



To:
All members of the
Audit Committee

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Date: 16 September 2024

Supplementary Agenda

Audit Committee - Thursday, 26 September 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 Thursday, 26 September 2024:

9. Corporate Risk Management

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To 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.

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
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Independent Member: P. Briggs

Substitute Members: Councillors: M. Arnold, C. Bateson, M. Bing Dong and T. Burrell

Audit Committee

26 September 2024



Title	Corporate Risk Register (Corporate Risk Management)
Purpose of the report	To note
Report Author	Lee O’Neil, Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to: 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.
Reason for Recommendation	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 continue to present challenges to the Council and to the delivery of its corporate priorities. The approaches being taken to proactively manage identified risks and

frequency coincides with the Audit Committee cycle and work programme	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
The Corporate Risk Register and related processes provide a mechanism for regularly reviewing risks to ensure any threats to the Council and its services can be addressed/minimised.	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 The Council continues to encounter some challenges in delivering its corporate priorities due to exposure to wider externalities (including inflationary pressures and demands for housing). The approaches taken to proactively manage identified risks and mitigate their impact are referred to in the appendices to this report.
- 2. Key issues**
- 2.1 Further refinements continue to be made to the refreshed format of the Corporate Risk Register and some of the technical issues have been resolved since the last Committee. 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 prior to any planned implementation.
- 2.2 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) **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).
- 2.3 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 in section 2.6.

- 2.4 A number of key underlying themes around financial risk continue to significantly affect risks to the organisation including:
- Ongoing funding challenges for local authorities,
 - Increased demands on services, particularly in the area of housing,
 - Potential additional costs which could result from failure to focus on the Council's priorities
 - 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.

Changes in risk scores and other key updates

2.5 Although there have been some updates to sections relating to a number of the risk areas, there have been **no changes to the risk scores** for any of the risk categories since the last Audit Committee on 9 July.

2.6 Some of the key areas where updates have, however, been provided include:

(a) **1a Housing - Development and Targets** ('Alternative development delivery options' and 'Timelines for delivery'). **Both remain Red RAG**. These subject areas have been updated to reflect ongoing progress with the Council agreeing a Member-driven Development Delivery Strategy. At the 12 September 2024 meeting of the Business Infrastructure and Growth Committee (BIG), Members agreed the prioritisation of Council-owned sites for development. Specific reports are being referred to the BIG Committee to seek approval for progressing marketing to identify delivery partners, e.g. for Ashford Victory Place and Thameside House.

Following discussions at the last Audit Committee, reference to risks relating to the financial viability of the schemes contained within this category have been replicated in section on **4 - Financial Resilience and Supporting Communities: Financial Pressures increased costs**.

(b) **1a Housing – Local Plan** **Still Red RAG**. This has been refreshed to reflect a number of actions taken since the last update, including:

- Progress made with the Environment Agency (EA) around their concerns on fluvial flooding. Following the decision of Council on 18 July 2024 on a number of Main Modifications to the Local Plan (details of which are outlined in the Register) the Chair of the Environment and Sustainability Committee wrote to the Inspector shortly after to set out these decisions and ask him to agree to go back to Examination. A draft Statement of Common Ground has been sent to the EA for their consideration which, if agreed, will mean there is agreement on all substantive matters, and that a key stakeholder is now satisfied that their concerns have been fully addressed.
- How Spelthorne's Local Plan will be assessed under the July 2022 National Planning Policy Framework (NPPF) (with a lower housing target) rather than the revised NPPF issued at the end of July 2024 (as the Plan is currently at Examination).

- Ongoing dialogue continuing with the DLUHC (now rebranded as MHCLG) as a result of the September 2023 Ministerial Direction, in order to reduce the risk of further intervention.

(c) **1b – Housing – Affordable – Housing supply and demand** **Still Amber RAG** – Figures for the number of people on the housing register and asylum seekers as of 13/09/24 have been added under the Risk Description section as requested at the last Audit Committee.

(d) **1b – Housing – Affordable – Housing provision and addressing need** **Still Red RAG** - Preparation of a refreshed housing strategy is under development which will take into account suggestions generated from the meeting of councillors and officers with Professor Morphet.

(e) **2- Economy – Long term uncertainty of macroeconomic environment –** **Still Amber RAG.** A review has been completed of the level of resources and expertise required to deliver the Council's Economic Prosperity Strategy.

(f) **3 - Financial Resilience and Commercial Assets – Commercial Investment Portfolio** **Still Amber RAG.** This has been updated to reference new governance arrangements relating to investment performance, through the Commercial Assets Sub-Committee (CASC) and the BIG Committee and refreshed sinking-funds modelling undertaken. Exit Strategies are being prepared and presented to CASC meetings from September to November. These strategies are being reflected in revised sinking funds modelling assumptions.

The Council continues to engage positively with the Best Value Inspection team. Due to the General Election, the appointment of two of the Assistant Inspectors has been delayed and the BVI team are now likely to complete their work later, in November 2024.

(g) **3 – Financial Resilience and Commercial Assets - Financial pressures – increased costs** **Still Amber RAG**
Medium term financial strategy (Outline Budget) providing a framework for managing financial resources, in a planned and pro-active way, enabling measures to be implemented which may take time to deliver results ahead of when required. For example the Council is expecting significant additional pressures in 2026-27 if a Fair Funding Review and Business Rates reset happens then.

Revenue Budget targets have been 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 are being reported on a quarterly basis to MAT+ and councillors (as part of quarterly monitoring reports going to Corporate Policy and Resources Committee).

(h) **4 – Financial Resilience and Supporting Communities – Financial Pressures – Restricted Borrowing Levels** **Still Amber RAG.** This now references the Treasury Management options paper going to the Corporate Policy and Resources Committee (CPRC) in October 2024 looking at the benefits of drawing down medium-term pooled investments as an alternative to borrowing and partially accelerating the paying down of debt finance.

(i) **5 – Treasury Management – Return on investments.** **Still Amber RAG** - An additional risk consideration has been added relating to not aligning investments with the Council’s Environmental, Social and Governance (ESG) objectives.

(j) **6 – Climate Change – Climate change threat and impact** **Still Red RAG**
An updated climate change strategy along with a clear action tracker was approved at the Environment & Sustainability Committee on 17 September 2024. The original action plan had 72 actions but some of these have been combined to avoid duplication. The Register gives an update on progress with these as of 12.9.24. Reference is also made to the need for collaborative measures to support a coordinated approach to strategy implementation across the organisation and looking at joint service projects.

(k) **7 – Corporate Capacity, Resources, Recruitment and Retention – Corporate Capacity & Recruitment and Retention.** **Still Amber RAG.** These have been updated to outline the potential threats of staff leaving due to workload pressures, the draw of better paid roles elsewhere, and the difficulties experienced in recruiting to a range of roles across the Council.

The results of the 2024 staff survey have recently been published. This had a very high participation rate. Most scores were highly positive regarding working conditions but the area relating to Councillors scored low.

(l) **8 – Equality, Diversity and Inclusivity – Legislative requirements** **Still Amber RAG** - A section on Equality, Diversity, and Inclusivity, including reference to LGBT community, has now been included in the induction seminar for new staff. A lead officer has now been assigned to support production of an Equality, Diversity, and Inclusivity Strategy for the Council.

(m) **9 – Working arrangements across LG tiers – Change Management/Strategic decisions** **Still Amber RAG** – An update has been provided in relation to the need to develop alternative delivery options for the Building Control Service due to significant resilience issues.

The updated Register also references developments relating to the Surrey Growth Board and Surrey Business Leadership Forum.

Proposed future changes to Risk Categories

As outlined in section 2.1 it is proposed to consolidate some risk subject areas to reduce duplication of information and improve focus on the key issues. This will be discussed with the Chair/Vice-Chair of the Committee prior to any planned implementation. One such example would be under **1a – Housing – Development and Targets** where the separate Risk subject areas ‘**Alternative Development delivery options**’ and ‘**Timelines for delivery**’ could be combined into one Risk subject area of ‘**Alternative delivery options and timelines**’.

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 2.4 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 backlog issues will be addressed at an extraordinary meeting of the Audit Committee on 4th December ahead of the national cut-off date of 13th December 2024. The external audit review process relating to 2023/24 for Spelthorne is now well underway.

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 September 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 September 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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Risk category	1a - Housing – Development and Targets			
Risk subject area	Alternative Development delivery options			
	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM		
	Corporate priorities	Addressing Housing Need		
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad		
	Lead officer	Coralie Holman Coralie Holman		
Risk description				
<ul style="list-style-type: none"> In identifying, as part of the new Delivery Strategy, 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. The prioritisation of sites within the Strategy was approved by Business, Infrastructure and Growth Committee on 12th September 2024, alternative Development Delivery Options for Council Owned Development Sites, Updated 16/9/24 				
Current control actions				
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence				
<ul style="list-style-type: none"> 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. Advice to provide with the parameters of the Development Delivery Strategy Updated 16/9/24 Scrutiny of decisions is embedded within the Committee system of governance, and a 'call in' procedure can be invoked if required. Reviewed 16/9/24 				
Current mitigating actions				
These are specific actions to reduce the <u>impact</u> of a risk event should it occur				
<ul style="list-style-type: none"> Progressing new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council. This includes a site delivery priority list. the prioritisation of sites within the Strategy was approved by Business, Infrastructure and Growth Committee on 12th September 2024, alternative Development Delivery Options for Council Owned Development Sites. Updated 16/9/24 				
Future actions				
Type	Timeline	Description	Status	Comments

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- 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

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Risk category	1a - Housing – Development and Targets				
Risk subject area	Timelines for delivery				
<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;"><12</div> <div style="background-color: orange; color: white; padding: 2px 5px;">9></div> </div> </div>	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Addressing Housing Need			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Coralie Holman			
Risk description					
<ul style="list-style-type: none"> Further to the Council's decision to suspend direct delivery of the Housing development programme from mid-October 2023, this will further impact timelines for delivery of housing schemes and development targets (both affordable and general housing). Ashford Victory Place site currently being marketed, with a report to come back to Business Infrastructure and Growth Committee in December. Updated 16/9/24 					
Current control actions					
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> Residual risk that may have to be accepted given the risk event occurrence and impact. 					
Current mitigating actions					
These are specific actions to reduce the <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> Residual risk that may have to be accepted given the risk event occurrence and impact. 					
Future actions					
	Type	Timeline	Description	Status	Comments
	Mitigation	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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Risk category	1a - Housing – Development and Targets	
Risk subject area	Local Plan	
<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: 5px; margin-bottom: 5px;"><12</div> <div style="background-color: orange; color: white; padding: 5px; margin-top: 5px;">9></div> </div> </div>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Addressing Housing Need
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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.
- The EA have for some time expressed concerns about flooding and on 2 May 2024, they advised that they still had some concerns around flooding issues regarding specific sites. 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.

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.
Update 14.08.24 - the revised NPPF issued at the end of July 2024 will not apply to the Local Plan as we are currently at Examination (and transitional arrangements apply). The Local Plan will be assessed under the July 2022 NPPF (with a lower housing target)
- Planning regulatory framework

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- Planning Committee, Officer presentations/professional advice and Member decision making
- Update 14.08.24 - There has been considerable progress with the EA around their concerns on fluvial flooding (and that in their view this impacts on the soundness of the Local Plan). The decision of Council on 18 July 2024 to (1) remove further sites as site allocations,(2) move others further back in the Plan period, (3) make changes to the flood policy and (4) ensure that development does not come forward until suitable access and egress measures are in place has hopefully addressed all their outstanding concerns. The Chair of E&S wrote to the Inspector shortly afterwards to set out these decisions and ask him to agree to go back to Examination. A draft Statement of Common Ground has been sent to the EA for their consideration. If agreed, this will mean there is agreement on all substantive matters, and that a key stakeholder is now satisfied that their concerns have been fully addressed.
- As a result of the Ministerial Direction (September 2023), monthly progress meetings continue to be held between senior officers from DLUHC and the Council. Update 14.08.24 -these meetings were suspended during the pre-election period and will re-start in September. There has been considerable progress on a number of fronts since September 2023 which have all been reported. The Council has met a number of key milestones. On-going dialogue around the work we have done reduces the risk of further intervention.
- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making.
Update 14.08.24 - all revised and updated SFRA's have now been agreed by the EA. This will be formally covered and agreed in the Statement of Common Ground which has been sent to them. Once agreed, this risk will have been mitigated
- 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. Update 14.08.24 - There has been considerable progress with the EA around their concerns on fluvial flooding (and that in their view this impacts on the soundness of the Local Plan). The decision of Council on 18 July to remove further sites as site allocations, to move others further back in the Plan period, changes to the flood policy and ensuring that development does not come forward until suitable access and egress measures are in place has hopefully addressed all their outstanding concerns. A draft Statement of Common Ground has been sent to the EA for their consideration.
- 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 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	Update 13.09.24 - Awaiting decision of Planning Inspector on whether the Council can go back to Examination or not
• Mitigation	TBD	Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	In Progress	See action on Control section

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• 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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Risk category	1a - Housing – Development and Targets				
Risk subject area	Housing Development Programme				
<div style="text-align: center;"> 12 </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <12 9> </div>	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Addressing Housing Need			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Coralie Holman			
Risk description					
<ul style="list-style-type: none"> 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 £16M (as at end of 2023-24) 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. <p>Updated 16/9/24</p>					
Current control actions					
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> Governance and reporting arrangements. Examples include progress reporting of Property Development projects to officer and Member groups. Specific reports are referred to BIG Committee to seek approval for progressing marketing to identify delivery partners most recently Ashford Victory Place and Thameside House Established policies and framework 					
Current mitigating actions					
These are specific actions to reduce the <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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

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- Mitigation . Finalisation and implementations of Member driven strategy for delivering housing outcomes across sites owned by the Council was approved by BIG on 12th September 2024. In Progress
Updated 16/9/24

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Risk category	1b - Housing – Affordable	
Risk subject area	Housing Supply and Demand	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Addressing Housing Need
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Karen Sinclair Housing Admin
Risk description		
<ul style="list-style-type: none"> 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 few years 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 approximately £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 having suspended its direct development and wider viability challenges for developers. Update 16/9/24 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 		
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence		

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- 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.
Latest Housing Register Numbers as at 13/9/24 are as follows:
Total on Housing Register 2,363
Excluding Category D ("Low housing Need and no "deemed need") totals 1,492.
Update as 16/9/24
- 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 participated 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 was successful completed in September 2024.

Updated 16/9/24

- 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 and 3).	In Progress	

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	1b - Housing – Affordable	
Risk subject area	Housing provision and addressing need	
<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-between; width: 100%; margin-top: 5px;"> <12 9> </div> </div>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Addressing Housing Need
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Karen Sinclair Housing Admin
Risk description		
<ul style="list-style-type: none"> 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 Complex needs amongst homeless clients requiring intensive support. Without the support the clients are unable to maintain a tenancy, which even if placed, will lead to reoccurring homelessness. This service is currently externally funded, but the future of the fund is uncertain. The demand for this service is also growing and additional resources are needed. 		
Current control actions		
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence		
<ul style="list-style-type: none"> 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 <u>impact</u> of a risk event should it occur		

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- 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. The team is currently working on the preparation of a refreshed housing strategy and will seek to incorporate the suggestions into the new strategy

Future actions				
Type	Timeline	Description	Status	Comments

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	2 - Economy			
Risk subject area	Long Term uncertainty of macroeconomic environment			
<div style="text-align: center;"> 9 </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <9 6> </div>	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM		
	Corporate priorities	Resilience		
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad		
	Lead officer	Heather Morgan		
Risk description				
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence				
<ul style="list-style-type: none"> 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 16.-08.24 - 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 has been undertaken and has determined the strategy needs refining - it has considered skills/employment, our hub and incubator, inward investment and whether more business engagement is required at a strategic level. The outcome of the review has determined the level of resources and expertise required to deliver the strategy and the rest of the ED function. The service plan for economic development (which reflects this) will go to BIG Committee in autumn 2024. 				
Current mitigating actions				
These are specific actions to reduce the <u>impact</u> of a risk event should it occur				
<ul style="list-style-type: none"> 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

Risk category	2 - Economy	
Risk subject area	Cost of doing Business crisis	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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.

As at end of August 2024 - Business rates collection rate was 49.8% compared to same stage 23/24 which was 50.8%.

As at end of August Council Tax collection rate – 48.2% compared to 23/24 which was 48.6%

Updated 16/9/24
- 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).
16.08.24 - All the projects are now well into implementation phase with audits underway, and support in place.

Current mitigating actions

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


- 16.08.24 - 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. This mitigation action will be removed at the next CRR review.

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- 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
- 16.08. 24 - The employment and skills hub relocated to its new location (old Argos unit) in mid August. Considerable strides have been made to extend multi-agency working with other partners to assist residents getting back into work (best use pooled resources)

Future actions					
Type	Timeline	Description		Status	Comments

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	3 - Financial Resilience and Commercial Assets	
Risk subject area	Commercial investment portfolio	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Coralie Holman
Risk description		
<ul style="list-style-type: none"> 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. 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 		
Current control actions		
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence		
<ul style="list-style-type: none"> A new overarching Asset Management Strategy & Asset Management Plan has been completed for the 24/25 - 27/28 financial year period - updated 19/9/24 by CH Individual Business Plans for all assets, with a summary portfolio level AIS focused on the coming 12 month period. New Business Plans for 25/26 are being progressed from Sept 24 - for presentation to committee in Jan/Feb 25 - updated 19/9/25 by CH Capital Strategy includes key performance indicators with a particular focus on the investment portfolio. The investment portfolio has it's own bespoke KPIs and Risk Register. Tweaked by CH 2/8/24 Performance management measures – KPIs are reviewed annually and benchmarked against external, regional property indicators i.e., vacancy rates, market rentals, occupier demand. Updated 29/7/24 Governance reporting - Investment performance reported regularly to Councillors at Commercial Assets Sub-Committee, Business and Infrastructure Growth Committee and Corporate Policy and Resources Committee. Updated 29/7/24 		

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

- Sinking fund reserves strategy to support periods of tenancy voids and offset dips in rental income. Monitoring of contributions and overall amount of sinking fund balance held.
- Sinking Funds modelling has been refreshed over a 50 year period, with ability to input and flex a range of parameters. Will be reported to BIG/CASC/CPRC Updated 29/7/24
- 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 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 (now MHCLG) announced a Best Value Inspection process to review how the Council mitigates risk. The Council is actively engaging with the Inspection Process which the Council has now been advised will last until the end of November 2024.

Updated 16/9/24

- 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. Two new team members recruited.

Reviewed 16/9/24

- Public Interest Report Action Plan implemented. Review against PIR Action Plan reported to July 2024 Audit Committee, and accepted by Councillors.

Exit Strategies being prepared and presented to Commercial Assets Sub-Committee meeting September to November. These strategies being reflected in revised sinking funds modelling assumptions.

Updated 16/9/24


- 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 20024 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 November 2024 - updated 19/9/24 CH	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	This is an on-going piece of work where the deadline has been extended due to the later than expected appointment of the final 2 inspectors

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	4 - Financial Resilience and Supporting Communities	
Risk subject area	Financial Pressures - increased costs	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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
- Risk that the new Government in addressing national public expenditure pressures reduces funding available for local government adding to the challenge of providing discretionary services. This will become clearer once Spending Review announced and Budget on 30th October is announced.

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 including the informal all councillors budget briefings.
- Under Committee system process has been made more transparent
- For 2025-26 Budget process we will be implementing on a targeted pilot basis Zero Based Budgeting with a view to rolling out more broadly for 26-27 Budget process. Initial pilots underway in Economic Development, Independent Living and Procurement.
- Reviewed 29/7/24
- All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process. First Budget Briefing for 2025-26 undertaken on 15th July 2024
- Updated 29/7/24

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

- 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
Updated 29/7/24
- 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 (Outline Budget) 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.

Updated 16/9/24
- 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 being reported on a quarterly basis to MATplus and councillors

Updated 16/9/24

Future actions

Type	Timeline	Description	Status	Comments
• Mitigation	January 2025	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 now expected to finish by end of November 2024. The Council is positively engaging with the Best Value Inspection Process. Updated 20/9/24	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

Risk category	4 - Financial Resilience and Supporting Communities				
Risk subject area	Restricted borrowing levels				
	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Resilience			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Paul Taylor			
Risk description					
<ul style="list-style-type: none"> 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>Whilst the Best Value Inspection process continues the Council remains able to borrow from the Public Works Loan Board. Officers will be bringing an options paper to October 2024 Corporate Policy and Resources Committee looking at benefits of drawing down medium termed pooled investments as an alternative to borrowing and partially accelerating the payment down of debt finance.</p> <p>Updated 16/9/24</p>					
Current control actions					
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> Revised Treasury Management Strategy approved with amendments to the prudential indicators 					
Current mitigating actions					
These are specific actions to reduce the <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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 November 2024. This will review risk mitigation arrangements around level of borrowing and reliance on investment assets income. <p>Updated 16/9/24</p> <ul style="list-style-type: none"> Participated in Surrey wide financial resilience review with commissioning of independent consultants to consider financial metrics as part of this assessment 					
Future actions					
	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 December 2024/early 2025 Council will positively engage with the Best Value Inspection process and will address any recommendations which emerge. Reviewed 16/9/24 In Progress

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	4 - Financial Resilience and Supporting Communities	
Risk subject area	Financial Pressures - Cost of Living Crisis and increased demand on Council Services	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Terry Collier
Risk description		
<ul style="list-style-type: none"> 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 As part of delivery regeneration/housing outcomes on existing council sites across the portfolio owned by the Council there is a risk, which could be magnified depending on timing relative to the property valuations cycle, that some of the schemes will result in capital losses which will need to be written to Revenue. Equally if schemes prove abortive, accumulated capitalised costs would need to be written to Revenue. 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 £16M (as at end of 2023-24) will need to be charged to Revenue. <p>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.</p> <p>Updated 18/9/24</p>		
Current control actions		
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence		
<ul style="list-style-type: none"> 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. Medium term financial strategy providing a framework for managing financial resources. 		

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- 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

- 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.
- Cashable savings working group set up to target efficiencies and savings.
- Procurement Projects Board set up to ensure focus on delivering value for money from procurement.
- Use of Local Authority Housing Fund enabled 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. Updated 16/9/24
- The Council maintains a Reserves Strategy, refreshed and reviewed every year by Corporate Policy and Resources Committee. One aspect of this strategy is to ensure that sufficient cash backed revenue reserves are maintained to assist in offsetting any write off of capital losses/capitalised costs to Revenue.
- Governance and reporting arrangements. Examples include progress reporting of Property Development projects to officer and Member groups. Specific reports are referred to BIG Committee to seek approval for progressing marketing to identify delivery partners most recently Ashford Victory Place and Thameside House

Future actions

Type	Timeline	Description	Status	Comments
• Mitigation		Progress against cashable savings has been incorporated into the quarterly budget monitoring reports. Updated 16/9/24	In Progress	
• Mitigation		Progress against cashable savings has been incorporated into the quarterly budget monitoring reports. Updated 16/9/24	In Progress	

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	5 - Treasury Management	
Risk subject area	Return on Investments	
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; margin-right: 5px;"><9</div> <div style="background-color: #ff9900; color: black; font-size: 2em; padding: 10px; margin-right: 5px;">9</div> <div style="background-color: #0056b3; color: white; padding: 5px; margin-left: 5px;">9></div> </div>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience, Services
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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, following the first 25 basis points reduction in August 2024 it is expected that the Bank of England will make a number of base rate reductions over the next eighteen months or so.

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 16/9/24
- Risk of not aligning investments with the Council's Environmental, Social and Governance (ESG) Objectives . If Council draws down its medium term pooled investments this becomes less of an issue/risk.
Updated 29/7/24

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

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- 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 report going to October Corporate Policy and Resources Committee

Updated 16/9/24

- 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 regular training sessions for councillors. Last session January 2024.

Updated 16/9/24

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
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APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	5 - Treasury Management				
Risk subject area	Borrowing				
	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Resilience, Services			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Paul Taylor			
Risk description					
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> Approved Treasury Management Strategy for 2024-25. Updated 16/9/24 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 <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> Ongoing review and assessment of options with Treasury Management (TM) 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. Reviewed 16/9/24 Fixed interest rate on most debt and for investment assets and 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

Risk category	6 - Climate Change	
Risk subject area	Climate Change threat and impact	
<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-between; width: 100%; margin-top: 5px;"> <12 12> </div> </div>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Environment
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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. Reviewed 12.9.24

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 as part of the climate change strategy to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030. The climate change strategy has been updated along with a clear action tracker and is going to Committee for approval on 17 September 2024. The original action plan had 72 actions but we have combined a number to avoid duplication; 8 are fully complete, 51 are ongoing, 6 are being explored through background work and 7 have not yet started. (reviewed 12.9.24)
- 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 required to support a coordinated approach to strategy implementation across the organisation and looking at joint service projects. (Reviewed 12.9.24)

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges. Some member Induction training was undertaken in June 2023. The Council has reached bronze level in the carbon literacy hierarchy and is aiming for silver in Q4 24/25.

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. To be completed 17.9.24 subject to Committee agreement. (reviewed 11.9.24)	In Progress	Review of climate change strategy completed but needs resourcing to fully implement and also needs cross service input.

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	6 - Climate Change	
Risk subject area	Responding and adapting to Climate Change	
<p>A risk score of 8 is displayed in a large orange square. To its left is a smaller orange square containing '<8' and to its right is a smaller orange square containing '9>'.</p>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Environment
	Risk owner	Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Sandy Muirhead
	Risk description	<ul style="list-style-type: none"> 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 summer of 2022 there were 72,000 excess deaths in Europe due to the extreme heat. 2023 was the hottest year on record 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. reviewed 12.9.24
Current control actions	<p>These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence</p> <ul style="list-style-type: none"> Environment and Sustainability Committee developed an action plan as part of the climate change strategy to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030. 12.9.24 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. 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. 	
Current mitigating actions	<p>These are specific actions to reduce the <u>impact</u> of a risk event should it occur</p>	

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Funding resources secured to support strategy implementation through the Green Initiative Fund. These are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030 12.9.24

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. Information given to Group Leaders (reviewed 12.9.24)	In Progress	Seeking to undertake Cllr training over two evenings
• 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	2025	To build on Greener Futures climate adaptation strategy and incorporate actions into our climate change strategy.	In Progress	with current climate change officer leaving this is likely to be delayed

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	6 - Climate Change	
Risk subject area	Integration into decision making	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Environment
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	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

Risk category	6 - Climate Change				
Risk subject area	Targets for Climate Change				
	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Environment			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Sandy Muirhead			
Risk description					
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> 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 <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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 using the corporate plan action tracker (12.9.24) 					
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

Risk category	7 - Corporate Capacity, Resources , Recruitment and Retention	
Risk subject area	Corporate capacity	
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM
	Corporate priorities	Resilience, Services
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad
	Lead officer	Sandy Muirhead
Risk description		
<ul style="list-style-type: none"> 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 and reduced morale especially with pressure to complete more tasks over and above planned work (12.9.24). . 		
<ul style="list-style-type: none"> Overstretched staff may feel encouraged to leave to less demanding roles in other areas including the private sector Availability of external roles especially better paid roles. The Council struggles to keep up with increased pay in roles in the sector as a whole. 12.9.25 		
Current control actions		
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence		
<ul style="list-style-type: none"> Management to address workload issues across teams, with continued prioritisation of tasks, but tasks are exceeding ability to deliver in certain areas especially in services where it is difficult to recruit staff 12.9.24 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 to promote partnerships and alternative service models with a view to supporting organisational resilience measures 12.9.24 		
Current mitigating actions		
These are specific actions to reduce the <u>impact</u> of a risk event should it occur		
<ul style="list-style-type: none"> Various support systems operating in promoting and supporting staff wellbeing e.g Carefirst 12.9.24 		

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- Corporate performance management systems operate across services with a view to promoting the corporate plan and associated actions translated into tasks; but also to ensure staff are managing workloads and priorities. 12.9.24
- 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
- Participated in an LGA review of 2022 which raised findings regarding working culture though recent staff survey demonstrates staff feel very positive about their working environment internally but one area that showed red was in relation to Cllrs. (12.9.24)
- 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

Risk category	7 - Corporate Capacity, Resources , Recruitment and Retention				
Risk subject area	Recruitment and retention				
	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Resilience, Services			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Sandy Muirhead			
Risk description					
<ul style="list-style-type: none"> 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. 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. 					
Current control actions					
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> 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. Staff and member feedback including commissioning annual surveys to ascertain key concerns, issues and promote continuous improvement measures. Staff survey undertaken in 2024 had a very high participation rates and most scores were highly positive regarding working conditions but Cllr area scored low. (12.9.24) 					
Current mitigating actions					
These are specific actions to reduce the <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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. 					
Future actions					
Type	Timeline	Description	Status	Comments	

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

• Mitigation	Ongoing	To continue to advertise in all service relevant journals to ensure maximise opportunities for those seeking roles to see them.	In Progress	
• 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 al options for advertising roles but also including opportunities to appoint apprentices and train from within

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	8 - Equality, Diversity and Inclusivity		
Risk subject area	Legislative requirements		
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; margin-right: 10px;"><6</div> <div style="background-color: #ff9900; color: black; padding: 20px 40px; font-size: 2em; font-weight: bold; margin: 0 10px;">6</div> <div style="background-color: #0056b3; color: white; padding: 5px; margin-left: 10px;">6></div> </div>	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM	
	Corporate priorities	Resilience, Environment, Services	
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad	
	Lead officer	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. Seeking further training options for early 2025. (12.9.24)
- 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
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APPENDIX A Corporate Risk Register - Spelthorne Borough Council

• 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 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.	In Progress	Due to constrained resources a long lead time is required though a lead officer has been designated
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APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	8 - Equality, Diversity and Inclusivity		
Risk subject area	Coordinated approach		
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; margin-right: 5px;"><6</div> <div style="background-color: #ff9900; color: black; padding: 15px; font-size: 24px; margin-right: 5px;">6</div> <div style="background-color: #0056b3; color: white; padding: 5px; margin-left: 5px;">6></div> </div>	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM	
	Corporate priorities	Community, Addressing Housing Need, Resilience, Environment	
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad	
	Lead officer	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.
- Section on EDI including reference to LGBT community included in induction seminar for new staff completed (12.9.24)

Future actions				
Type	Timeline	Description	Status	Comments

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

• Control	January 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 promoting equal opportunities, diversity, and inclusivity. Lead officer designated	In Progress	Resource availability is though still a limiting factor due to other service demands
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APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	9 - Working arrangements across LG tiers				
Risk subject area	Change Management				
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; margin-right: 5px;"><9</div> <div style="background-color: #ff9900; color: black; font-size: 24px; font-weight: bold; padding: 10px; margin-right: 5px;">9</div> <div style="background-color: #ff9900; color: black; padding: 5px; margin-left: 5px;">9></div> </div>	Last review by	l.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Community, Addressing Housing Need, Resilience, Environment, Services			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Heather Morgan			
Risk description					
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> 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 <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

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|--------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • 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 been undertaken to look at a number of areas identified within the KPMG report from a few years ago which identified a number of opportunities 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 |
| • Mitigation | July 2025 | Alternative options for service delivery for building control (due to severe resourcing and resilience issues) | In Progress | |
| • Mitigation | July 2025 | Surrey Leaders/Chief Executives currently in discussion over potential for county-wide collaborations on Procurement and Building Control. | In Progress | |

APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk category	9 - Working arrangements across LG tiers				
Risk subject area	Strategic decisions				
	Last review by	I.o'neil@spelthorne.gov.uk 9/19/2024 5:00:00 PM			
	Corporate priorities	Community, Addressing Housing Need, Resilience, Environment, Services			
	Risk owner	Admin Lee O'Neil Terry Collier Daniel Mouawad			
	Lead officer	Heather Morgan			
Risk description					
<ul style="list-style-type: none"> 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 <u>likelihood</u> of a risk event or occurrence					
<ul style="list-style-type: none"> 16.08.24 - Growth Board now in place so unable to influence the governance structure 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). will be removed when CRR is next updated 16.08.24 - Surrey Business Leadership Forum is now in place so unable to influence the governance and representation to ensure that our business voice is heard on future decision making around the economy (and the functions which Surrey have taken over from the Enterprise M3 Local Economic Partnership). Will be removed when CRR is next updated 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 <u>impact</u> of a risk event should it occur					
<ul style="list-style-type: none"> 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

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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.

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IMPACT	4 (Catastrophic)				
	3 (Major)			11	7
	2 (Medium)			4	2
	1 (Trivial)				
		1 (Rare)	2 (Unlikely)	3 (Likely)	4 (Almost certain)
		LIKELIHOOD			

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"> ☐ 9 - Working arrangements across LG tiers <ul style="list-style-type: none"> 77 Strategic decisions 76 Change Management ☐ 8 - Equality, Diversity and Inclusivity <ul style="list-style-type: none"> 69 Coordinated approach 68 Legislative requirements ☐ 7 - Corporate Capacity, Resources , Recruitment and Retention <ul style="list-style-type: none"> 67 Recruitment and retention 66 Corporate capacity ☐ 6 - Climate Change <ul style="list-style-type: none"> 65 Targets for Climate Change 64 Integration into decision making 63 Responding and adapting to Climate Change 62 Climate Change threat and impact ☐ 5 - Treasury Management <ul style="list-style-type: none"> 75 Borrowing 74 Return on Investments ☐ 4 - Financial Resilience and Supporting Communities <ul style="list-style-type: none"> 61 Financial Pressures - Cost of Living Crisis and increased demand on Council Services 58 Restricted borrowing levels 53 Financial Pressures - increased costs ☐ 3 - Financial Resilience and Commercial Assets <ul style="list-style-type: none"> 51 Commercial investment portfolio ☐ 2 - Economy <ul style="list-style-type: none"> 50 Cost of doing Business crisis 49 Long Term uncertainty of macroeconomic environment ☐ 1b - Housing – Affordable <ul style="list-style-type: none"> 78 Housing provision and addressing need

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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