

**To:**  
**All members of the**  
**Cabinet**

*Please reply to:*

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Date: 19 March 2021

Supplementary Agenda

**Cabinet - Wednesday, 24 March 2021**

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda, or have been updated, for the Cabinet meeting to be held on Wednesday, 24 March 2021:

**5. Recommendation of the Audit Committee on Corporate Risk Management 3 - 16**

**Councillor S. Buttar**

To consider the recommendation of the Audit Committee following its review of the Corporate Risk Register.

**10. Exempt report - Transfer of properties from Spelthorne Borough Council to Knowle Green Estates Ltd. 17 - 30**

**Councillor S. Buttar**

To consider the transfer of properties from Spelthorne Borough Council to Knowle Green Estates Ltd.

**Reason for exemption**

The appendices contain exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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

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

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Yours sincerely

Michelle Beaumont  
Committee Services

To the members of the Cabinet

Councillors:

J.R. Boughtflower  
J. McIlroy  
M.M. Attewell

R.O. Barratt  
S. Buttar  
R. Chandler

A.J. Mitchell  
R.J. Noble

## **RECOMMENDATION FROM THE AUDIT COMMITTEE CORPORATE RISK MANAGEMENT**

**Cabinet: 24 March 2021**

- 1.1 The Audit Committee is responsible for considering the effectiveness of the authority's risk management arrangements and receives regular reports on risk issues.
- 1.2 The Audit Committee reviewed the revised Corporate Risk Register (attached as Appendix 1) at its meeting on 18 March 2021 and noted and accepted the contents. The revised register is considered to be an accurate reflection of the high level risks affecting the Authority, as well as the progress made on actions previously proposed, based on our assessment of risk and controls in operation.
- 1.3 The Audit Committee acknowledged that the Chairman and Vice Chairman had worked with officers to create a clearer, more digestible, easily maintained, and functional register.
- 1.4 The Audit Committee supported proposals that Committee members be able to provide feedback on the Corporate Risk Register as it would add value and help further refine the register.

### **Audit Committee Recommendation**

The Audit Committee recommends to the Cabinet:

That the Corporate Risk Register, as submitted, be approved.

**Contact: Punita Talwar, Internal Audit Manager**

**Cabinet member: Councillor Sati Buttar**

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## CORPORATE RISK REGISTER

RISK REFERENCE & OWNERSHIP	RISK DESCRIPTION	CORPORATE PRIORITY (CURRENT & EMERGING	RAG & RISK RATING SCORE	CURRENT KEY CONTROLS
1. Corporate Management Team (MAT)	<p><b>1. HOUSING</b></p> <p>(i) Lack of affordable housing increases homelessness</p> <p>(ii) Housing provision does not meet local resident needs</p> <p>(iii) Delays in completing property development schemes impacts Housing Strategy delivery targets.</p> <p>All these risks lead to increased pressure on Council Services and impact delivery of affordable housing provision across the borough.</p>	Affordable Housing	Amber Refer to the Risk Matrix	<p>Housing Delivery Programme. Housing and Homelessness Strategies; Quarterly monitoring of Strategic Action Plan.</p> <p>Regular review by Strategic Housing Group. Weekly progress reporting of Property Development projects to officer Development and Improvement Group (DIG).</p> <p>Viability assessments underway for some development schemes.</p>
2. Corporate Management Team (MAT)	<p><b>2. ECONOMY</b></p> <p>Current economic recession and pandemic lockdowns continue to have a detrimental impact on economic wellbeing locally (proximity to Heathrow airport), nationally and</p>	Economic Development / Recovery & Financial Sustainability	Red Refer to the Risk Matrix	<p>Refer also to separate briefing report prepared by the Economic Development team being reported to the March Audit Committee.</p> <p>Economic Development Recovery Plan includes quick wins and longer-term actions to support local businesses, town centres, communities during and beyond the pandemic.</p>

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	globally, with increased unemployment levels leading to increased pressure across Council Services and effecting the Council's finances			COVID-19 overarching Recovery plan takes account of post-Brexit implications. Periodical review and reporting of the Economic Development strategy. Fortnightly monitoring of Business Rates and Council Tax collection rates as part of monitoring impacts of COVID-19. Financial support for businesses through Government schemes.
3. Corporate Management Team (MAT)	<p><b>3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS</b></p> <p>The pandemic has increased the Council's exposure to financial risk, with possible implications for the investment portfolio, including loss of anticipated rental income from commercial assets and poor investment returns. This may impact on the financial position, leading to the Council becoming financially unsustainable with associated reputational damage .</p>	Financial Sustainability	Amber Refer to the Risk Matrix	Investment performance is monitored at weekly Development and Investment Group (DIG) and a quarterly performance report is produced for the Investment Portfolio. Weekly rent review meetings are taking place to monitor income (investment portfolio doing very well). Due Diligence measures for tenant management. Ten year worst and best case sinking fund scenario projections are reviewed on a weekly basis. Capital Strategy includes key performance indicators. Asset Management plan. CIPFA FM Code self-assessment and Member reporting. LGA Finance Peer Review undertaken in late 2020.

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4. Corporate Management Team (MAT)	<p><b>4. FINANCIAL RESILIENCE AND SUPPORTING COMMUNITIES</b></p> <p>Increased financial pressures faced by the Council arising from the Covid-19 pandemic (reduced income and increased costs) could impact service delivery, leading to a negative impact on the Borough's residents and communities (economic, social, physical and mental wellbeing). Ongoing financial pressures could lead to the Council becoming financially unsustainable.</p>	Financial Sustainability & Supporting Communities	Amber Refer to the Risk Matrix	<p>Medium term financial strategy.</p> <p>Balanced budget for 2021/22 including a £1m funding provision for Covid-19.</p> <p>Fully refreshed Reserves Strategy (in line with Peer Review).</p> <p>Delta returns submitted to capture and reclaim costs of COVID-19 across the Authority.</p> <p>Financial impact assessment modelling.</p> <p>Independent peer led review of the Council's approach to finance.</p> <p>Outline Budget indicatively balanced for 2022/23.</p>
5. Corporate Management Team (MAT)	<p><b>5. TREASURY MANAGEMENT</b></p> <p>If the Council receives a reduced return on long term investments and/or investments become insecure in the current / future economic climate,</p>	Financial Sustainability	Amber Refer to the Risk Matrix	<p>Treasury Management Strategy for 2021-22 approved by Members.</p> <p>Application of CIPFA Code of Practice and Prudential Code.</p> <p>Performance measurement and reporting.</p> <p>Aim to select counter parties of the highest credit quality.</p> <p>Credit ratings monitored.</p> <p>Council's investments managed internally in</p>

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	then this will have an adverse impact on the Council's financial position, weakening financial resilience			consultation with advisors Arlingclose. Explore options for diversifying the portfolio. Fixed interest rate on most debt and for investments an interest equalisation reserve is in place. Deputy Chief Executive and Portfolio Holder are involved in key decisions. Training delivered for new Financial Management Code.
6. Corporate Management Team (MAT)	<b>6. SUSTAINABILITY &amp; CLIMATE CHANGE</b>  Environmental breakdown represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability, climate change and extreme weather events impact on food systems, supply chains & procurement, economic productivity and losses. If the Council is not pursuing measures or seeking positive opportunities, it could result in criticism/bad	Climate Change	Red Refer to the Risk Matrix	Council declared Climate Change Emergency in October 2020. Council's 2020-21 Budget includes £250k for Green Initiatives. Government targets for reducing carbon emissions / greenhouse gases to tackle climate change. A cross party working group has been set up on Climate Change and developing a Climate Action Plan. Working Group exploring ways to meet a carbon neutral target by 2050 or earlier and to make recommendations on how to apply the £250k fund. Officers are working in the spirit of ethical and social responsibility to reduce the Council's carbon footprint. Sustainability Strategy; Energy & Water Efficiency Policy (2015 - 2020).



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	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.			Professional group membership such as Surrey Energy & Sustainability Partnership (SESP) and Association of Lead Energy Officers (ALEO). Implementing energy efficiency measures in Council owned buildings. Increasing renewables capacity. Officers discussing with Portfolio Holders and Treasury Management advisers how we can align the Council's cash investments, so they focused on a more environmentally and socially sustainable basis.
7. Corporate Management Team (MAT)	<b>7. CORPORATE CAPACITY AND RESOURCES</b>  Overstretched capacity exacerbated by the additional workload and new demands arising from the pandemic (as well as the departure of several experienced staff) 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	ALL	Red Refer to the Risk Matrix	Management consideration of workloads and encouraged to remain alert to stress related risks. Monitoring of sickness absence. Staff welfare information on Intranet. Support mechanisms for mental and emotional wellbeing including mental health first aiders and Care First - this scheme has been promoted through regular staff communications Treating colleagues respectfully has been recognised and communicated. Council 2021-22 Budget including small staff pay increase to maintain Council's competitiveness with other local Councils.

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	in expected service delivery.			

Appendix to the Corporate Risk Register: Risk Action Plan.

## DETAILED RISK ACTION PLAN

RISK CATEGORY REFERENCE (AS IN THE CRR)	ACTIONS (SMART)	DATE ACTIONS ADDED	LEAD OFFICER	TIMELINE FOR DELIVERY (MONTH AND YEAR)	STATUS (IMPLEMENTED / IN PROGRESS OR OUTSTANDING)
1. HOUSING	1i. Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	March 2020	Strategic Planning Manager (Ann Biggs)	March 2022	<b>TO BE IMPLEMENTED</b>
1. HOUSING	1ii. Set up a Homelessness Strategy working group to support achievement of aims	March 2020	Housing Strategy Manager (David Birley) <i>This will need to be updated once known</i>	August 2020 Revised – May 2021	<b>OUTSTANDING</b> Work has been delayed due to COVID-19 but aiming for initial meeting to be held by end May 2021
1. HOUSING	1iii. Establish and approve clearly defined Terms of Reference for the Homelessness Strategy working group to support achievement of aims	March 2020	Housing Strategy Manager (David Birley) <i>This will need to be updated once known</i>	December 2020 Revised – May 2021	<b>OUTSTANDING</b> Work has been delayed due to COVID-19 but aiming for initial meeting to be held by end May 2021. Anticipate ToR to be completed by end of September 2021
1. HOUSING	1iv. Service Level Agreement	March 2020	Housing Strategy Manager	June 2020	<b>OUTSTANDING</b>

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	to be put in place with registered providers to take forward cases of alleged tenancy fraud		(David Birley) <i>This will need to be updated once known</i>	Revised – 2021	Work has been delayed due to COVID-19
1. HOUSING	1v. Viability assessments for Staines property developments are underway	March 2020	Property Development Manager (Richard Mortimer)	TO BE CONFIRMED	IN PROGRESS
2. ECONOMY	2i. Identification and delivery of prioritised actions in the Economic Development Recovery Plan	March 2021	Economic Development Manager (Keith McGroary)	Drafting and agreement of plan and targets. Delivery ongoing and to extend beyond the end of the current 4 year Council cycle.	IN PROGRESS
2. ECONOMY	2ii. Continued assessment of grant applications as part of the governments pandemic grant assistance schemes (both response and recovery)	March 2021	Economic Development and Customer Services teams with support from Payments team Roy Tilbury - lead officer for Rateable Value related	Continuous action New batch of grants announced in 3rd March	IN PROGRESS & ONGOING

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			grants; Keith McGroary - lead officer for discretionary grants not linked to Rateable Value	Budget to be applied in April & May 2021. Some of the discretionary grant to be applied up to end of March 2022.	
3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3i. Property Management Software to be applied for billing tenants on the investment properties (previously indicated by the end of 20/21) and for municipal properties thereafter	November 2020	Group Head Regeneration & Growth (Heather Morgan)	March 2021	IN PROGRESS
3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3ii. Continued monitoring and recovery of significant rental income due from the Council's property portfolio. Worst case scenario modelling of next 10 years for sinking funds adequacy refreshed and	2018	Group Head Regeneration & Growth (Heather Morgan)	Continuous action	IMPLEMENTED & ONGOING

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	reviewed on a weekly basis by Rent Collection Review meeting.				
3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3iii. Continued application of CIPFA'S Financial Management Code (responsibility of whole organisation) in close alignment with the LGA Financial Peer Review recommendations	March 2021	Deputy Chief Executive (Terry Collier)	Continuous action	<b>IN PROGRESS</b> Financial Management Code Self-Assessment took to October Audit Committee. Action Plan for Finance Peer Review recommendations being finalised
6. SUSTAINABILITY & CLIMATE CHANGE	6i. Identification and perusal of prioritised 'Green recovery' actions in the Council's broader recovery plan for Covid-19	March 2021	Group Head Commissioning & Transformation (Sandy Muirhead)	April 2021	<b>IN PROGRESS</b>
6. SUSTAINABILITY & CLIMATE CHANGE	6ii Following approval of the £250k Green Initiatives Fund as part of the Council's 2021/22 Budget, the Climate Change Task Group to make	March 2021	Group Head Commissioning & Transformation (Sandy Muirhead)	June 2021	<b>IN PROGRESS</b> Final timeline dependent on adoption of Committee system

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	recommendations as to how to apply that fund				
6. SUSTAINABILITY & CLIMATE CHANGE	6iii. County are leading on developing a strategy on climate change across the Surrey authorities	March 2021	Group Head Commissioning & Transformation (Sandy Muirhead)	TO BE CONFIRMED	<b>IN PROGRESS</b> Working in partnership with SCC / Boroughs and Districts
7. CORPORATE CAPACITY & RESOURCES	7i. Monitoring impact of departure of experienced officers and managing associated loss of organisational knowledge and talent. Review of staff retention measures to reduce and mitigate the risk of staff departures.	March 2021	ALL / Group Head Commissioning & Transformation (Sandy Muirhead)	Continuous action	<b>IMPLEMENTED &amp; ONGOING</b> A small pay increase for staff agreed to maintain the Council's competitiveness with other local Councils, agreed as part of the 2021/22 Budget

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