

Strategic risks



Primary	Assigned to	Impact	Financial impact if known	Priority	Counter measures	Residual Priority	Status	RAID ID
Significant Contracts for renewal; grounds maintenance	Mike Hepworth	Financial risk Reputational risk if poor performing contractor is selected		●	East Sussex Procurement Hub processes followed to ensure best value and effective Senior management overview of the stages of this procurement project 2019	●	No change	R039
Systems audit - Risks of not identifying key weaknesses, or threats in a constantly changing risk environment	Peter Grace, Tom Davies	- Loss of credibility of audit and false assurance	Worst case scenario, a malicious cyber attack would cost something in the low £millions.	●	- Experienced staff - Chief Auditor review of work performed	●	Increasing	R073
Insufficient organisational capacity to deliver existing commitments set out in the corporate plan alongside implementing required changes to meet the challenge of the council's budget deficit. No resilience in the organisation.	Jane Hartnell, Mark Horan, Stephen Dodson	Reductions in HBC capacity necessitated as a result of reduced government funding and a £1.5m budget deficit for 20/21 and circa 2.5 million for 21/22 exacerbated further by the pandemic. Increased pressure on staff as a result of uncertainty/pandemic. Higher levels of staff sickness impacting on individuals and on teams ability to deliver. Potential staff turnover and loss of key roles. Opportunities to implement more efficient ways of working constrained by limited capacity – and affected by unplanned losses of team members through sickness etc. Council is already significantly less resilient. Financial and reputational. Failure to deliver corporate objectives. Service standards slip. Efficiencies not met. Pressure on individual staff continues to increase.		●	Budget process to review strategic and operational priorities. Acceptance and communication of limitations on capacity. Political prioritisation. Organisational Blueprint, informed by independent review of management layers (by LGA) to determine ways of working and budget process to prioritise resource allocation. Prioritisation process implemented for assessing new initiatives and opportunities based on agreed criteria. Re-prioritise existing plans to meet available resources. Utilise refreshed performance arrangements and the council's new management centre to better evidence demand to assist in prioritising and decision making as part of the developing corporate standard. Mechanisms in place to address impacts on staff of increasing pressure – to include appropriate workload assessments and mental health support when required.	●	No change	R028
Ineffective Project/ProgrammeControl.	Mark Horan, Stephen Dodson	Projects overrun in time/budget or do not achieve objectives. Reputational damage.		●	Use of Corporate project management methodology and Council Management Centre (CMC) Specialist resources available to support delivery and skills development from Programmes Team. Programme and Project Boards to monitor delivery of key projects. Effective project assessment and monitoring by PAG & COG. Regular Risk Reviews by Audit team and COG. Further project management expertise to be developed at all levels to ensure all project team members are suitably skilled, and gain best practice experience. Adequate reserves and contingency built into business cases	●	Pending	R040
Partnership regeneration needs to be re-appraised as affected by focus of regeneration resources to North England away from South East.	Jane Hartnell	Loss of private sector investment. Regeneration programme stalls.		●	Actively seek inward investment. Active participation in LEP and its several funding streams. Seek alternative funding to maintain programme. Active Involvement in Task Force and ESEID. Reappraise regeneration programme in light of funding opportunities and models – we will still have an ambitious programme. Raise profile at government. Utilising 'stronger towns' opportunity to leverage further investment.	●	Increasing	R025
Serious Breaches of Health and Safety legislation.	Mike Hepworth	Serious Injury/death. Reputational damage. Prosecution. Civil litigation. Financial penalties.		●	Maintenance and implementation of effective health and safety management systems including regular inspections and reviews. Implementation of effective health and safety training and awareness programme. Insurance and reserves	●	No change	R047
Government Funding - Continued lower levels of funding with potentially even more reductions in the years ahead. Fair funding review postponed, Business rate review delayed	Peter Grace	Council unable to deliver Corporate Plan objectives and deliver services. Reserves diminish to below minimum recommended levels. Unsustainable budget necessitating reductions in staff and activities and inability to sustain Capital programme.	Budget Deficit of £1.483m in 2021/22, £2.258m in 2022/23 and £2.6m in subsequent years.	●	PIER review - efficiencies/cuts, budget process, medium term financial strategy / plan. Energy generation options being considered which may provide additional income.	●	Increasing	R023
Impact of economic climate, Covid-19, on Income and Expenditure levels	Peter Grace	Loss of income. Increased service demand. Corporate regeneration priorities not delivered.	Decreased rental values, increased non payment of Council Tax and business rates, more bad debts, more court action	●	Reprioritisation of service provision ensuring that 'must do' priorities are delivered to 'statutory' levels. Review Corporate regeneration priorities. Adjust the capital spending programme.	●	Increasing	R024
Changes in Central Government policy and legislation e.g. new environmental legislation	Peter Grace	Changes over which the Council has little, or no control will happen. Changes in responsibilities and role of District/Borough Councils. Loss of income. New demands. Impact on contracts and tendering, reserves and staff resources	New legislation should result in new burdens funding. However funding is often "one off" whilst legislation is ongoing...	●	Play an active role in lobbying Government to ensure the best awareness of District Councils views about key policy agendas via professional bodies and LGA. Track decisions and consider implications at an early stage to ensure HBC can respond. Project manage implementation of changes, potentially reallocating resources and reprioritising activity if required.	●	No change	R033

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'Brexit' implications	Peter Grace	Loss of most/all European Grant Funding Decline in European visitors or workers Lost benefits of those European grant funded projects terminated Medium to long term economic uncertainty Loss of key industries whose trade is with Europe New impacts on small/medium businesses in town that trade with EU		●	Government short term guarantee for approved grants Reserves and potential Government funding depending on requirements	●	Reducing	R044
Treasury Management - Loss of money	Peter Grace	Any loss of money through fraud, investment loss, etc is likely to be significant to the Council whether financially or reputationally. The investigation into cash losses and fraud are time consuming and often complex.	Gross budget £84.6m £15- £40 million invested at any one time, cash collection, electronic payments,	●	- Use of External Advisers – Link Asset Services - Ensure staff are well trained - Ensure adequate cover - Treasury Management Strategy and Treasury Management Practices that are reviewed at least annually - Spread of investments Use of reserves Insurance - Money Policy/ Cash in Transit	●	No change	R054
Increased demand for council services (e.g. Housing, Homelessness and associated risks around rough sleeping and Community Safety) because of economic/social deprivation as a consequence of the economic situation, constraints on Public Spending and changes in welfare benefit systems.	Andrew Palmer	Increased pressure on HBC services including benefits and homelessness; increased poverty and deprivation; negative impact on community cohesion. Adverse impact on Council Tax collection rate. Less Housing Benefit paid More pressure on DHP fund Migration from London Boroughs. Potential impact on homelessness presentations and acceptances, including temporary accommodation usage.		●	Maintain and widen partnership working, e.g. the successful approach to tackling social issues around street community. Seek appropriate external economic development financial opportunities where the business case justifies and capacity allows Community Safety Partnership. Council Tax Our CPF programme directed at advice and support for vulnerable people. Performance targets for homelessness reviewed and agreed. Additional financial support for prevention measures supported through Discretionary HB payments etc. and new Government funding. Review and monitoring of staff capacity to be carried out mid-year. New housing and homelessness strategies being developed. Acquisition programmes for Temporary Accommodation. Further development of social letting agency. Development of new housing on council land Local Plan review. Rough sleepers funding programme Adequate level of reserves to cope with excessive unplanned changes Reduce or end other non-statutory services to be able to address this priority.	●	No change	R034
Loss of key staff / skills / knowledge.	Jane Hartnell, Mark Horan, Stephen Dodson, Verna Connolly	Loss of resilience. Loss of capacity to deliver services to a desired or statutory standard. Lack of resources Service delivery impacts missed opportunity to develop and retain talent in-house	Management Development Programmes are expensive. Could only train one or two potential candidates once a year. Could utilise apprenticeship levy but existing staff not receptive to attending college or university of chosen providers.	●	Capture of knowledge and working practices through mechanisms including Business Process Mapping. Succession planning and talent management at all levels through the 1-1 conversation performance management toolkit. Business Continuity Planning resilience. Recruitment/Retention Policy. Training support mechanisms utilisation of apprenticeship levy. One-Team working – opportunities to divert skilled resources to higher priority areas for a limited time.	●	Pending	R029
Failure of IT equipment	Mark Bourne, Stephen Dodson	Very serious impact in the short term for all services.		●	Alternative and back-up services being provided. Regular back-up off-site of data. Servers now 'virtualised'. Other risks mitigated through improved recovery times.	●	No change	R027
IT Systems loss (IT Systems exposed to some vulnerability).	Mark Bourne, Stephen Dodson	Loss of power supply. Hardware failure.		●	Regular maintenance and inspection of building services. Business Continuity and disaster recovery plans in place and tested. Insurance	●	Increasing	R046
Data loss (protected through regular frequent back-ups).	Mark Bourne, Stephen Dodson	Viral attack could leave the council's key systems, communications and customer engagement tools redundant		●	Back up data systems in place to protect data	●	Increasing	R045

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Risk of a successful legal challenge.	Mary Kilner	Financial penalty. Reputational damage.			Access to and provision of timely legal advice at all stages and levels. Legal overview of council activity maintained. Specialist Legal support available if required. Planning Advice appropriately triggered for a response. Maintain high quality Development Control Service		No change	R030
Contractual Partnerships: Breakdown in contractor performance, for example, Waste contract, Building Control, Leisure contract, White Rock Theatre contract and Ground Maintenance etc.	Andrew Palmer, Mike Hepworth, Victoria Conheady	Failure to achieve corporate objectives. Financial and reputational loss. Additional drain on officer's time on dispute resolution.			Regular review and monitoring of Contracts and Service Level Agreements combined with firm contract management. Appropriate Governance arrangements. Development and implementation of Audit Plan. Business Continuity Planning		No change	R035
Failure to comply with the General Data Protection Regulation (GDPR)	Mark Bourne, Mary Kilner	Reputation for safeguarding data. Large financial fines imposed.			GDPR policies and procedures in place supported by regular training and review		No change	R048
Severe Business Disruption.	Jane Hartnell, Natasha Tewkesbury	Service failure. Reputational damage.			Detailed review of Business Continuity Plans (BCP's) undertaken with external support. Security arrangements have been enhanced and are regularly checked updated. Systems have stood up to real life incidents One Team to be diverted to priority areas. Insurance and reserves		No change	R042
Emergency Planning for a Major Emergency in the borough	Mike Hepworth	Statutory duty to have appropriate arrangements in place. Reputational risk if not seen to be managed professionally Financial risk as resources will need to be used			HBC is an active participant in emergency planning arrangements for Sussex, through membership of the Sussex Resilience Forum, and the East Sussex Resilience and Emergencies Partnership. Use of SRF generic and tailored emergency plans, and access to training through the SRF and ESREP. We operate a 365 days a year emergency on call system, so that operational staff, and tactical and strategic managers can be mobilised to liaise with the emergency services if incidents occur in the borough. Arrangements in place to mobilise emergency assistance centres such as for evacuated residents, and we have recently significantly increased the number of staff volunteers for rest centres, and trained them.		No change	R043
Deterioration of the Council's assets i.e. those that create tourism public safety issues e.g. cliffs & sea front	Mike Hepworth	Financial Loss. Reputational Loss. 3rd Party Public Liability Adequate level of reserves mitigating Insurance.			Appropriate maintenance schedules and investment programmes informed by expert advice. Ensuring tenancy obligations are met. Adequate level of reserves mitigating Insurance.		No change	R031
Deterioration of the Town's image and culture.	Victoria Conheady	Town assets include history, culture etc. If a town asset fails then it is a reputational risk for HBC but not strictly within the Council's remit. Additional demands on financial reserves. Adverse impact on tourism. Adverse impact on the local economy.			Planning and Conservation. Enforcement. Attract inward investment through regeneration programme and external funding opportunities to enhance our USP's. Effective Marketing resources directed to attract new and maintain existing markets. Work with Police and community safety partners to promote a safe, secure image. 1066 Country Campaign management New Local Plan process External Funding opportunities from stronger towns		No change	R032
Extreme weather incidents increase as climate changes •Drought •Rainfall •Snow and high winds •Landslip and other natural hazards on coastal cliffs •Flood risk management and coastal protection	Mike Hepworth	Impact on local economy and on council's business operations Flood damage to property and land Disruption to services Loss of life / serious injury Damage to property Loss of access / amenity Financial impact Reputation undermined			Strengthened water conservation measures in place and further measures under investigation Surface water management action plan in place Severe weather management action plan in place Bi-annual programme of inspection and remedial action. Maintain existing controls in place (catch fences, signage, barriers) Reporting system in place with other relevant stakeholders. Tested flood risk management plan. Environment Agency funded coastal protection works. One Team resources to respond Insurance Reserves Participation in county wide resilience structures and training.		No change	R041

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<p>Following the mutually agreed early termination of the joint waste contract with Kier, new service arrangements commenced in July 2019. Street cleansing is now carried out through the new HBC Cleansing DSO, and refuse and recycling collections are carried out by Biffa through a new joint waste contract.</p> <p>The potential risks are that the performance of the DSO and/or Biffa will not be to the appropriate standards.</p>	Mike Hepworth	<p>Poor service to residents such as missed waste collections. Negative impact on street scene and thereby on the economy of the town. For example through decreased tourism, and investment by business. Increased costs due to need to monitor contractor more closely. Reputational damage to HBC</p>			<p>The DSO arrangements have been carefully managed to reduce the risk of failure, and operational performance will continue to be closely monitored. The new joint waste contract was procured against the backdrop of a failing contract, and learning from this informed the new contract specification and terms and conditions.</p> <p>There is also provision for regular senior level performance review meetings, as well as the routine Joint Waste Committees attended by Lead members from across the partnership.</p>		No change	R038
<p>Government's Environment Bill proposing mandatory service changes that could result in significant loss of income and/or additional expense for waste collection authorities such as this council. For example free garden waste collections, weekly food waste collections, and kerbside separated recycling collections rather than our existing popular co-mingled service.</p>	Cameron Morley, Mike Hepworth	<p>Unless the government reimburses all the council's lost income and additional costs associated with such changes, on an ongoing basis, waste services will require significant additional revenue and capital funding.</p>	<p>Not known. Although the government says any changes will be funded as 'new burdens', LAs are generally sceptical about this.</p>		<p>Responding to government consultations making it clear we are extremely concerned about the proposals. Working with the East Sussex Joint Waste Partnership considering how we might implement any new mandatory measures arising from the Bill.</p>		Pending	204