |
| 4 | Probable |
| | Will probably occur in most circumstances (>50% to 80%) |
| 3 | Likely |
| | Fairly likely to occur (>20% - 50%) |
| 2 | Possible |
| | Could occur at some time (>5% - 20%) |
| 1 | Remote |
| | May occur only in exceptional circumstances (0% - 5%) |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|-------------------------------|--|---------------------------|---|---|---|---------------|
| 1. | Maintaining a balanced budget | <p>A balanced budget is not achieved in the Medium Term, resulting in an increased use of reserves, which is not sustainable.</p> <p>Failure to maintain a robust and deliverable budget will lead to a lack of resources to fund services and council priorities leading to reactionary decision making and reputational damage.</p> <p>Cost of temporary accommodation continues at unprecedented levels (see risk 2) with no additional government funding.</p> <p>Unpredictable government policy e.g., localisation of business rates</p> <p>Cost of living crisis has an unpredictable impact on service demand in addition to cost pressures on the council's own cost.</p> | Head of Corporate Finance |  | <p>Quarterly budget monitoring reports are submitted to Cabinet and Overview & Scrutiny Commission.</p> <p>The budget strategy 2024/25 – 2026/27 (FIN/636) accepts that the situation is not sustainable in the medium term and sets out actions over the next 12 to 18 months to correct the situation.</p> <p>The 2024/25 Budget and Council Tax Report (FIN/642) as amended by the 2024/25 Budget and Council Tax – amendment to recommendation 1 report (FIN/642) identified a budget gap of £1.065m.</p> <p>An all-member finance seminar was held on 8 November 2023. A further all- member Budget 2024/25 seminar was held on 8 February 2024.</p> <p>Continued lobbying for temporary accommodation costs to be met by central government as well as other efficiency measures (see risk 2)</p> <p>The budget review has commenced. However, as a result of past efficiency drives the easy wins have been achieved. The Budget Strategy will be updated in the autumn.</p> |  | Mindful |

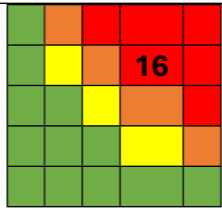
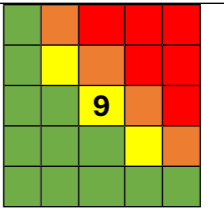
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|--|---|------------------------------------|---|--|---|---------------|
| 2. | Homelessness and temporary accommodation | <p>Increase in homelessness cases and reduction in the supply of move on accommodation opportunities within the social and private rented sectors driving rising demand for TA with associated financial impact for the General Fund.</p> <p>This is coupled with increased additional demand arising from asylum and refugee resettlement programmes.</p> <p>Demand for TA significantly outstrips supply necessitating heavy reliance on expensive nightly paid accommodation with significant budgetary implications. An overspend of £3.6m was projected at Q3.</p> | Head of Strategic Housing Services |  <p>25</p> | <p>Efforts continue to increase the Council's portfolio of TA and to source more cost-effective options. A temporary quota system is in place through the allocations policy to increase priority for those facing homelessness and for those currently in TA. However, due to the continued levels of demand coming into the service and the limited number of opportunities for pathways out of temporary accommodation efforts to mitigate the risk score are not keeping pace and temporary accommodation demand and nightly paid usage continues on an upward trajectory. Without Government intervention through changes to national housing policy or additional funding support the Council's ability to respond to these pressures and reduce TA expenditure remains severely constrained.</p> <p>Representation continues to be made to Government departments and opportunities for collaborative lobbying with other LAs also facing significant challenges are being taken forward.</p> |  <p>20</p> | Mindful |

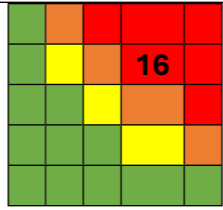
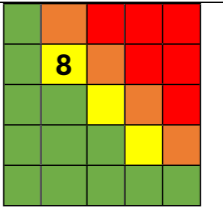
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|----------------------------|--|----------------------------|---|--|---|---------------|
| 3. | Migration/Asylum pressures | <p>Crawley is host to a number of related pressures most notably evictions from asylum contingency hotels and the Chagossian BOTC scheme. Longer term the Home Office is seeking over 300 asylum dispersal need spaces in the town.</p> <p>In the shorter term the risk needs to be seen alongside the homelessness and temporary accommodation risk as housing is the most immediate pressure.</p> <p>In addition, there are community risks. Firstly, from the communities arriving who find challenges in obtaining accommodation and related support. Secondly on the services pressures that result. Thirdly around longer-term cohesion.</p> | Chief Executive |  | <p>After significant lobbying, additional new burdens funding has been made available to Local Authorities facing additional expenditure in meeting statutory duties because of arrivals under the Chagossian BIOT citizenship arrangements. Funding is currently limited to £13m for a 2-year period, ending 2025. Lobbying continues with regards to other migration pressures.</p> <p>A Chagossian Response Team comprising a Team Manager and 3 officers has been set up to assist with the additional housing. Significant work taking place with leaders from the Chagossian community to lobby for and provide additional support to the community.</p> <p>Efforts to secure additional resources through representations to Government officials and relevant Government Ministers from FCDO, Home Office and DLUHC continue to be made.</p> |  | Mindful |
| 4. | Climate Emergency | <p>Failure to meet our climate commitments (reduce carbon emissions by at least 50% and as close to net zero as possible by 2030 and achieve carbon zero by 2040 at the latest) will lead to reputational, financial and compliance risk.</p> | Head of Economy & Planning |  | <p>Climate change action plan is being reviewed to increase focus on delivery and implementation. An updated plan is expected during 2024.</p> <p>Pathways for reducing direct emissions (scope 1 and 2) is becoming clearer. Supply chain emissions (scope 3) is behind schedule and unlikely to be achieved at this stage. The Procurement charter is being updated to include climate impact in decision making.</p> <p>Finance is the biggest constraint, and the programme is being aligned around known grant funding opportunities such as the Public Sector Decarbonisation Scheme.</p> |  | Mindful |

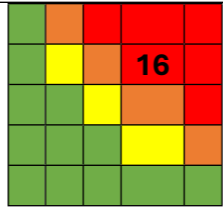
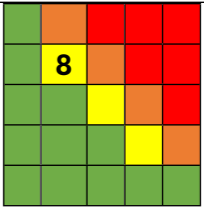
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|---|--|------------------------------------|-----------------------------------|--|-------------------------------------|---------------|
| 5. | Delivering the Affordable Housing Programme | <p>Risk of failure to deliver the affordable Housing Programme due to:</p> <ul style="list-style-type: none"> Requirement to deliver water neutral development. Land availability – most of the larger strategic sites have been or are being developed leaving smaller lower yield sites which are complex and disproportionately resource intensive to bring forward. Organisational capacity | Head of Strategic Housing Services | | <p>Retrofitting of the Council’s own housing stock has generated water credits which are enabling, following initial stalling, the affordable housing programme to be taken forward.</p> <p>Work has been undertaken to identify future sites and opportunities, feeding into the Local Plan, and developing programmes of work. This includes seeking to maximise opportunities afforded by development within neighbouring Districts and Boroughs adjoining the Council’s boundaries.</p> <p>Capacity has been bolstered through the recruitment of an additional Senior Project Manager within the Built Environment team and a prioritisation exercise undertaken through the Strategic Housing Board to enable resources to be deployed in taking forward to those developments yielding the greatest number of new affordable homes.</p> | | Mindful |

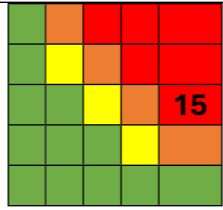
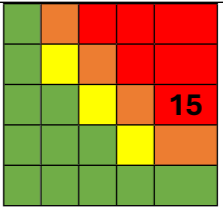
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|------------------|---|----------------------------|---|--|---|---------------|
| 6. | Water Neutrality | Inability to successfully implement water neutral developments. | Head of Economy & Planning |  | <p>The Water Neutrality Strategy has now been agreed by the relevant stakeholders, and forms part of the council’s Local Plan evidence base. The emerging Local Plan includes a dedicated Water Neutrality Policy (Strategic Policy SDC4) which has been prepared on a joint basis with neighbouring Local Planning Authorities located within the Sussex North Water Resource Zone. It is intended that Crawley’s neighbours will replicate (so far as possible) this policy in their own Plans, ensuring a consistent and joined up approach to water neutrality across the Water Resource Zone. The joint policy approach is to be supported by a joint local authority and South Downs National Park Authority run offsetting scheme, referred to as SNOWS – Sussex North Offsetting Water Scheme.</p> <p>The Crawley Local Plan has now completed its formal examination hearings, and following Main Modifications consultation, is progressing towards adoption.</p> <p>With the Water Neutrality Strategy agreed and the Plan having progressed through its examination hearings and main modifications consultation, key risks now relate to the deliverability of the joint working approach applied to offsetting (through SNOWS) to support development identified in the Crawley Local Plan and development in the emerging Plans of Crawley’s neighbours.</p> <p>Key issues include:</p> <p>1. SNOWS finding sufficient offsetting options</p> <p>SNOWS is intended to be a joint offsetting scheme that supports development</p> |  | Cautious |

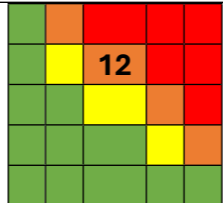
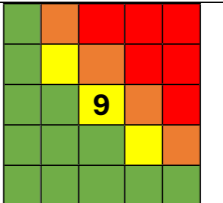
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|------------|------------------|-----------|-----------------------------------|---|-------------------------------------|---------------|
| | | | | | <p>identified in Local Plans. It is anticipated that the scheme will accumulate water credits from water use efficiency savings achieved by social housing providers across the area in existing housing stock, such as already implemented with the fitting of a flow regulator to Crawley Homes properties, as well as offsets from non-residential council buildings and other commercial properties. Work is ongoing to establish an access prioritisation scheme to manage access to SNOWS, to ensure priority planned development can secure access to offsets. Additional joint staff resource is needed to identify, negotiate and secure these offsets and joint funding has been secured from the DLUHC Planning Skills Fund with recruitment taking place over the summer. However, this may be a difficult role to fill. There remains a risk that insufficient offsets will be secured for the full implementation of SNOWS. This could put pressure on CBC itself to identify further offsetting within its own stock.</p> <p>2. Funding</p> <p>To date, only limited funding has been provided by the government to support the local authorities in dealing with water neutrality. This has meant that the cost of implementing water offsets has to date been borne by CBC. Further costs are anticipated in relation to legal advice and additional staffing, and additional funding is required to support SNOWS. Ongoing engagement, including at Chief Executive level, is taking place with DEFRA and DLUHC Ministers and departments.</p> | | |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|-----------------------------------|--|----------------------------|---|---|---|---------------|
| 7. | Towns Fund and related programmes | Risk of failure to deliver the Towns Fund and related programmes within budget and timescales. | Head of Economy & Planning |  | <p>A detailed risk register has been produced for each project within the programme.</p> <p>Regular financial monitoring and project monitoring undertaken by the Towns Deal Board and relevant project boards. The Head of Corporate Finance attends the s151 officer meetings involving other local authorities with Towns Fund programmes. Internal assurance is via the Corporate Projects Assurance Group (CPAG), through quarterly reporting on programme / risk updates.</p> |  | Mindful |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|------------|--|----------------------------|---|---|---|---------------|
| 8. | Local Plan | Failure to adopt the Local Plan and risk of successful Judicial Review | Head of Economy & Planning |  | <p>The Crawley Local Plan was submitted at the end of July to the government’s Planning Inspectorate for independent Examination in Public (EIP). Representations made to the Plan as part of the consultation processes carried out during the Local Plan preparation were considered through the EIP with interested parties (including those supporting and objecting). The Local Plan EIP Hearing Sessions took place during the weeks of 20th November 2023 and 8th and 15th January 2024. The Inspectors who have been appointed by the Planning Inspectorate to oversee the Examination of the Plan issued their post-hearing letter on 31 January 2024 which included the modifications they required the council to consult upon. A six-week formal public consultation on the Main Modifications was carried out between 12 February and 25 March 2024 with a further letter received from the Inspectors in May requesting information on a limited number of topics. The Inspectors’ Final report is now anticipated in July, as they have advised it cannot be issued during the pre-election period. In their report, the Inspectors may find the Local Plan unsound or confirm the final modifications they require to make it sound. The updated Local Plan with any modifications required by the Inspectors would then have to be approved by Full Council via Cabinet. Should Full Council decide to adopt the Local Plan, there would then follow a period of six weeks where a third party is able to submit a request for Judicial Review to an appropriate court. Such a Review would have to focus on whether the correct procedures were followed in arriving at a decision rather than on the decision itself to adopt the Plan.</p> |  | Cautious |

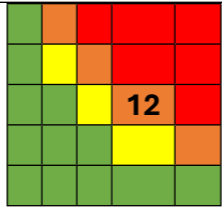
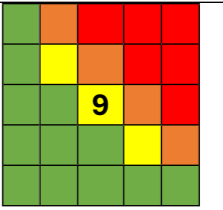
| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|--|---|---|---|---|---|---------------|
| 9. | Disaster Recovery and Business Continuity – Data Breaches or Network Compromise (Hack) | <p>Inadequate technical safeguards and poor staff awareness and practice leads to a compromise of our systems and data.</p> <p>Failure to maintain technical security safeguards – e.g. that firewalls are up to date or that the latest advice from NCSC has not been assessed and followed where appropriate.</p> <p>Improper disclosure of confidential information (in any format i.e. digital, paper etc.) could bring both financial loss (ICO fines, or worse, a ransomware attack) as well as reputational damage to the organisation.</p> <p>Failure to comply with GDPR legislation could lead to major reputational damage, loss of public confidence and the inability to operate key business processes.</p> | Head of Digital & Transformation and Head of Governance, People & Performance (Data Protection Officer) |  | <p>The Council has made some considerable strides in this area.</p> <ul style="list-style-type: none"> PSN certification achieved again in April 24. Migration to the Azure (Microsoft) Cloud Implementation of MFA and other technical safeguards mean CBC is well protected. <p>Training and awareness are key, as well as clear procedures for staff on what to do in the event of suspicious activity or possible breach. Additional foundation training has been delivered to all staff. Staff response to suspicious emails (with further training for those that fail) has been commissioned and has been in place since October 22 which includes regular random testing of all users.</p> <p>A comprehensive Information Management programme is being delivered, which includes new systems (SharePoint), revised policies and procedures and is delivering training on both systems and GDPR & information management for all staff. The Information Governance Board actively reviews progress on this risk.</p> |  | Minimalist |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|--|--|--|---|--|---|---------------|
| 10. | National Waste Strategy (including Food Waste) | Impact of the National Waste & Resources strategy on the delivery of the waste and recycling contract. | Head of Major Projects & Commercial Services |  | <p>In May 2024, the Government confirmed the intention to proceed with the introduction of a separate weekly food waste collection service from April 2026. Residual waste collection frequency can be set at either weekly or fortnightly. Work has progressed to model the implications for Crawley and will feed into the service procurement due to commence mid-2024.</p> <p>Capital funding award towards the cost of vehicles has been confirmed by DEFRA. This is estimated to be approximately £500k lower than the actual costs the Council will incur.</p> <p>A separate food waste collection is likely to create revenue pressure. There are indications from Government that they will provide some financial support however the form and extent of this is not currently known. Given the current uncertainty regarding the revenue impacts, the post mitigation risk score has remained the same.</p> |  | Mindful |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|---|---|----------------------------|--|---|---|---------------|
| 11. | LEP Infrastructure – Crawley Growth Programme | <p>Risk of failure to deliver the Crawley Growth Programme due to:</p> <ul style="list-style-type: none"> Budget overspend for the future project delivery within the Programme and scheme delivery time overruns. Discontinuation or withdrawal of support from key partners. A sustained period of economic downturn which slows up private sector investment on key regeneration sites in the town centre. Ineffective co-ordination of delivery across projects, leading to multiple disruption in the town centre and Manor Royal when this was avoidable. | Head of Economy & Planning |  <p>A 5x5 grid of colored squares. The center square (row 3, column 3) is orange and contains the number 12. The squares immediately above and below the center are yellow. The squares immediately to the left and right of the center are orange. The four squares immediately surrounding the center (up, down, left, right) are orange. The remaining 16 squares are green.</p> | <p>Regular financial monitoring and audit work carried out, including quarterly updates to CPAG. The Head of Corporate Finance regularly attends Programme Delivery Team or Crawley Growth Board meetings with West Sussex County Council.</p> <p>A mid-term programme review was undertaken in Q3 2022 which agreed a way forward and delivery programme for the remaining projects. As a consequence, the agreed funding protocol between CBC and WSCC is being updated to reflect that outcome of the review and new opportunities arising to add more government funding to the Crawley Growth programme.</p> <p>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.</p> <p>Regular interaction to identify and resolve issues promptly at project Board level with the Manor Royal Business District, Network Rail, GTR, Metrobus etc.</p> <p>The target date for delivery of regeneration site outcomes is 2030 to take account of the economic cycle and potential for a sustained downturn, which has been exacerbated by the impact of the COVID-19 crisis nationally and internationally.</p> <p>Careful planning and close cooperation between CBC, WSCC officers and third-party partners / contractors. All partners within the Crawley Growth Programme follow a Communications protocol to ensure effective coordination and communications around project delivery.</p> |  <p>A 5x5 grid of colored squares. The center square (row 3, column 3) is orange and contains the number 9. The squares immediately above and below the center are yellow. The squares immediately to the left and right of the center are orange. The remaining 16 squares are green.</p> | Mindful |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|------------|------------------|-----------|--------------------------------------|---|--|---------------|
| | | | | | <p>Three Bridges Station. A planning application for the scheme was submitted autumn 2022 and Planning Committee resolved to permit the application in Q4 2022/23. Work is being progressed with Network Rail and GTR on the processing of the Station Change procedure, the completion of which is required prior to the tender process commencing to commission the works to start on site. The scheme featured as part of the overall Crawley Growth Programme review jointly with West Sussex County Council which took place in Q3 2022. A comprehensive risk register is overseen by the Project Board of the Crawley Growth programme.</p> | | |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|--|--|-----------------------|-----------------------------------|--|-------------------------------------|---------------|
| 12. | Social Housing Regulatory Requirements | <p>New consumer standards and increased regulatory oversight, resulting in increased costs and risk of failure against standards and associated regulation.</p> <p>More prescriptive requirements e.g. Awaabs Law and ability to meet defined standards.</p> <p>Growing expense associated with new regulatory costs, including annual charge, impact of inspection, need to ensure managers are trained in line with new competency standards, resourcing requirements generally especially those around repairs and maintenance and resident engagement.</p> <p>Cost of bringing stock up to date to meet requirements of the Safety and Quality Standard and impact this may have on the 30 year HRA business plan.</p> | Head of Crawley Homes | | <p>Actions against new consumer standards have been scoped out by the Crawley Homes Senior Management Team.</p> <p>Actions against standards being monitored by the new Crawley Homes Regulatory Compliance Board, which includes the Deputy Chief Executive, Head of Crawley Homes, Policy and Engagement Manager and Chair of TLAP.</p> <p>Stock condition surveys have commenced to better understand current stock condition, this will inform review of the 30 Year plan for HRA.</p> <p>Awaiting final details of Awaab's Law to be published by the Regulator but new Repairs Policy incorporates principles set out in draft regulation.</p> | | Mindful |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|--|---|--|---|---|---|---------------|
| 13. | Recruitment, Retention & Succession Planning | <p>Failure to recruit and retain employees across a variety of professional, technical and front-line roles.</p> <p>Failure to take steps to counter the impact of an ageing workforce and an increase of key staff retiring.</p> | Head of Governance, People & Performance |  | <p>To counteract this risk, the Council's priority is to improve a) its employer value proposition, b) its employee experience, c) its reward and recognition offer and d) its management tools.</p> <p>The vision and direction of travel involves automating and digitising routine processes to reduce the amount of time spent on admin tasks. This will allow the HR Team and managers across the Council to spend more time on complex, strategic work such as upskilling, talent development and wellbeing.</p> <p>An extensive programme of essential training sessions has been rolled out to develop the Council's managers and leaders. Knowledge and confidence have been bolstered with invaluable topics and content e.g. absence management, sickness management, grievances, EDI and service redesign. To accompany the knowledge drive and to improve performance management of individuals and teams, there has been a substantial review of the Council's HR and H&S policies.</p> <p>To ensure that Managers have the right tools to lead the workforce, CBC must build on the PDR (plan do review) appraisal tool and the soft skills which were introduced through the Aspiring Managers Programme.</p> <p>The People Systems Programme (PSP) is in full flow and is now properly resourced. The intended outcome of the PSP is that the Council will have a single source of truth and time / leave management system which will bring disparate HR and payroll records together to provide efficiency, accuracy and accessibility for everyone. An Applicant Tracking System, a H&S provision and a learning platform will follow (in later phases)</p> |  | Mindful |

| Risk ID | Risk Title | Risk Description | CMT Owner | Inherent risk score (no controls) | Mitigations | Residual risk score (with controls) | Risk Appetite |
|---------|------------|------------------|-----------|--------------------------------------|---|--|---------------|
| | | | | | to improve the overall employer and employee experience. By the PSP's side is the People Operations Programme (POP) which will progress a range of non-digital improvements across brand and marketing, learning and wellbeing. The PSP and POP elements are a vital part of the Council's current Transformation Plan. | | |