











Audit Committee Risk report

	Risk	Sheet Name	Service area	Status	Impact	Financial impact if known	Priority	Counter measures	Residual Priority
1	Housing Benefit or Council Tax Fraud is not identified or rigorously investigated	Audit - RAID log	Audit	Active	Reputation indirectly undermined Council Tax overpayment does not get recovered and consequent adverse financial impact	n/k		- Meetings with DWP or potential escalation if SLA is not being delivered. - Monitoring of feedback from the DWP on referred cases Evolving initiatives mitigating fraud and error	
2	Systems audit - Risks of not identifying key weaknesses, or threats in a constantly changing risk environment	Audit - RAID log	Audit	Increasing	- 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	
3	Treasury Management - Cost of borrowing Increased borrowing or an increase in interest rates, plus eligibility to borrow from the Public Works Loan Board	Building Surveyors - RAID log	Building Surveyors	Increasing	£64.689m borrowed at 31 March 2021 Operational borrowing limit £110m in 2021/22 Authorised borrowing limit £115m in 2021/22	Each £1m of new borrowing, financing an asset with a life of 40 years would cost the Council some 5%p.a. (based on a maturity loan with a 2.5% interest rate) i.e. £50,000 p.a.		- Use of External Advisers – Link Asset Services - Ensure staff are well trained - Ensure adequate cover - Treasury Management Strategy, Capital Strategy and Treasury Management Practices that are reviewed at least annually Use of Capital Receipts	
4	Serious Breaches of Health and Safety legislation.	Environmental Health - RAID log	Environmental Health	Active	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	
5	Duty of care to the Public Negligence in inspecting and maintaining assets Trees failing / falling Out of date policies Failure to ensure fully trained and competent staff Loss of databases (plus documents stored within them)	Environmental Health - RAID log	Environmental Health	Active	Injury Claims Financial impact Reputation undermined			Reviewed insurance cover especially in these areas. Risk assessments and periodic system of inspection in place for all park sites and buildings. Legionella, fire and asbestos risk assessments and controls in place. Regular electrical inspections in place. Programme of asset maintenance work in place to maintain all assets. Policies reviewed regularly. Staff training needs assessed at performance reviews, including Health and Safety updates. Contracts monitored with specific arrangements for H&S reporting via monthly meetings.	
6	Failure to maintain assets managed by Estates	Estates - RAID log	Estates	Active	Properties fall into disrepair. Unexpected costs	Council contributes £508,000 p.a. to the Renewal and Repairs Reserve. Annual costs continue to exceed the annual provision being made		Regular inspections. Adequate budget (R&R). Planned programme of repairs and inspections. However, large unexpected, uninsured events could result on calls to the General Reserve.	
7	Increase in empty units / major tenant leaves	Estates - RAID log	Estates	Active	- Loss of rental income - Units handed back and difficult to re-let - Increased costs (rates)			Maintain satisfactory level of general reserves - Effective advertising - Maintain tenant relationships and get early warning - Maintain an overview of individual businesses and their operating environment - Undertake due diligence prior to letting properties and prior to purchasing new properties with tenant/s in situ	
8	Tenanted properties not adequately insured	Estates - RAID log	Estates	Active	- Council has to reinstate from own money			Insurance reserve - Ensure regular checks on tenanted property Ensure Insurance policies are adequate and in place with reputable insurers and at adequate levels with appropriate deductibles.	
9	Environmental legislation and HBC's Carbon Reduction commitment - Ability to rent properties - higher EPC ratings will be required in the future	Estates - RAID log	Estates	Active	- Units with an energy rating of F or G can't be let - unless covered by an exemption - Likely to make regulations for energy rating to be higher minimum in future			- Continue to assess and improve energy performance of our buildings and enhance where necessary	

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10	Changes in Central Government policy and legislation e.g. new environmental legislation	Finance - RAID log	Finance	Active	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.	●
11	Treasury Management - Loss of money	Finance - RAID log	Finance	Active	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	●
12	Income streams	Finance - RAID log	Finance	Active	- Budget deficits, Collection Fund Deficits, Bad debts	Reduced income levels due to Covid-19 pandemic. Structural changes in shopping habits will lead to reduced income from shops and potentially offices as market rentals reduce	●	Adequate provisions - Ensure regular budget monitoring reports distributed followed up by meetings - Report variances quarterly through performance review -Active management of properties and services	●
13	Government Funding - Continued lower levels of funding with potentially even more reductions in the years ahead. Fair funding review postponed, Business rate review delayed	Finance - RAID log	Finance	Increasing	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.	●
14	Impact of economic climate , Covid-19, on Income and Expenditure levels	Finance - RAID log	Finance	Increasing	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.	●
15	'Brexit' implications	Finance - RAID log	Finance	Increasing	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 Effects on supply chains for capital projects	Supply chain increases costs	●	Government short term guarantee for approved grants Reserves and potential Government funding depending on requirements All project financial assessments need to include sufficient contingency to cover potential up costs once tenders are received and projects operational	●

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16	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.	Housing Options - RAID log	Housing Options	Active	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. This will 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.	
17	Failure to secure affordable housing solutions to prevent rising numbers of homeless households.	Housing Options - RAID log	Housing Options	Increasing	•Rise in homeless applications •Increased levels of spending on B&B •Increased levels of rough sleeping and associated ASB •Legal challenges •Reputation undermined	•Rise in the cost of B&B spend		•Regular stakeholder engagement through strategic liaison meetings with main Social Landlords (Optivo & Orbit) Housing and Support Service meetings, Private Landlord forums. •Allocations Policy review •New Housing and Homelessness Strategies introduced •The Housing and Wellbeing Hub reviewed quarterly with Clinical Commissioning Group and associated partners. •Council has adopted a new strategic approach to increasing the supply of affordable housing over the next 5 years •Ongoing work with local and national partners to explore opportunities to reduce demand for emergency accommodation and homelessness services	
18	Failure to spend Disabled Facilities Grant Funding - HBC receives ring fenced funding to provide adaptations for those with a recognised medical conditions to enable them to stay in their home.	Housing Renewal - RAID log	Housing Renewal	Active	1. Social Impact - under spend means eligible applicants who could benefit from a grant are perhaps not aware and as a result do not benefit from the adaptations that could be made to their home 2. Financial Impact - under spend could have an impact on future funding allocations being reduced			1. Review and amendment of the financial assistance policy to look at expanding discretionary DFG criteria and eligibility 2. Communications Plan - Promotion of DFG funding to raise awareness in the community and partner voluntary and support agencies.	
19	Failure of IT equipment	ICT - RAID log	ICT	Active	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.	
20	Risk of a successful legal challenge.	Legal - RAID log	Legal	Active	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	

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21	Failure to comply with the General Data Protection Regulation (GDPR)	Legal - RAID log	Legal	Active	Reputation for safeguarding data. Large financial fines imposed.			GDPR policies and procedures in place supported by regular training and review	
22	Leisure Services externally funded projects Reduction of external funding.	Leisure Development - RAID log	Leisure Development	Active	Reduction or loss of services. Reduction or loss of externally funded posts. Failure to meet Physical Activity Strategy targets and public expectations.			We continue to submit external funding applications in order to sustain a range of leisure projects in line with council priorities agreed in the corporate plan.	
23	Failures of child protection. Negligence in maintaining assets. Out of date policies. Failure to ensure fully trained and competent staff .	Leisure Development - RAID log	Leisure Development	Active	Injury Claims Financial impact Reputation undermined			All staff who have unsupervised access to children and vulnerable adults have Enhanced DBS checks in place. Events/activities designed to minimise risk. – ensure wording is right – enhanced DBS? Risk assessments & periodic system of inspection in place for all park sites and buildings. Legionella, fire and asbestos risk assessments & controls in place. Regular electrical inspections in place. Programme of asset maintenance work in place to maintain all assets. Policies reviewed regularly. Staff training needs assessed at performance reviews, including Health & Safety updates. Contracts monitored with specific arrangements for H&S reporting via monthly meetings. Risk assessments & periodic system of inspection in place for all park sites and buildings, and activities.	
24	Emergency Planning for a Major Emergency in the borough	Managing Director - RAID log	Managing Director	Active	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.	
25	Loss of exhibits and damage to buildings due to theft, damage through fire, vandalism, alarm failure, staff failure.	Museum & Cultural Development - RAID log	Museum & Cultural Development	Active	Financial loss. Loss of service (closure). Cultural loss. Reputation undermined.			Alarm contracts maintained. Standard operating procedures reviewed and updated annually. Emergency plan reviewed annual and updated. Fire Risk Assessment completed and reviewed when there has been a significant change in the environment. Training delivered to staff.	
26	Livestock management at the country park Criminal damage to livestock containment systems resulting in livestock roaming outside of prescribed areas and either injuring themselves or people they come into contact with.	Parks & Open Spaces - RAID log	Parks & Open Spaces	Reducing	Cost of legal action resulting from accident/injury claims. Reputational Damage. Animal welfare concerns.			Careful management of livestock containment. Awareness raising of benefits of how we are managing livestock with people visiting the country park. Due to continued vandalism, we have replaced the system with a virtual system of fencing that works by identifying fence locations through satellite and computer technology . These virtual fences are flexible and can be changed at any time. The cattle wear collars that respond in a similar way. Trials in the country park are proving to be very successful. There is nothing in this system to vandalise. The council is securing all perimeter fencing to ensure that if the new system fails, cattle will still be retained within the country park.	

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27	Error in making a Planning Decision	Planning Services - RAID log	Planning Services	Active	- Financial implications – judicial review, legal cost & compensation - Reputation undermined - irreversible damage Council sued for negligence			Procedures are in place to monitor progress on a number of levels as applications progress. Close supervision of staff by Senior Planners, and the Development Manager facilitated through casework meetings, one to one meetings and checking of delegated and committee reports. Experienced and qualified staff and adequate capacity for the workload. Service reviews on resourcing.	
28	Lose Planning Appeal decision	Planning Services - RAID log	Planning Services	Active	- Reputation undermined - If costs awarded maybe financial implications			Thorough 'post mortem' taken on all lost appeal decisions and learning actions then implemented. Experienced and qualified staff that remain up to date with current guidance and policy through continuing professional development. Planning Committee Members are trained and understand the consequences of refusing planning consent. A programme of training each quarter is already in place. The quality of decisions to some extent rests on the capacity of each planning officer to spend the right amount of time on each application in order to strengthen arguments and write well justified reports. Positions have been created to address this shortfall. Cllrs have made some poor decisions in 2021, namely 23 Martineau Lane and 777 The ridge. Both decisions are likely to be lost at appeal and may be awarded costs	
29	Deterioration of the Town's image and culture.	Regeneration - RAID log	Regeneration	Active	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	
30	Marketing & Major Projects Fish Fairs unsuccessful	Regeneration - RAID log	Regeneration	Active	- Reputation undermined - Financial implications	Maximum exposure c£30k/event		Increase level of investment in marketing and management - Regular officer and stakeholder meetings held - Risk assessments undertaken in conjunction with professional colleagues and emergency services Debrief/review after every event, with action taken as necessary	
31	Impact of Covid on the local economy and lack of investment in local business and/or relocation of businesses out of UK because of BREXIT	Regeneration - RAID log	Regeneration	Active	Loss of jobs Closure of key businesses	Impact of COVID assessed in Hastings Town Investment Plan, East Sussex Economic Recovery Plan and other documents.		Full risk mitigation difficult at current time Hopeful that markets will settle and Bank of England supports the economy for businesses. January 2021 - economic uncertainty continues with regard impact of Brexit when the economy starts opening. Grants/Loans to stimulate business investment/retention	

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32	Downturn in inwards travel from overseas, including language students, post Covid and EU exit	Regeneration - RAID log	Regeneration	Active	Reduced tourism spend Tourism business job losses/closures	Inwards overseas business worth c£75m to Hastings, so significant		We are reviewing visitor economy and need to consider our strategic position as a destination for overseas visitors and language students once Covid position internationally is clearer; this may take some time. The situation remains unclear in February 2022, especially in respect of international, and language student, travel; nationally we are told that the language school business will be around 10% in 2022 of pre-covid levels. Current thinking is that in 2022 we will lose much of the 'forced' additional domestic staycation business we enjoyed in 2021, but will not regain our previous international business, which in 2019 supported 23% of our visitor economy, leading to potentially a 10-12% decline in our tourism business. Customer confidence is still low, especially for inbound tourism from near Europe, our biggest overseas markets.	
33	Flood Risk Management Impact of severe weather. Loss of Government Funding	Resort Services - RAID log	Resort Services	Active	Loss of life Loss of amenity Financial impact			Enhanced / cost effective revenue based maintenance programme to increase timeframe for replacement of flood defences. Alternate funding streams identified via Department for the Environment, Food and Rural Affairs and Environment Agency. Medium Term Plan used effectively and in close liaison with Environment Agency Flood Risk Management Team. The Hastings Flood Plan was reviewed, updated and exercised in 2015/16 and another routine review and update is nearing completion in May 2021.	
34	Blue Flag and Seaside Award Status - Insufficient resource to meet award criteria resulting in loss of status	Resort Services - RAID log	Resort Services	Active	Reduced tourism spend Tourism business closures Reputational damage Financial losses (parking etc)			Align operation and resources to deliver service in line with award criteria Seek external funding for projects in line with award criteria – cycle hire/play hut etc. Coordination of public activity to support status Link to internal projects – DSO, Marine Litter, FLAG etc	
35	Cliff Railways Mechanical failure.	Resort Services - RAID log	Resort Services	Increasing	Financial impact. Danger to public safety. Loss of amenity. Reputation undermined.			Increase inspection programme and remedial actions. Programme of inspections, testing and maintenance. Staff training and awareness. Local maintenance contract awarded	
36	Unable to clean public conveniences due to weather or staffing issues	Waste - RAID log	Waste	Reducing	Reputation undermined			Worst-case scenario would result in toilets being closed during the period. Any closure due to adverse weather would have a limited impact, as there would also be a limited demand during such periods. Liability on contractor to ensure continuity of service.	