



**To:**  
**All members of the**  
**Audit Committee**

*Please reply to:*  
Contact: Melis Owen  
Service: Committee Services  
Direct line: 01784 446449  
E-mail: [m.owen@spelthorne.gov.uk](mailto:m.owen@spelthorne.gov.uk)  
Date: 5 July 2024

## Supplementary Agenda

### **Audit Committee - Tuesday, 9 July 2024**

Dear Councillor

I enclose the following item which was marked 'to follow' on the agenda for the Audit Committee meeting to be held on Tuesday, 9 July 2024:

#### **6. Corporate Risk Management**

**3 - 56**

Yours sincerely

Melis Owen  
Corporate Governance

To the members of the Audit Committee

Councillors:

J. Button (Chair)  
K. Howkins (Vice-Chair)  
J.R. Boughtflower

J.P. Caplin  
L. E. Nichols  
H.R.D. Williams

P.N. Woodward

Independent Member: P Briggs

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

[www.spelthorne.gov.uk](http://www.spelthorne.gov.uk) [customer.services@spelthorne.gov.uk](mailto:customer.services@spelthorne.gov.uk) telephone 01784 451499

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# Audit Committee

9 July 2024



|                                  |   |
|----------------------------------|---|
| <b>Title</b>                     | Corporate Risk Register (Corporate Risk Management)   |
| <b>Purpose of the report</b>     | To note   |
| <b>Report Author</b>             | Lee O’Neil, Deputy Chief Executive  |
| <b>Ward(s) Affected</b>          | All Wards   |
| <b>Exempt</b>                    | No  |
| <b>Exemption Reason</b>          | N/A   |
| <b>Corporate Priority</b>        | Community<br>Addressing Housing Need<br>Resilience<br>Environment<br>Services   |
| <b>Recommendations</b>           | <b>Committee is asked to:</b><br>Consider the significant strategic risks and issues highlighted in this report and present these to the Corporate Policy and Resources Committee, ensuring continued wider reporting of the Corporate Risk Register and actions across other Committees.   |
| <b>Reason for Recommendation</b> | The Corporate Risk Register continues to ensure that the Council’s most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported. Continued visibility and ownership of the risks and issues raised in this report is recommended across the Council due to the significant and wide-reaching implications. This will support improved coordination in implementing risk management strategies. |

## 1. Summary of the report

| What is the situation   | Why we want to do something   |
|---|---|
| The Corporate Risk Register continues to ensure that the Council’s most significant strategic level risks in relation to achievement of corporate priorities and objectives are regularly identified, managed, monitored, and reported. The current reporting | Exposure to wider externalities and other unprecedented pressures are continuing to present competing levels of crises. The worsening financial and housing crisis across local government continues to have adverse and wide-reaching effects. Consequently, the |

|  |   |
|--|---|
| frequency coincides with the Audit Committee cycle and work programme  | Council continues to encounter some challenge in the context of delivering corporate priorities. The approaches being taken to proactively manage identified risks and mitigate their impact are referred to in this report and related appendices.   |
| This is what we want to do about it  | These are the next steps  |
| Continued relevance of the risks on the register is important, particularly during current times of accelerating levels of crises, often referred to as the poly-crises, and the rapid pace of change. The Corporate Risk Register and related process provides a mechanism for regular review of the register, ensuring it remains current. | The corporate management team and lead Committee hold collective ownership and accountability for ensuring these strategic corporate risks are effectively managed. In doing so they are supported by designated lead officers (at Group Head level) who are responsible for overseeing the day-to-day management of these risks and ensuring future risk management strategies are progressed/implemented. |

1.1 This report highlights significant strategic risks in delivering the Council's priorities (CARES) and objectives, current strategies to manage risks (defined as current controls and current mitigations) as well as any future strategies to manage associated risks.

1.2 Exposure to wider externalities and other pressures are continuing to present competing levels of crises. The worsening financial and housing crisis across the local government sector continues to have adverse effects, impacting communities. Consequently, the Council continues to encounter some challenges in the context of delivering corporate priorities. The approaches being taken to proactively manage identified risks and mitigate their impact are referred to in related appendices to this report.

## 2. Key issues

2.1 The corporate management team and lead Committee hold collective ownership and accountability for ensuring these strategic corporate risks are effectively managed. In doing so, they are supported by designated lead officers (at Group Head level) who are responsible for overseeing the day-to-day management of these risks and ensuring future risk management strategies are progressed/implemented.

2.2 The format of the Corporate Risk Register was refreshed and presented for the first time at the last meeting of this Committee following implementation of a new in-house system and central record. The look and feel of the refreshed register have been designed to promote more focused reporting of risk management, incorporating a Corporate Risk Dashboard for system users. There will be further development of the new look register prior to the next Committee to address a number of technical issues for users who have to input data, and more work will be undertaken to remove

surplus content and consolidate a number of the subject risk areas where appropriate, which will be discussed with the Chair and Vice-Chair of this Committee.

2.3 The revised Corporate Risk Register content is appended to this report and includes the following:

- (a) **Appendix A** - Identified risks along with current and future risk management strategies set out in one document, highlighting next steps in managing the risks.
- (b) Within **Appendix A** there is summary information (visually presented) in terms of the direction of travel for each subject risk area regarding any movement of either the RAG rating, risk score or indicative future risk score.
- (c) **Appendix B** sets out the positioning and ranking of current assessed risks relating to each subject risk area, applying the corporate risk scoring matrix. (Risk owners and Lead Officers have had an opportunity to review the proposed positioning of the risks on the matrix).

2.4 Since the last meeting of this Committee the register has been updated to reflect any changes in the risks outlined at the time the report was written. The key headlines and updates to report across the broad risk categories on the register emerging from the current review are set out below:

### Changes in risk scores

2.5 Five risk scores have been adjusted, one upwards and four downwards:

(a) **6 – Climate Change – Climate Change threat and impact – Now Red RAG** (Previously Amber) The score has increased from 9 to 12 due to the increasing evidence that climate change is happening, which is likely to have significant impacts on our Borough. As a Council, we are continuing to work towards our own net-zero targets and reviewing and updating our climate change strategy, ensuring this is fully aligned with our Corporate Plan 2024-28. However, whatever positive action we take locally, we cannot escape the growing threat that climate change presents, such as flooding.

(b) **6 – Climate Change – Responding and adapting to Climate Change – Now Amber RAG** (Previously Red) The risk score has been reduced from 12 to 8 in view of work which has been progressed building on the Greener Futures climate adaptation strategy and incorporating actions into our climate change strategy.

(c) **6 – Climate Change – Integration into decision making – Now Amber RAG** (Previously Red) The risk score has been reduced from 12 to 6 in view of the Council achieving the bronze level on the carbon literacy hierarchy. This score has scope to reduce further when the Council achieves the silver level.

(d) **2 – Economy – Cost of doing business crisis – Still Amber RAG** the risk score has been reduced from 9 to 6 to reflect the Council securing funding for climate change audits and consultancy support for businesses, plus progress with the specified mitigating actions (including the Council completing our work on the Town Centres Strategy for 2023).

(e) **4 – Financial Pressures – Cost of Living Crisis and increased demand on Council services – Now Amber RAG** (Previously Red) The risk score has been reduced from 12 to 9 to reflect the Council's use of Local Authority Housing Fund (LAHF) funding to purchase Temporary Accommodation, which will be transferred to

the Council's Housing Company (Knowle Green Estates Ltd.). This will save the Council around £3m per annum compared to the alternative of placing in private B&B, significantly mitigating the housing pressures on the Council's Revenue Budget.

### Other key updates

2.6 Other risk scores within the register remain the same as previously reported, with continuing key underlying themes around financial risk due to:

- Ongoing funding challenges for local authorities,
- Increased demands on services, particularly in the area of housing,
- Risks associated with managing the accumulated capital costs of £10-15m arising from the suspension of direct delivery of the Council's Housing Development programme and the significant annual holding costs for Council-owned development sites, and
- Continuing high cost of debt, despite recent reductions in inflation.

(a) Under **1a Housing - Development and Targets** ('Alternative development delivery options' and 'Timelines for delivery') **Both remain RED RAG** Following discussions between Members and officers a new Member-driven delivery strategy is in development together with a prioritisation list for development sites.

(b) The Risk description and control/mitigating actions for **1a Housing – Local Plan** **Still RED RAG** have been refreshed to reflect the updated Strategic Flood Risk Assessment and recent interactions with the Environment Agency (EA) over their concerns around flooding issues and the soundness of the Local Plan unless further changes were made. Although the EA believe these issues can be overcome and addressed and there is an on-going dialogue between Spelthorne and the EA, there is a risk that if the matter is unresolved, the number and deliverability of some site allocations may be at risk. This could potentially impact on the ability to deliver the required 5- and 10-year housing land supply (when combined with removing the green belt sites that the Council no longer wishes to pursue - agreed by E&S committee on 29 February 2024). A decision is still awaited from the Planning Inspector on whether the Council can go back to Examination or not (once he has received the EA's comments on the revised SFRA modelling).

**NB.** A report is being considered by CPRC on 8 July 2024 on whether to recommend further Main Modifications to the Local Plan be agreed by Council on 18 July 2024 to address the EA's final comments which were received on 20 June and 1 July. Members will be updated verbally on that Committee decision.

(c) Risk Category **1b – Housing provision and addressing need** – **Still RED RAG** An update has been provided under mitigating actions to outline work undertaken to explore strategies for helping to address the provision of affordable housing.

(d) DLUHC's announcement (on 8 May 2024) of a Best Value Inspection (BVI) of Spelthorne has been referenced under Risk category **3 - Financial Resilience and Commercial Assets – Commercial Investment Portfolio** **Still Amber RAG** The Council is actively and openly engaging with the BVI process, which will review risk mitigation arrangements around this authority's level of borrowing and reliance on

investment assets income. Although their inspection was due to be completed by August 2024 there is a risk that this may now take longer, due to the recent announcement of the General Election delaying the appointment two of the BVI team's Assistant Inspectors.

(e) The BVI has also been referenced in **4 – Financial Resilience and Supporting Communities – Financial Pressures – Increased Costs & Restricted Borrowing Levels** **Both remain Amber RAG**. The additional budgetary challenges ahead particularly from 2026/27 continue to be highlighted in the register. A medium-term financial strategy is in place to assist in managing and alleviating risks relating to financial pressures and Zero-Based Budgeting (ZBB) will be implemented as part of the 2025/26 budget process. Progress in achieving targets in delivering the cashable efficiency savings programme will be reported on a quarterly basis. The Council's financial reserves strategy and forecast is subject to periodical review, benchmarking analysis and reporting.

### **3. Options analysis and proposal**

3.1 The revised register and related appendices are an accurate reflection of the high-level significant risks affecting this authority, based on consultation with managers and assessment of risk and controls in operation.

3.2 **Option 1** - To consider the contents of the Corporate Risk Register including any new or expanded risk categories, any risk categories that can be consolidated or removed, residual risks highlighted, current risk management strategies (current control actions, current mitigating actions) and future risk management strategies. (preferred option); or

3.3 **Option 2** - To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

### **4. Financial management comments**

4.1 As previously reported, there are major financial implications arising from several corporate risk categories on the register. This is explained further at para 2.6, above.

### **5. Risk management comments**

5.1 The Council's corporate and strategic risks impacting the effective achievement of corporate priorities, represent the most significant risks facing the authority. The register contains nine broad strategic risk categories, comprising specific risk subject areas that align to the broader category. Risk descriptions and consequences are identified and articulated, as well as the current controls and current mitigation measures in place to manage these risks. Current controls are those actions intended to reduce the likelihood of occurrence of the risk event, whilst current mitigations are those actions intended to reduce the impact of a risk event should it occur. Taken together, current controls and current mitigating actions represent current risk management strategies. Future risk management strategies are also included in the register documentation.

### **6. Procurement comments**

6.1 Any procurement considerations relating to the risk categories on the register should be identified by the respective Risk Owners and lead officers and are likely to form part of separate reporting/communications.

## **7. Legal comments**

7.1 Some corporate risks facing the Council as identified on the register are driven or influenced by statutory requirements. For example, at risk category 8 - Equalities, Diversity and Inclusion refers to the Equality Act 2010.

## **8. Other considerations**

8.1 Whilst not currently referred to as a specific risk category on the Corporate risk register, the challenges facing the external audit sector have continued to present risks across the local government sector in terms of significant ongoing delays and backlogs in external audit assurance provision relating to prior year accounts, and the subsequent limitations regarding audit coverage and opinions. The external audit review process relating to 2023/24 for Spelthorne has however commenced.

8.2 It should be noted that there could be further developments under any of the risk categories between the report being drafted and this being reported to the Committee. Any significant changes would therefore be reported verbally at the Committee as necessary.

## **9. Equality and Diversity**

9.1 The Corporate Risk Register incorporates Equality, Diversity and Inclusion as a specific strategic risk category and sets out current controls and current mitigation measures in place, as well as future risk management strategies. There are no further areas of progress to report as part of the June review of the risk register.

## **10. Sustainability/Climate Change Implications**

10.1 There are none separate to those in the revised Corporate Risk Register, and some updates have been made under the broad risk category 6 as part of the June review of the register.

## **11. Timetable for implementation**

11.1 Future risk management strategies show lead Council officers responsible for progressing actions, together with target timescales for implementation. The register content is reviewed and updated three times a year in consultation with the corporate Management Team, Group Heads and managers. It is coordinated, analysed, and reported by the Deputy Chief Executive, which includes identifying new risk descriptions, high level review of relevance of control and mitigation actions being reported in context of risk area, and proposing new risk management strategies in consultation with managers where deemed appropriate.

## **12. Contact**

12.1 Lee O'Neil – Deputy Chief Executive (l.o'neil@spelthorne.gov.uk)

12.2 Please also refer to contact names provided for Risk owners/accountable officers as well as lead Officers who hold responsibility for implementing systems of internal control and mitigating actions to manage and alleviate the risks identified against each broad risk category and risk subject area.

## **Background papers:**

There are none.



**Appendices:**

**Appendix A** - Corporate Risk Register – this includes related narrative content as well as (i) level of assessed risk i.e., Red/Amber/Green - RAG status of each risk category (ii) Numerical Risk score and Direction of Travel.

**Appendix B** –Risk scoring matrix summary – level of assessed risks in the register.

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## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

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| <b>Risk category</b>   | 1a - Housing – Development and Targets   |  |
| <b>Risk subject area</b>   | Alternative Development delivery options |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: red; color: white; padding: 10px; margin-right: 10px;">12</div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: red; color: white; padding: 2px 5px;">&lt;12</div> <div style="background-color: orange; color: white; padding: 2px 5px;">9&gt;</div> </div> </div> | <b>Last review by</b>                    | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|  | <b>Corporate priorities</b>              | Addressing Housing Need                                |
|  | <b>Risk owner</b>                        | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|  | <b>Lead officer</b>                      | Coralie Holman   |

### Risk description

- In identifying, as part of the new Delivery Strategy, alternative Development Delivery Options for Council Owned Development Sites, there are new risks to assess to determine whether such arrangements (for example Joint Ventures) represent financially viable solutions in the long term and that they do not accelerate the Council's financial risk exposure to an unacceptable level, consequently presenting further uncertainty and strain on the Council's financial sustainability. Updated 14/6/24

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Governance and reporting arrangements.
- Professional advice, expertise and input from officers across the Council, to guide and support on the implications of any proposed routes put forward.
- Scrutiny of decisions is embedded within the Committee system of governance, and a 'call in' procedure can be invoked if required.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Progressing new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council.

### Future actions

| Type       | Timeline   | Description  | Status      | Comments |
|------------|------------|--|-------------|----------|
| Mitigation | April 2024 | Identification and rigorous assessment of alternative Development Delivery Options for Council Owned Development Sites, to ensure they represent financially viable and sustainable solutions in delivering development targets. | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

| <b>Risk category</b>   | 1a - Housing – Development and Targets   |  |             |          |  |      |          |             |        |          |  |                |   |             |  |
|--|--|--|-------------|----------|--|------|----------|-------------|--------|----------|--|----------------|---|-------------|--|
| <b>Risk subject area</b>   | Timelines for delivery   |  |             |          |  |      |          |             |        |          |  |                |   |             |  |
| <div style="text-align: center;"> <div style="background-color: red; color: white; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; font-size: 24px; font-weight: bold;">12</div> <div style="display: flex; justify-content: space-around; width: 100%; margin-top: 5px;"> <span style="background-color: red; color: white; padding: 2px 5px;">&lt;12</span> <span style="background-color: orange; color: white; padding: 2px 5px;">9&gt;</span> </div> </div> | <b>Last review by</b>  | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM   |             |          |  |      |          |             |        |          |  |                |   |             |  |
|  | <b>Corporate priorities</b>  | Addressing Housing Need  |             |          |  |      |          |             |        |          |  |                |   |             |  |
|  | <b>Risk owner</b>  | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad   |             |          |  |      |          |             |        |          |  |                |   |             |  |
|  | <b>Lead officer</b>  | Coralie Holman   |             |          |  |      |          |             |        |          |  |                |   |             |  |
|  | <b>Risk description</b>  | <ul style="list-style-type: none"> <li>Further to the Council's decision to suspend direct delivery of the Housing development programme from mid-September 2023, this will further impact timelines for delivery of housing schemes and development targets (both affordable and general housing).</li> </ul> |             |          |  |      |          |             |        |          |  |                |   |             |  |
| <b>Current control actions</b>   | <p>These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence</p> <ul style="list-style-type: none"> <li>Residual risk that may have to be accepted given the risk event occurrence and impact.</li> </ul>   |  |             |          |  |      |          |             |        |          |  |                |   |             |  |
| <b>Current mitigating actions</b>  | <p>These are specific actions to reduce the <u>impact</u> of a risk event should it occur</p> <ul style="list-style-type: none"> <li>Residual risk that may have to be accepted given the risk event occurrence and impact.</li> </ul>   |  |             |          |  |      |          |             |        |          |  |                |   |             |  |
| <b>Future actions</b>  | <table border="1"> <thead> <tr> <th>Type</th> <th>Timeline</th> <th>Description</th> <th>Status</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Mitigation</li> </ul> </td> <td>September 2024</td> <td>Once strategy routes have been confirmed, monitoring mechanisms to be pursued of revised timelines for delivery of targets Reviewed 14/6/24</td> <td>Outstanding</td> <td></td> </tr> </tbody> </table> |  |             |          |  | Type | Timeline | Description | Status | Comments | <ul style="list-style-type: none"> <li>Mitigation</li> </ul> | September 2024 | Once strategy routes have been confirmed, monitoring mechanisms to be pursued of revised timelines for delivery of targets Reviewed 14/6/24 | Outstanding |  |
| Type   | Timeline   | Description  | Status      | Comments |  |      |          |             |        |          |  |                |   |             |  |
| <ul style="list-style-type: none"> <li>Mitigation</li> </ul>   | September 2024   | Once strategy routes have been confirmed, monitoring mechanisms to be pursued of revised timelines for delivery of targets Reviewed 14/6/24  | Outstanding |          |  |      |          |             |        |          |  |                |   |             |  |

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|--|--|--|
| <b>Risk category</b>   | 1a - Housing – Development and Targets |  |
| <b>Risk subject area</b>   | Local Plan                             |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: red; color: white; padding: 10px; margin-right: 10px; font-size: 24px; font-weight: bold;">12</div> <div style="text-align: center;"> <div style="background-color: red; color: white; padding: 2px 5px; font-size: 12px;">&lt;12</div> <div style="background-color: orange; color: white; padding: 2px 5px; font-size: 12px;">9&gt;</div> </div> </div> | <b>Last review by</b>                  | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|  | <b>Corporate priorities</b>            | Addressing Housing Need                                |
|  | <b>Risk owner</b>                      | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|  | <b>Lead officer</b>                    | Heather Morgan   |

### Risk description

- Any further delays in the examination and adoption of the Local Plan are likely to continue to impact on the ability to bring forward the appropriate quantum of housing development.
- If the Local Plan process is not subject to robust challenge, this may not provide adequate opportunity to shape and finalise a plan at key stages to ensure it meets the (a) optimal interests of Spelthorne (b) all regulatory, legislative and professional requirements.
- Due to further pausing of the Local Plan Examination Hearings until Spring 2024, as a result of the decisions made at the extraordinary E&S committee meeting on 29 February 2024, a number of specific risks and challenges include: (i) additional pressure on SBC Local Plan to meet the housing need of other boroughs (ii) a lack of certainty around Housing Delivery (iii) legal challenge (iv) prospect of unsuitable developments (v) financial impact to the Council from delays in adoption of the plan (vi) adverse publicity and reputational damage
- Increased possibility of central government intervention to facilitate progression of the plan if the Council does not take active steps to move forward at an appropriate pace. This could have significant implications in terms of the sovereignty of decision making by the Council.
- On 2 May 2024, the EA advised they had some key concerns around flooding issues, and the soundness of the Local Plan unless further changes were made. However the EA believe these issues can be overcome and addressed. There is an on-going dialogue between SBC and the EA. There is a risk that if the matter is unresolved, the number and deliverability of a number site allocations may be at risk. This could potentially impact on the ability to deliver the required 5 and 10 year housing land supply (when combined with removing the green belt sites that the Council no longer wishes to pursue - agreed by E&S committee on 29 February 2024)

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Impact assessment of the revised NPPF on the Local Plan submitted for Examination (on the basis of the current draft NPPF), with options around possible next steps.
- Planning regulatory framework

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Planning Committee, Officer presentations/professional advice and Member decision making
- Local Plan inspectorate and independent examination/assessment. Once the views of the EA have been received on the revised SFRA and the Councils proposed amendments to site allocations (removals, moving back later in the plan period, development subject to the implementation of the River Thames scheme) these will be provided to the Planning Inspector for him to each a view on whether the Council is able to re-start the Examination process or not
- As a result of the Ministerial Direction (September 2023), monthly progress meetings continue to be held between senior officers from DLUHC and the Council. This ensures that all sides are aware of progress on key milestones. Announcement of general election for 4 July may curtail this activity in the short term
- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making. A revised SFRA based on up to date EA modelling for the Thames and the River Ash has been completed and sent to the EA on 20 March 2024. The EA responded on 2 May and asked for further clarification on a number of matters (largely around site allocations and matters of technical detail). Further information will be provided to the EA by early June, with a final response from the EA expected towards the end of June
- Planning policies and guidelines
- Future review of the Strategic Flood Risk Assessment (SFRA) in light of the River Thames Scheme modelling as required.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making. A revised SFRA based on up to date EA modelling for the Thames and the River Ash has been completed and was sent to the EA on 20 March 2024. The EA responded on 2 May and asked for further clarification on a number of matters (largely around site allocations and matters of technical detail). Further information will be provided to the EA by early June, with a final response from the EA expected towards the end of June.
- Impact assessment of the revised NPPF on the Local Plan submitted for Examination (on the basis of the current draft NPPF), with options around possible next steps.
- Future review of the Strategic Flood Risk Assessment (SFRA) in light of the River Thames Scheme modelling as required

### Future actions

| Type         | Timeline | Description   | Status      | Comments  |
|--------------|----------|---|-------------|---|
| • Control    | TBD      | Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy | In Progress | Awaiting decision of Planning Inspector on whether the Council can go back to Examination on not (once he has received the EA's comments on revised SFRA modelling) |
| • Mitigation | TBD      | Preparation and adoption of   | In Progress | See action on Control   |

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|              |          |   |             |   |
|--------------|----------|---|-------------|---|
|              |          | New Local Plan to meet future need and strengthen affordable Housing Policy   |             | section   |
| • Mitigation | Dec 2024 | All schemes progressed on Council owned land considered against the flood risk to ensure appropriate mitigation is included within the scheme design. | In Progress | flood risk mitigation will be integral to all decisions by councillors on joint ventures/partnerships on sites within Staines-upon-Thames |

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|   |  |  |  |
|---|--|--|--|
| <b>Risk category</b>  | 1a - Housing – Development and Targets |  |  |
| <b>Risk subject area</b>  | Housing Development Programme          |  |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: red; color: white; padding: 10px; margin-right: 10px;">12</div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: red; color: white; padding: 2px 5px; margin-bottom: 5px;">&lt;12</div> <div style="background-color: orange; color: white; padding: 2px 5px; margin-top: 5px;">9&gt;</div> </div> </div> | <b>Last review by</b>                  | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |  |
|   | <b>Corporate priorities</b>            | Addressing Housing Need                                |  |
|   | <b>Risk owner</b>                      | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |  |
|   | <b>Lead officer</b>                    | Coralie Holman   |  |

### Risk description

- A number of factors have continued to very significantly affect the financial viability of each project (as previously reported) leading to rising overall costs, and risk of adverse financial position of the Council. In responding to this threat, the Council decided to suspend direct delivery of the Housing development programme from mid-October 2023. Options are being explored which will determine the extent to which accumulated capitalised costs of £10m to £15M will need to be charged to Revenue. In addition, holding costs of £1.6m per annum relating to the housing delivery schemes are continuing to be incurred until outcomes are delivered on the sites. This continues to have a significant financial impact on the Council's budgetary position.

Updated 26/6/24

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Governance and reporting arrangements. Examples include progress reporting of Property Development projects to officer and Member groups.
- Established policies and framework

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Progressing new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council.
- Reserves strategy. Application of earmarked financial reserves to the Council's budget.
- Assessment of options incorporating mitigation of holding costs on development sites.

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Mitigation . Finalisation and implementations Outstanding  
of Member driven strategy for  
delivering housing outcomes  
across sites owned by the  
Council

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|  |                             |  |
|--|-----------------------------|--|
| <b>Risk category</b>   | 1b - Housing – Affordable   |  |
| <b>Risk subject area</b>   | Housing Supply and Demand   |  |
| <div style="text-align: center;"> <div style="background-color: red; color: white; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; font-size: 24px; font-weight: bold;">12</div> <div style="display: flex; justify-content: space-around; width: 100%; margin-top: 5px;"> <span style="background-color: red; color: white; padding: 2px 5px; font-size: 10px;">&lt;12</span> <span style="background-color: red; color: white; padding: 2px 5px; font-size: 10px;">12&gt;</span> </div> </div> | <b>Last review by</b>       | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|  | <b>Corporate priorities</b> | Addressing Housing Need                                |
|  | <b>Risk owner</b>           | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|  | <b>Lead officer</b>         | Karen Sinclair<br>Housing Admin                        |

### Risk description

- Lack of affordable housing supply increases homelessness with increased demand for temporary or social housing.  
The demand for temporary housing increased significantly over the last year and is expected to increase further. The cost of temporary accommodation sourced on the private market, grows as the demand increases. At present the average annual cost of a placement in temporary accommodation is £20,000 per annum. The increased demand is caused by the shrinking private rented sector, affordability of rent and the wider cost of living crisis.  
Long term prospect for increase in supply of housing appears bleak due to lack of interest from RPs to take s.106 units, the Council suspending its development and wider viability challenges for developers.
  - Increased rate of determination of asylum seekers claims is resulting in more residents at the Asylum Seekers initial accommodation hotel in the Borough presenting to the Council seeking housing support.
  - Geopolitical factors continue to present increased demand in supporting refugee communities and consequently managing the provision of suitable and secure housing.
  - Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation. Any delay in adopting the Local Plan does not assist in progressing a wide spread of units for differing needs. If fundamental housing needs are not met / maintained this may have a negative impact on the health and wellbeing of individuals / families.
  - If information relating to housing need becomes out of date or is significantly inaccurate this could have implications for the effectiveness and implementation of housing and homelessness strategies
- This is an external pressure based on asylum seekers coming to the UK
  - Cost of living crisis, shrinking private rented sector, insufficient number of affordable housing, migration - refugees and Asylum seekers.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- The review process for S106 agreements with Developers aims to capture additional affordable housing.
- Quarterly Strategic Action Plan monitoring and review relating to Housing and

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Homelessness Strategies. Member approved tenancy strategy.

- More robust eligibility criteria now applied in determining applicants for the Social Housing register, to reflect allocation policy.
- Homelessness Reduction Act incorporates proactive and preventative measures to support those at higher risk of homelessness
- Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need and manage pipeline of units.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Council is lobbying for additional funding support in recognition of the resourcing and financial impact of more asylum seekers presenting in need of housing support.
- Spelthorne participates in the Local Authority Housing Fund (LAHF) capital funding programme (Rounds 1, 2 and 3) to acquire properties to house homeless refugees, as well as delivery of temporary accommodation. Spelthorne successfully delivered in the first 2 rounds of the LAHF programme and secured funding for the extension of Rounds 1 and 2, to deliver further 52 units (50 of which are temporary accommodation). In addition, Spelthorne was allocated further funding for a minimum of 8 units in Round 3 and applied for additional allocation of funding. The delivery of both the extension to Round 1 and 2 as well as Round 3 programmes is progressing well, with all purchases scheduled to complete this summer.
- Applying Home Office funding and implementing wider schemes to provide additional support to refugees.

### Future actions

| Type         | Timeline | Description   | Status      | Comments |
|--------------|----------|---|-------------|----------|
| • Mitigation |          | Targeted exercise to identify potential tenancy fraud , with a view to freeing up social housing  | In Progress |          |
| • Mitigation |          | Acquisition of properties to support refugees forms an important strategy that the Council is pursuing. (Partly funded from the LAHF grant rounds 1 & 2). | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|  |                                       |  |
|--|---------------------------------------|--|
| <b>Risk category</b>   | 1b - Housing – Affordable             |  |
| <b>Risk subject area</b>   | Housing provision and addressing need |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: red; color: white; padding: 10px; margin-right: 10px; font-size: 24px; font-weight: bold;">12</div> <div style="text-align: center;"> <div style="background-color: red; color: white; padding: 2px 5px; font-size: 12px;">&lt;12</div> <div style="background-color: orange; color: black; padding: 2px 5px; font-size: 12px;">9&gt;</div> </div> </div> | <b>Last review by</b>                 | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|  | <b>Corporate priorities</b>           | Addressing Housing Need                                |
|  | <b>Risk owner</b>                     | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|  | <b>Lead officer</b>                   | Karen Sinclair<br>Housing Admin                        |

### Risk description

- Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation. Any delay in adopting the Local Plan does not assist in progressing a wide spread of units for differing needs. If fundamental housing needs are not met / maintained this may have a negative impact on the health and wellbeing of individuals / families.
- If information relating to housing need becomes out of date or is significantly inaccurate this could have implications for the effectiveness and implementation of housing and homelessness strategies

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need and manage pipeline of units.
- The review process for S106 agreements with Developers aims to capture additional affordable housing.
- Quarterly Strategic Action Plan monitoring and review relating to Housing and Homelessness Strategies. Member approved tenancy strategy.
- More robust eligibility criteria now applied in determining applicants for the Social Housing register, to reflect allocation policy.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Administration and Group Leaders had a productive session with Professor Morphet who generated a number of suggestions as to strategies which could be explored to help address provision of affordable housing. Many of the suggestions have already been explored/considered but all the suggestion are being evaluated

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

| Future actions |          |             |        |          |
|----------------|----------|-------------|--------|----------|
| Type           | Timeline | Description | Status | Comments |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |  |  |
|--------------------------|--|--|
| <b>Risk category</b>     | 2 - Economy  |  |
| <b>Risk subject area</b> | Long Term uncertainty of macroeconomic environment |  |
|                          | <b>Last review by</b>                              | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|                          | <b>Corporate priorities</b>                        | Resilience   |
|                          | <b>Risk owner</b>                                  | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|                          | <b>Lead officer</b>                                | Heather Morgan   |

### Risk description

- Whilst Council actions aim to support businesses and the local economy, these actions alone can only have a limited impact due to the overarching effects and long-term uncertainty of the macroeconomic environment, market volatility and geopolitical factors over which the Council has incredibly little influence.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- The Business, Infrastructure and Growth (BIG) Committee provides a mechanism for the Council's Economic Prosperity strategy to be periodically refreshed and reported. The new committee gives the opportunity to ensure economic development considerations are integral to investment, development and place shaping decisions
- An Economic Prosperity Strategy has been developed (2023 – 2028) which addresses the key actions which face the borough. It incorporates a detailed strategy action plan detailing performance management measures in anticipating outcomes. An internal review is being undertaken (Spring 2024) to determine if the strategy is still fit for purpose or needs refining - it will consider skills/employment, our hub and incubator, inward investment and whether more business engagement is required at a strategic level. A report will go to BIG committee in autumn 2024.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Whilst Council actions aim to support businesses and the local economy, these actions alone can only have a limited impact due to the overarching effects and long-term uncertainty of wider externalities.

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|  |                               |  |
|--|-------------------------------|--|
| <b>Risk category</b>   | 2 - Economy                   |  |
| <b>Risk subject area</b>   | Cost of doing Business crisis |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: orange; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <span style="font-size: 24px; font-weight: bold;">6</span> </div> <div style="text-align: center;"> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">&lt;9</div> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">6&gt;</div> </div> </div> | <b>Last review by</b>         | I.o'neil@spelthorne.gov.uk<br>6/26/2024 2:20:58 PM     |
|  | <b>Corporate priorities</b>   | Resilience   |
|  | <b>Risk owner</b>             | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|  | <b>Lead officer</b>           | Heather Morgan   |

### Risk description

- The potential for increased level of business failures amidst the growing 'Cost of doing business crisis' has led to closure of some retail and business units across the borough as a result of wider economic instability (inflationary pressures and increase in borrowing) and the need to pass on increased costs to the consumer. This impacts the economic prosperity of the borough and affects collections rates for business rate income, with reduced levels impacting finances and services available.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Government assisted Energy Bills Support Scheme (EBSS) to support increased energy costs / bills.
- Monthly monitoring of Collection fund - Business Rates and Council Tax collection rates. Regular reporting of these to Corporate Debt Group and as part of KPI's to Councillors
- Shared Prosperity Fund Investment Plan to support economic regeneration. From a business perspective the Council secured funding for (1) climate change audits (2) consultancy support to ensure businesses can be sustained (3) funding for employment and skills hub (termed youth hub at point of bid submission)

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Approved Town Centres Strategy for 2023 set out key actions for smaller shopping areas and parades. These have been implemented and provided targeted support and interventions, with timescales and measures of success identified. The work of this strategy has now been completed
- Local mitigating measures taken by the Economic Development team (to influence areas where a degree of local control can be applied). These include several measures to strengthen the resilience of local businesses in the face of future challenges - e.g. website design and increasing social media presence, energy efficiency measures, business networking and business to business support

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

| Future actions |          |             |  |        |          |
|----------------|----------|-------------|--|--------|----------|
| Type           | Timeline | Description |  | Status | Comments |



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                                   |   |  |  |
|-----------------------------------|---|--|--|
| <b>Risk category</b>              | 3 - Financial Resilience and Commercial Assets  |  |  |
| <b>Risk subject area</b>          | Commercial investment portfolio   |  |  |
|                                   | <b>Last review by</b>   | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM   |  |
|                                   | <b>Corporate priorities</b>   | Resilience   |  |
|                                   | <b>Risk owner</b>   | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad   |  |
|                                   | <b>Lead officer</b>   | Coralie Holman   |  |
|                                   | <b>Risk description</b>   | <ul style="list-style-type: none"> <li>Evolving externalities arising since the aftermath of the pandemic now compounded by the Cost-of-Living crisis and inflation, both continue to increase the Council's exposure to financial risk, with possible implications for the investment portfolio, including loss of anticipated rental income and increased costs from vacant space within the commercial assets. This may impact on the financial position, and our ability to deliver discretionary services, leading in the worst-case scenario to the Council becoming financially unsustainable with associated reputational damage.</li> <li>If key commercial asset leases are not maintained or renewed this may have implications for maintaining flow of rental income. Where asset holdings are aligned to a specific sector or location this could be impacted by wider externality factors and potentially present limitations in deriving optimal value</li> </ul> |  |
| <b>Current control actions</b>    | These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence  |  |  |
|                                   | <ul style="list-style-type: none"> <li>Overarching Asset Management Strategy &amp; Asset Management Plan</li> <li>Individual Business Plans for all assets, with a summary portfolio level AIS focused on the coming 12 month period</li> <li>Capital Strategy includes key performance indicators (being developed further) with a particular focus on the investment portfolio. The investment portfolio has it's own bespoke KPIs and Risk Register.</li> <li>Performance management measures – developing KPIs which are reviewed annually and benchmarked against external, regional property indicators i.e., vacancy rates, market rentals, occupier demand.</li> <li>Governance reporting - Investment performance reported regularly to Councillors</li> </ul> |  |  |
| <b>Current mitigating actions</b> | These are specific actions to reduce the <u>impact</u> of a risk event should it occur  |  |  |
|                                   | <ul style="list-style-type: none"> <li>Sinking fund reserves strategy to support periods of tenancy voids and offset dips in rental income.</li> </ul>  |  |  |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Monitoring of contributions and overall amount of sinking fund balance held.

- Ten-year worst and expected case sinking fund scenario projections are reviewed fortnightly and will be shortly extended to a 20-year time frame.
- Periodical financial health check of tenants to support accurate forecasts
- Ongoing management of voids with a view to reducing the portfolio void rate. Assets team proactively working to fill voids quickly using external lettings agents, understanding market demand and the size of accommodation needed.
- SBC has participated in a review of capital risk mitigation with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and is in the process of taking on board any improvement suggestions. On 8th May DLUHC announced a Best Value Inspection process to review how the Council mitigates risk.  
Updated 14/6/24
- Proactive monitoring of key lease renewals to secure ongoing rental income, or pursue options for alternative use . Assets team engage with tenants ahead of lease ends/breaks coming up  
Updated 14/6/24
- Public Interest Report Action Plan implemented. Review against PIR Action Plan coming to July Audit Committee.  
Updated 14/6/24
- Invite external consultants with specialist expertise to critique approaches and share any learning points. For example JLL's report to Development Sub-Committee in February 2024 and March 2024 Audit Committee.  
Updated 14/6/24

| Future actions |            |                    |  |  |             |          |
|----------------|------------|--------------------|--|--|-------------|----------|
|                | Type       | Timeline           | Description  |  | Status      | Comments |
| •              | Mitigation | Ongoing            | To explore and assess opportunities for further diversification of the Council's asset holdings  |  | In Progress |          |
| •              | Mitigation | End of August 2024 | The Council will actively and openly engage with the Best Value Inspection team to assist in an independent review of risk management and governance . |  | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |   |  |
|--------------------------|---|--|
| <b>Risk category</b>     | 4 - Financial Resilience and Supporting Communities |  |
| <b>Risk subject area</b> | Financial Pressures - increased costs               |  |
|                          | <b>Last review by</b>                               | I.o'neil@spelthorne.gov.uk<br>6/26/2024 2:39:39 PM     |
|                          | <b>Corporate priorities</b>                         | Resilience   |
|                          | <b>Risk owner</b>                                   | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|                          | <b>Lead officer</b>                                 | Terry Collier  |

### Risk description

- Significantly increased financial pressures faced by the Council, similar to other councils arising from the recent inflationary pressures on fuel, gas and electricity, staff pay pressures, significantly increased PWLB loan rates presenting higher borrowing costs, managing accumulated capitalized costs and annual holding costs relating to housing delivery schemes, and other external factors are collectively causing a significant increase in revenue costs and capital expenditure. Equally the housing crisis is increasing the need to spend on temporary accommodation to support residents

Potential risk as housing and cost of living crises continue to impact on households more of them will struggle to pay council tax bills

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Financial impact assessment modelling undertaken as proactive measure.
- Annual budget process incorporates review and scrutiny at several stages.  
Under Committee system process has been made more transparent  
For 2025-26 Budget process we will be implementing Zero Based Budgeting  
Updated 14/6/24
- All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Inflationary pressure contingency reserve to assist with any anticipated budget deficit.
- Earmarked revenue reserves with forecast for the next four years. Financial Reserves strategy subject to regular review, with annual review and approval of the Reserves Strategy by Corporate Policy and Resources Committee

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Monitoring levels of reserves used at SBC and key financial performance indicators. Benchmarking and analysis of other Surrey Boroughs and districts use of reserves. Also benchmarking through LG Improve Updated 14/6/24
- Medium term financial strategy providing a framework for managing financial resources, in a planned and pro-active way. Enables measures to be implemented which may take time to deliver results ahead of when required. For example the Council is expecting additional pressures in 2026-27 if a Fair Funding Review and Business Rates reset happens then.
- Budget put forward for making efficiency savings over the next 4 years to further safeguard the authority. New targets have been incorporated into the 2024-25 Budget. Progress against savings targets will be reported on a quarterly basis to MATplus and councillors

| Future actions |                |  |             |  |  |
|----------------|----------------|--|-------------|--|--|
| Type           | Timeline       | Description  | Status      | Comments   |  |
| • Mitigation   | September 2024 | SBC has participated in a review of capital risk mitigation with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and is in the process of taking on board any improvement suggestions. DLUHC has notified the Council that it has commissioned a Best Value Inspection to be undertaken by end of August 2024. The Council is positively engaging with the Best Value Inspection Process.<br>Updated 14/6/24 | In Progress | The Council will positively engage with the Best Value Inspection process and address any recommendations. |  |
| • Mitigation   |                | Progressing medium term financial strategy and efficiency savings plan.  | In Progress |  |  |
| • Mitigation   |                | Monitoring and periodically reporting on outcomes of 4 year efficiency savings plan  | In Progress |  |  |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                                   |   |  |             |        |          |
|-----------------------------------|---|--|-------------|--------|----------|
| <b>Risk category</b>              | 4 - Financial Resilience and Supporting Communities   |  |             |        |          |
| <b>Risk subject area</b>          | Restricted borrowing levels   |  |             |        |          |
|                                   | <b>Last review by</b>   | l.o'neil@spelthorne.gov.uk<br>6/26/2024 2:55:55 PM   |             |        |          |
|                                   | <b>Corporate priorities</b>   | Resilience   |             |        |          |
|                                   | <b>Risk owner</b>   | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad   |             |        |          |
|                                   | <b>Lead officer</b>   | Paul Taylor  |             |        |          |
|                                   | <b>Risk description</b>   | <p>As the Council's borrowing levels have necessarily become restricted in the context of wider financial and externality risk, this could impact how the Council responds to unexpected events or factors presenting uncertainty and therefore its financial resilience. Moving forwards it is exploring options both for generating capital receipts and drawing down some of its medium term financial investments which will reduce need for future borrowing.</p> <p>Whilst the Best Value Inspection process continues the Council remains able to borrow from the Public Works Loan Board.</p> <p>Updated 14/6/24</p> |             |        |          |
| <b>Current control actions</b>    | <p>These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence</p> <ul style="list-style-type: none"> <li>Revised Treasury Management Strategy approved with amendments to the prudential indicators</li> </ul>  |  |             |        |          |
| <b>Current mitigating actions</b> | <p>These are specific actions to reduce the <u>impact</u> of a risk event should it occur</p> <ul style="list-style-type: none"> <li>Participated in a Capital Assurance review with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and in the process of taking on board any improvement suggestions. Coinciding with the publication of the final Best Value Guidance, DLUHC notified the Council of a Best Value Inspection process to be completed by end of August 2024. This will review risk mitigation arrangements around level of borrowing and reliance on investment assets income.</li> </ul> <p>Updated 14/6/24</p> <ul style="list-style-type: none"> <li>Participated in Surrey wide financial resilience review with commissioning of independent consultants to consider financial metrics as part of this assessment</li> </ul> |  |             |        |          |
| <b>Future actions</b>             | Type  | Timeline   | Description | Status | Comments |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Mitigation                      Any outcomes or further learning arising from the Surrey wide financial review will continue to be considered.                      In Progress
  
- Control                      End of August 2024                      Council will positively engage with the Best Value Inspection process and will address any recommendations which emerge. Updated 14/6/24                      In Progress

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|   |  |  |  |
|---|--|--|--|
| <b>Risk category</b>  | 4 - Financial Resilience and Supporting Communities                                  |  |  |
| <b>Risk subject area</b>  | Financial Pressures - Cost of Living Crisis and increased demand on Council Services |  |  |
|   | <b>Last review by</b>  | l.o'neil@spelthorne.gov.uk<br>6/26/2024 2:56:46 PM     |  |
|   | <b>Corporate priorities</b>  | Resilience   |  |
|   | <b>Risk owner</b>  | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |  |
|   | <b>Lead officer</b>  | Terry Collier  |  |
| <b>Risk description</b>   |  |  |  |
| <ul style="list-style-type: none"> <li>Combined with reduced fee income and potential for lower collection rates of Business Rates and Council Tax (exacerbated further by the continued Cost-of-Living crisis) this could have an impact on the Council's ability to deliver services as well as creating greater demands on community services, leading to a negative impact on the Borough's residents and communities (economic, social, physical and mental wellbeing). This coincides with increased service demands, leading to further growth bids for resourcing which are not financially sustainable or affordable unless these can be offset by savings. Ongoing financial pressures, in worst case scenario, could lead to the Council becoming financially unsustainable</li> </ul> |  |  |  |
| <b>Current control actions</b>  |  |  |  |
| These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence  |  |  |  |
| <ul style="list-style-type: none"> <li>Annual budget process incorporates Officer and Member review and scrutiny at several stages with measures to support production of balanced budget. Service planning process integrates with annual budget process.</li> <li>Medium term financial strategy providing a framework for managing financial resources.</li> <li>All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.</li> </ul>  |  |  |  |
| <b>Current mitigating actions</b>   |  |  |  |
| These are specific actions to reduce the <u>impact</u> of a risk event should it occur  |  |  |  |
| <ul style="list-style-type: none"> <li>Budget put forward for making efficiency savings over the next 4 years to further safeguard the authority. Progress against this target is currently being re-assessed, and additional measures put in place to maintain clear focus on cashable savings.</li> <li>Cashable savings working group set up to target efficiencies and savings.</li> <li>Procurement Projects Board set up to ensure focus on delivering value for money from procurement.</li> </ul>   |  |  |  |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Use of Local Authority Housing Fund is enabling purchase of approximately 60 Temporary Accommodation with near 50% grant funding and transferring the units to the Council's Housing Company. Having direct control of such units will save the Council approximately £3m per annum compared to the alternative of placing in private bed and breakfast. This is significantly mitigating the housing pressures on the Council's Revenue Budget.

| Future actions |          |  |             |          |  |
|----------------|----------|--|-------------|----------|--|
| Type           | Timeline | Description  | Status      | Comments |  |
| • Mitigation   |          | Progress against cashable savings will be incorporated into the quarterly budget monitoring reports. | In Progress |          |  |



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|  |                             |  |  |
|--|-----------------------------|--|--|
| <b>Risk category</b>   | 5 - Treasury Management     |  |  |
| <b>Risk subject area</b>   | Return on Investments       |  |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: orange; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> <span style="font-size: 24px; font-weight: bold;">9</span> </div> <div style="text-align: center;"> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">&lt;9</div> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">9&gt;</div> </div> </div> | <b>Last review by</b>       | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |  |
|  | <b>Corporate priorities</b> | Resilience, Services                                   |  |
|  | <b>Risk owner</b>           | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |  |
|  | <b>Lead officer</b>         | Paul Taylor  |  |

### Risk description

- If the Council receives a reduced return on long term investments and/or investments become insecure in the current / future economic climate, then this will have an adverse impact on the Council's financial position, weakening financial resilience. Currently interest rates are relatively high which has boosted returns, but it is expected that the Bank of England will start to reduce base rate later in 2024 probably in June or August, when this happens rates we can achieve are likely to start to reduce.  
  
A risk of missing opportunity to lock in good return rates in investments such as supranational bonds. However, need to be weighed up against need to maximise ability to internally borrow and reduce need to externally borrow.  
Updated 12/6/24
- Risk of not aligning investments with the Council's Environmental, Social and Governance (ESG) Objectives

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Council's investments are managed internally in consultation with specialist advisors Arlingclose.
- Investments with approved institutions as per policy and strategy
- Aim to select counter parties of the highest credit quality. Credit ratings monitored. Credit Default Swaps (SDS) are monitored
- Approved Treasury Management Strategy for 2023-24. February 2024 Council has approved Strategy for 2024-25. Officers are in ongoing discussions with our Treasury management advisers and will be bringing forwards options for evolving the strategy which could involve drawing down medium term financial investments, thereby reducing the need for future borrowing, and or fixing some funds in supranational bonds (such as European Investment Bank) delivering good fixed rate interest returns

Officers in discussion with Treasury Management advisers who will be setting out options for councillors to evaluate in early autumn.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Updated 12/6/24

- Application of professional (CIPFA) Code of Practice and Prudential and Treasury Management Codes
- Performance measurement and outturn reporting, as well as Investment Benchmarking
- Regular engagement with the Council's specialist advisors at Officer and Member level to enhance knowledge, subsequently informing decisions.
- Arlingclose to provide training session for councillors

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- By investing in a balanced mix of unit funds linked to assets, bonds and equities this is intended to spread the risk and minimize the impact of occurrence of any adverse investment returns.

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |                             |  |  |
|--------------------------|-----------------------------|--|--|
| <b>Risk category</b>     | 5 - Treasury Management     |  |  |
| <b>Risk subject area</b> | Borrowing                   |  |  |
|                          | <b>Last review by</b>       | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |  |
|                          | <b>Corporate priorities</b> | Resilience, Services                                   |  |
|                          | <b>Risk owner</b>           | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |  |
|                          | <b>Lead officer</b>         | Paul Taylor  |  |

### Risk description

- Significant rises in interest rates and increased cost of borrowing / loans influence the Council's treasury activities. This also presents positive opportunities in enabling great returns to be earned on the Council's surplus cash supporting the Revenue Budget.
- Risk that Council fixes borrowing required for existing capital programme too early and locks into a higher cost of borrowing.  
12/6/24

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Approved Treasury Management Strategy for 2023-24.
- Application of professional (CIPFA) Code of Practice and Prudential and Treasury Management Codes
- Regular engagement with the Council's specialist advisors at Officer and Member level to enhance knowledge, subsequently informing decisions.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Ongoing review and assessment of options with Treasury Management advisors regarding the Council's borrowing strategy in the context of interest rates rises and volatility.

Officers discussing options with TM advisers, options could include reducing medium term pools to facilitate short term internal borrowing to reduce need for external borrowing.  
12/6/24

- Fixed interest rate on most debt and for investment assets an interest equalization reserve is in place.

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Control      Jan 2024      Arlingclose to provide training session for councillors.      Outstanding

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|   |                                  |  |
|---|----------------------------------|--|
| <b>Risk category</b>  | 6 - Climate Change               |  |
| <b>Risk subject area</b>  | Climate Change threat and impact |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #c00000; color: white; padding: 10px; margin-right: 10px; font-size: 24px; font-weight: bold;">12</div> <div style="text-align: center;"> <div style="background-color: #800000; color: white; padding: 2px 5px; font-size: 12px;">&lt;9</div> <div style="background-color: #ff0000; color: white; padding: 2px 5px; font-size: 12px;">12&gt;</div> </div> </div> | <b>Last review by</b>            | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM     |
|   | <b>Corporate priorities</b>      | Environment  |
|   | <b>Risk owner</b>                | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|   | <b>Lead officer</b>              | Sandy Muirhead   |

### Risk description

- Climate change represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability. Climate change and extreme weather events impact health and safety, food systems, supply chains & procurement, economic productivity, and losses. Due to climate change, there is a specific risk to the Borough of Spelthorne in terms of more extreme heat and increased flooding, besides the more global threats such as severe storms (threat to loss of life and limb) impacting locally. As climate change is happening updated the RAG status to 12 as the changing climate will have impacts on the Borough.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Environment and Sustainability Committee developed an action plan to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030. The strategy is currently being updated along with a clear action tracker which will go to Committee in September/October 2024
- Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target, and to promote climate change as an issue that needs to permeate all Council areas to ensure SBC reduce their carbon footprint and adapt to climate change.
- Surrey County Council have developed a strategy on Climate Change referred to as Greener Futures Delivery Plan which the Environment and Sustainability Committee have supported. Linked Spelthorne's Climate Change strategy where appropriate to Greener Futures Delivery Plan.
- Collaborative measures to support a coordinated approach to strategy implementation.
- Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges. Member Induction training of June 2023 incorporated this area. Reached bronze level in the carbon literacy hierarchy and aiming for silver

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Funding resources secured to support strategy implementation and are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030. Seeking alternative funding to continue to develop schemes to meet net zero targets.
- The corporate plan has key actions on climate change and is supported by the climate change strategy and associated actions which require services to address the net zero targets the Council has set.

### Future actions

| Type         | Timeline     | Description   | Status      | Comments  |
|--------------|--------------|---|-------------|---|
| • Control    |              | Within the legal constraints to implement the proposed supplementary planning guidance (SPD) to assist in future properties being better adapted to both heat and cold. However, SPD moving beyond guidance to having more weight in the planning process is dependent on implementation of the Local Plan. | Outstanding | The guidance is helpful in demonstrating what can be done to improve the resilience of properties to climate change |
| • Mitigation | 2022 to 2028 | Reviewing and updating climate change strategy and ensuring fully aligned with corporate plan actions but includes mitigation options for Council assets, enhancement of biodiversity and adaptation.   | In Progress |   |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |   |  |
|--------------------------|---|--|
| <b>Risk category</b>     | 6 - Climate Change                        |  |
| <b>Risk subject area</b> | Responding and adapting to Climate Change |  |
|                          | <b>Last review by</b>                     | I.o'neil@spelthorne.gov.uk<br>6/26/2024 3:02:07 PM |
|                          | <b>Corporate priorities</b>               | Environment  |
|                          | <b>Risk owner</b>                         | Lee O'Neil<br>Terry Collier<br>Daniel Mouawad      |
|                          | <b>Lead officer</b>                       | Sandy Muirhead                                     |

### Risk description

- If the Council is not pursuing measures or seeking positive opportunities to mitigate and adapt to climate change, it could result in criticism / bad press / public demonstration and additional organisational pressures may result in a loss of focus around climate change and green initiatives. A lack of preparedness for the impacts of climate change may lead to Council Services no longer being sustainable or in a suitable position to operate in the future. The last 8 years have been the world's hottest and in the last summer there were 72,000 excess deaths in Europe due to the extreme heat. The UK is equally likely to see weather extremes going forward impacting on the economy and actions required by the Council e.g in times of severe flooding seriously draining the Council's resources.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Environment and Sustainability Committee developed an action plan to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030.
- Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target, and to promote climate change as an issue that needs to permeate all Council areas to ensure SBC reduce their carbon footprint and adapt to climate change.
- Surrey County Council have developed a strategy on Climate Change referred to as Greener Futures Delivery Plan which the Environment and Sustainability Committee have supported. Linked Spelthorne's Climate Change strategy where appropriate to Greener Futures Delivery Plan.
- Collaborative measures to support a coordinated approach to strategy implementation.
- Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges. Member Induction training of June 2023 incorporated this area.
- Carbon Footprint section on Service Plans which provides an opportunity for departments to support the Council's commitment to reducing carbon emissions and explain how they intend to adapt elements of their service delivery to achieve this.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Funding resources secured to support strategy implementation and are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030
- Seeking further funding for all projects from external sources e.g seeking grants to plant mini-forests, grants for insulation in homes in the Borough. All such actions contribute to reducing the carbon footprint of the Borough as a whole

### Future actions

| Type         | Timeline                       | Description  | Status      | Comments |
|--------------|--------------------------------|--|-------------|----------|
| • Control    | August 2024                    | Cllrs were given training to raise awareness and enhance understanding of Climate Change issues across the Council. Cllrs have recently agreed that encouragement needs to be given for Cllrs that have not completed the training to do so. Relevant information to be given to Group Leaders | In Progress |          |
| • Mitigation | December 2024 but will ongoing | Training is underway to raise awareness and enhance understanding of Climate Change issues across the Council (staff and Councillors).   | In Progress |          |
| • Control    | December 2024                  | To build on Greener Futures climate adaptation strategy and incorporate actions into our climate change strategy.  | In Progress |          |



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |                                  |  |
|--------------------------|----------------------------------|--|
| <b>Risk category</b>     | 6 - Climate Change               |  |
| <b>Risk subject area</b> | Integration into decision making |  |
|                          | <b>Last review by</b>            | l.o'neil@spelthorne.gov.uk<br>6/26/2024 3:05:00 PM     |
|                          | <b>Corporate priorities</b>      | Environment  |
|                          | <b>Risk owner</b>                | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|                          | <b>Lead officer</b>              | Sandy Muirhead   |

### Risk description

- Where integration into wider Council decision-making is not evident this reduces the effectiveness of holistic approaches in delivering Spelthorne's strategy

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- All Committee reports include a section on Sustainability and Climate Change considerations which should be reflected upon by report authors to identify both positive and adverse impact of proposals being put forward by Officers requiring a Member decision.
- Through carbon literacy training of staff and the climate change and sustainability officers working with services across the Council, climate change is becoming embedded in service delivery.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Through Carbon literacy training in the organisation achieved bronze level and by autumn 2024 should have achieved silver.
- Through ongoing monitoring of climate change strategy and corporate plan actions can ensure climate change mitigation and adaptation is incorporated into day to day Council projects/activities.

### Future actions

| Type       | Timeline      | Description  | Status      | Comments |
|------------|---------------|--|-------------|----------|
| Mitigation | December 2024 | Mandatory Carbon literacy training programme underway across the Council | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |                             |  |
|--------------------------|-----------------------------|--|
| <b>Risk category</b>     | 6 - Climate Change          |  |
| <b>Risk subject area</b> | Targets for Climate Change  |  |
|                          | <b>Last review by</b>       | I.o'neil@spelthorne.gov.uk<br>6/26/2024 3:05:53 PM     |
|                          | <b>Corporate priorities</b> | Environment  |
|                          | <b>Risk owner</b>           | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |
|                          | <b>Lead officer</b>         | Sandy Muirhead   |

### Risk description

- Inadequate mechanisms for monitoring and reporting on status provides limited insight regarding keeping on track in pursuing net zero carbon emissions and wider government reporting requirements.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- A Climate Change Working group made up of a cross party group of elected Members to focus on monitoring of actions towards carbon neutrality and initial assessment of ideas.
- Officer updates to Members on the progress of the Climate Change Action Plan.
- Annual Reporting of Carbon Emissions to Surrey County Council
- Quarterly KPI reporting

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Benchmarking and/or analysis of comparative energy savings achieved across Surrey Districts and boroughs
- Ensure delivery of corporate plan actions to assist in mitigating climate change and reducing the Council's carbon emissions

### Future actions

| Type    | Timeline   | Description   | Status      | Comments |
|---------|------------|---|-------------|----------|
| Control | March 2025 | Environmental Social Governance (ESG) assessment underway to develop future strategies for reporting requirements on climate change | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |   |  |  |
|--------------------------|---|--|--|
| <b>Risk category</b>     | 7 - Corporate Capacity, Resources , Recruitment and Retention |  |  |
| <b>Risk subject area</b> | Corporate capacity  |  |  |
|                          | <b>Last review by</b>   | l.o'neil@spelthorne.gov.uk<br>6/26/2024 3:06:42 PM     |  |
|                          | <b>Corporate priorities</b>                                   | Resilience, Services                                   |  |
|                          | <b>Risk owner</b>   | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad |  |
|                          | <b>Lead officer</b>   | Sandy Muirhead   |  |

### Risk description

- Overstretched capacity could lead to increased staff fatigue / burnout / sickness levels arising. This may impact further on employee stress levels and mental / physical wellbeing, which may also lead to reductions in expected service delivery.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Management to address workload issues across teams, with continued prioritisation of tasks
- Corporate performance management systems operating across various levels, intended to promote golden thread and support delivery of corporate priorities and objectives.
- Annual Service Planning should refer to capacity pressures being experienced/foreseen by Service Managers/Group Heads (under risks section), so that any remedial action can be proposed and discussed
- Collaborative Working Group promoting partnerships and alternative service models with a view to supporting organisational resilience measures

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Various support systems operating in promoting and supporting staff wellbeing
- Corporate performance management systems operating across various levels, intended to promote golden thread and support delivery of corporate priorities and objectives.
- Management and HR monitoring of sickness absence levels related to stress or overstretched capacity provides corporate insight that could indicate any further remedial action required

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Participated in an LGA review of 2022 which raised findings regarding working Culture
- Corporate Establishment Review undertaken with some further actions identified/ pursued. This also overlaps with the other risks in this category relating to recruitment and retention

| Future actions |          |   |             |  |
|----------------|----------|---|-------------|--|
| Type           | Timeline | Description   | Status      | Comments   |
| • Control      | Ongoing  | Demand Management and developing approaches to measure and monitor demand levels across the Council but need to recognise that demand management is not always easy due to for example extra people presenting as homeless putting more demand on housing staff or extra Government requirements e.g productivity plans | Outstanding | All managers try to provide some balance in terms of staff workload but there often demand factors which arise from external sources and may be difficult to predict |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|   |   |   |  |             |          |
|---|---|---|--|-------------|----------|
| <b>Risk category</b>  | 7 - Corporate Capacity, Resources , Recruitment and Retention |   |  |             |          |
| <b>Risk subject area</b>  | Recruitment and retention                                     |   |  |             |          |
|   | <b>Last review by</b>   | l.o'neil@spelthorne.gov.uk<br>6/26/2024 3:07:20 PM                    |  |             |          |
|   | <b>Corporate priorities</b>                                   | Community, Addressing Housing Need, Resilience, Environment, Services |  |             |          |
|   | <b>Risk owner</b>   | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad                |  |             |          |
|   | <b>Lead officer</b>   | Sandy Muirhead  |  |             |          |
| <b>Risk description</b>   |   |   |  |             |          |
| <ul style="list-style-type: none"> <li>Unsuccessful recruitment and ongoing unfilled vacancies in a challenging and competitive labour market leads to reduced availability of technical skills and relevant expertise is spread more thinly across Services. Staff shortages further exacerbate workload pressures across teams. The consequences of this risk are set out earlier under corporate capacity.</li> <li>Ineffective or inappropriate recruitment exacerbated by the skill shortages within the local government market could result in appointments that fail to effectively meet business need leading to reduced service quality and/or periods of ongoing vacancies.</li> </ul> |   |   |  |             |          |
| <b>Current control actions</b>  |   |   |  |             |          |
| These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence  |   |   |  |             |          |
| <ul style="list-style-type: none"> <li>Several measures have been underway for some time and previously reported. These relate to HR policies, financial enhancements for hard to fill posts, development and upskilling opportunities, schemes to support staff wellbeing, hybrid working patterns and flexible working arrangements to attract and incentivise staff to modern working practices, staff pay reviews, HR professional networking forums with a view to applying best practice learnt.</li> <li>Staff and member feedback including commissioning annual surveys to ascertain key concerns, issues and promote continuous improvement measures</li> </ul>                         |   |   |  |             |          |
| <b>Current mitigating actions</b>   |   |   |  |             |          |
| These are specific actions to reduce the <u>impact</u> of a risk event should it occur  |   |   |  |             |          |
| <ul style="list-style-type: none"> <li>Where recruitment into posts is not possible appointed interims or agency staff to ensure continuity in the services and enable continued delivery of the service concerned.</li> </ul>  |   |   |  |             |          |
| <b>Future actions</b>   |   |   |  |             |          |
|   | Type  | Timeline  | Description  | Status      | Comments |
| •   | Mitigation  | Ongoing   | To continue to advertise in all service relevant journals to | In Progress |          |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|              |         |   |             |  |
|--------------|---------|---|-------------|--|
|              |         | ensure maximise opportunities for those seeking roles to see them.  |             |  |
| • Mitigation | Ongoing | Continue to explore new and innovative recruitment and retention strategies in a competitive market. This includes workplace flexibility  | In Progress |  |
| • Mitigation | Ongoing | Continue to draw optimal value from all relevant hubs of expertise including externally conducted research in continuing to facilitate and promote a holistic approach to responding to recruitment and retention challenges and future-proofing the Council's workforce. | In Progress | Recruitment team and officers are looking at all options for advertising roles but also including opportunities to appoint apprentices and train from within |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|  |   |  |
|--|---|--|
| <b>Risk category</b>   | 8 - Equality, Diversity and Inclusivity |  |
| <b>Risk subject area</b>   | Legislative requirements                |  |
| <div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: orange; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;">6</div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">&lt;6</div> <div style="background-color: orange; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-top: 5px;">6&gt;</div> </div> </div> | <b>Last review by</b>                   | I.o'neil@spelthorne.gov.uk<br>6/26/2024 3:08:03 PM         |
|  | <b>Corporate priorities</b>             | Addressing Housing Need, Resilience, Environment, Services |
|  | <b>Risk owner</b>                       | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad     |
|  | <b>Lead officer</b>                     | Sandy Muirhead   |

### Risk description

- If there is a failure to effectively adhere to the Equality Act (2010), this could lead to workplace practices and delivery of services that fail to incorporate necessary principles, standards and requirements in promoting equal opportunities, diversity and inclusivity. This may increase risks of discriminatory practices and consequentially, the Council could be subject to complaints or even claims resulting in reputational damage.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Training mechanisms to raise awareness and understanding such as the online Workrite module.
- All Committee reports include a section on Equality, Diversity and Inclusivity considerations to ensure this area is embedded into Council decision making . It should be carefully reflected upon by report authors to identify any implications and whether there is any specific impact for proposals being put forward requiring a Member decision.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.

### Future actions

| Type    | Timeline   | Description   | Status      | Comments  |
|---------|------------|---|-------------|---|
| Control | March 2025 | This action is subject to resource allocation. Assign a lead Officer to support production of an Equality, Diversity, and Inclusivity Strategy for the Council. This will provide a more robust structured approach in delivering and embedding essential, principles, standards, and requirements in | In Progress | Due to constrained resources a long lead time is required |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

promoting equal opportunities, diversity, and inclusivity. To develop further internal activities and strategy/policy development an officer has been assigned to undertake this task in human resources.



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |   |   |
|--------------------------|---|---|
| <b>Risk category</b>     | 8 - Equality, Diversity and Inclusivity |   |
| <b>Risk subject area</b> | Coordinated approach                    |   |
|                          | <b>Last review by</b>                   | I.o'neil@spelthorne.gov.uk<br>6/26/2024 3:09:17 PM          |
|                          | <b>Corporate priorities</b>             | Community, Addressing Housing Need, Resilience, Environment |
|                          | <b>Risk owner</b>                       | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad      |
|                          | <b>Lead officer</b>                     | Sandy Muirhead  |

### Risk description

- If there is insufficient resource, skills or expertise to develop, promote and support implementation of E, D & I standards, progress in driving change and positive impact through a structured and coordinated approach may be limited.

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Communications and engagement with staff, Members and the public to recognize and celebrate diversity
- Champions (Staff reps) to explore further positive approaches relating to E, D & I. Inclusivity Working Group meets regularly
- Corporate Values – (PROVIDE) are incorporated into the Council's equality and diversity objectives together with an internal equality and diversity policy.
- An Equality, Diversity and Inclusivity 'Statement of Intent' document has been reported.
- Internal and external websites have been updated with Equality and Diversity policy and statement published.

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Participated in Race Equality Week (Feb 2024) and promoted important messages to all staff
- Ensure "celebrate" key events for example PRIDE month and ensure raised at staff meetings (including relevant presentations on relevant subjects) and flag raised along with further communications.

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Control      December 2024      (This action is subject to resource allocation). Assign a lead Officer to support production of an Equality, Diversity, and Inclusivity Strategy for the Council. This will provide a more robust structured approach in delivering and embedding essential, principles, standards, and requirements in promoting equal opportunities, diversity, and inclusivity.      In Progress

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |  |   |
|--------------------------|--|---|
| <b>Risk category</b>     | 9 - Working arrangements across LG tiers |   |
| <b>Risk subject area</b> | Change Management                        |   |
|                          | <b>Last review by</b>                    | I.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM                    |
|                          | <b>Corporate priorities</b>              | Community, Addressing Housing Need, Resilience, Environment, Services |
|                          | <b>Risk owner</b>                        | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad                |
|                          | <b>Lead officer</b>                      | Heather Morgan  |

### Risk description

- If there is a lack of clarity or unified understanding around the wide-reaching implications of a County Deal this could make the task of planning, managing, communicating and implementing change challenging.
- Need to consider how to prioritise work on the County Deal/possible collaborative working opportunities alongside need to deliver efficiency savings for the MTFs to ensure the organisation is very clear on focusing on where most benefits can be obtained

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Ensure the appropriate level of resource is put in place and time is freed up from other parts of the organisation involved in the change management process if no additional financial or staff resources are available (this will require decision on what else not to do/deliver in another way on a temporary basis/apply a risk based approach to work)
- Ensure there is capacity and appropriately skilled staff are available, or skills are developed, to work effectively where the strategy of engagement and collaborative working has been agreed - to ensure that we are equal partners on any joint service delivery

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- To ensure that any decisions made on engagement/joint service delivery/moving services up to County meets our priorities they need to align with the Corporate Plan 2024 - 2028, our values and priorities

### Future actions

| Type         | Timeline  | Description  | Status      | Comments  |
|--------------|-----------|--|-------------|---|
| • Mitigation | July 2024 | Planning for potential change and ascertaining transitional and future arrangements for service delivery, decision making and strategic direction. | In Progress | work has bene undertaken to look at a number of areas identified within the KPMG report from a few years ago which identified a number of opportunities |

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

for closer collaboration to deliver savings, joined up services, or greater resilience. These include parking services, building control, waste and recycling. Initial options analysis has been undertaken at officer level for consideration at the Collaborative Working Task Group

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

|                          |  |   |  |
|--------------------------|--|---|--|
| <b>Risk category</b>     | 9 - Working arrangements across LG tiers |   |  |
| <b>Risk subject area</b> | Strategic decisions                      |   |  |
|                          | <b>Last review by</b>                    | l.o'neil@spelthorne.gov.uk<br>6/20/2024 5:00:00 PM                    |  |
|                          | <b>Corporate priorities</b>              | Community, Addressing Housing Need, Resilience, Environment, Services |  |
|                          | <b>Risk owner</b>                        | Admin<br>Lee O'Neil<br>Terry Collier<br>Daniel Mouawad                |  |
|                          | <b>Lead officer</b>                      | Heather Morgan  |  |

### Risk description

- The current governance structure at Surrey presents limited opportunities for Spelthorne to influence future shaping and direction within the wider Surrey landscape. This could lead to strategic decisions being made that may not be in the best interests of Spelthorne's residents and local communities. Surrey are not currently looking to change the governance structure (May 2024)

### Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Look to influence the governance structure of the Growth Board by increasing Local Authority representation (currently one Leader and one Chief Executive) to sit at the decision making table, and ensure that our views are clearly understood by those represented and clearly relayed (via our Leader and Chief Executive)
- Look to influence the governance and representation at the Surrey Business Leadership Forum to ensure that our business voice is heard on future decision making around the economy (and the functions which Surrey will take over from the Enterprise M3 Local Economic Partnership)
- The Council needs to have a clear view on its priorities for collaboration (or not) so that business cases can be developed to help inform future service delivery and the resources which are required to deliver. This can then feed into the medium term financial strategy
- Ensure that there is early and wide engagement with all councillors in the autumn 2024 so there is a clear view from them in terms of 'red lines' - e.g. what the Council needs to deliver locally and we do not engage with Surrey on, where we can work to deliver improved outcomes for our communities

### Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

- Leader and Chief Executive to actively engage with adjoining authorities to fully understand common approaches to levels of engagement with Surrey, and opportunities for sharign resources

### Future actions

| Type | Timeline | Description | Status | Comments |
|------|----------|-------------|--------|----------|
|------|----------|-------------|--------|----------|

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- |              |           |  |             |  |
|--------------|-----------|--|-------------|--|
| • Mitigation | July 2024 | Planning for potential change and ascertaining transitional and future arrangements for service delivery, decision making and strategic direction. | In Progress | Leader is in active discussion with Leaders at nearby Councils where there could be collaboration opportunities - this will set the strategic direction of travel (May 2024) |
|--------------|-----------|--|-------------|--|
  
- |           |           |  |             |   |
|-----------|-----------|--|-------------|---|
| • Control | June 2024 | Develop a terms of reference and set aside resources for a specific councillor/officer working group to work together to spearhead the Councils approach and response to the County Deal | In Progress | Collaborative Working Task Group is being refreshed (senior cllrs and officers). Officer leads working on individual areas are working with colleagues in other D&B's |
|-----------|-----------|--|-------------|---|

## Risk Scoring Matrix (Plotted March 2024 for current RAG rating and current risk score in consultation with Officers)

This is the matrix that forms part of the risk management policy. We currently assess the level of each risk category by plotting them on this matrix to provide a traffic light RAG rating. We also determine a numerical risk score by multiplying likelihood and impact scores. Please also refer to the next page for further detail on the approach and criteria applied.

When assessing the Council's risks in terms of likelihood and impact, we take into account the national and global picture for wider externalities such as the macroeconomic environment and geopolitical factors. Spelthorne's operations remain influenced by these external challenges and pressures, as is the case for other Councils. Due to these externalities, there are many activities that the Council cannot directly control/mitigate, or influence and continued recognition is important. **Red** risks require prompt, planned management action **Amber** risks require planned management action **Green** risks are accepted risks. RC = Risk category on the detailed register e.g., RC2 = Risk Category 2 – Economy. This is also referred to on the matrix for ease of reference.

|        |                     |             |                 |               |                       |
|--------|---------------------|-------------|-----------------|---------------|-----------------------|
| IMPACT | 4<br>(Catastrophic) |             |                 |               |                       |
|        | 3<br>(Major)        |             |                 | 11            | 7                     |
|        | 2<br>(Medium)       |             |                 | 4             | 2                     |
|        | 1<br>(Trivial)      |             |                 |               |                       |
|        |                     | 1<br>(Rare) | 2<br>(Unlikely) | 3<br>(Likely) | 4<br>(Almost certain) |
|        | LIKELIHOOD          |             |                 |               |                       |

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The numbers in the risk matrix above represent the total number of risk items within that level of risk. Click on the number for details of which risks are affected.

### Category and Subject area

|  |
|--|
| <ul style="list-style-type: none"> <li>☐ <b>1a - Housing – Development and Targets</b> <ul style="list-style-type: none"> <li>43 Alternative Development delivery options</li> <li>44 Timelines for delivery</li> <li>45 Local Plan</li> <li>52 Housing Development Programme</li> </ul> </li> <li>☐ <b>1b - Housing – Affordable</b> <ul style="list-style-type: none"> <li>48 Housing Supply and Demand</li> <li>78 Housing provision and addressing need</li> </ul> </li> <li>☐ <b>2 - Economy</b> <ul style="list-style-type: none"> <li>49 Long Term uncertainty of macroeconomic environment</li> <li>50 Cost of doing Business crisis</li> </ul> </li> <li>☐ <b>3 - Financial Resilience and Commercial Assets</b> <ul style="list-style-type: none"> <li>51 Commercial investment portfolio</li> </ul> </li> <li>☐ <b>4 - Financial Resilience and Supporting Communities</b> <ul style="list-style-type: none"> <li>53 Financial Pressures - increased costs</li> <li>58 Restricted borrowing levels</li> <li>61 Financial Pressures - Cost of Living Crisis and increased demand on Council Services</li> </ul> </li> <li>☐ <b>5 - Treasury Management</b> <ul style="list-style-type: none"> <li>74 Return on Investments</li> <li>75 Borrowing</li> </ul> </li> <li>☐ <b>6 - Climate Change</b> <ul style="list-style-type: none"> <li>62 Climate Change threat and impact</li> <li>63 Responding and adapting to Climate Change</li> <li>64 Integration into decision making</li> <li>65 Targets for Climate Change</li> </ul> </li> <li>☐ <b>7 - Corporate Capacity, Resources , Recruitment and Retention</b> <ul style="list-style-type: none"> <li>66 Corporate capacity</li> <li>67 Recruitment and retention</li> </ul> </li> </ul> |
|--|

### How risks are scored:

We assess and score risks, with their current controls and current mitigations in place, for likelihood and impact as shown below:

| Score | Impact       | Likelihood (over 4 years or timescale deemed appropriate) |
|-------|--------------|---|
| 1     | Trivial      | Rare (once)   |
| 2     | Medium       | Unlikely (a few times / less than annual)                 |
| 3     | Major        | Likely (several times / more than annual)                 |
| 4     | Catastrophic | Almost certain (many times a year)                        |

Impact can be measured in many ways and will be specific to what you are assessing, but the most common are on objectives, finance, and reputation. We then plot the risk on the risk matrix model shown on the prior page to provide a RAG rating, to determine and prioritise the most significant risks for action. The risk action plan (refer to separate document) sets out how the authority is working towards further addressing and mitigating the risks.

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