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Date: 05 April 2023

## **Notice of meeting**

### **Corporate Policy and Resources Committee**

**Date:** Monday, 17 April 2023

**Time:** 7.00 pm

**Place:** Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

#### **To the members of the Corporate Policy and Resources Committee**

Councillors:

J.R. Boughtflower (Chairman)	R.O. Barratt	L. E. Nichols
A.J. Mitchell (Vice-Chairman)	J.T.F. Doran	R.J. Noble
M.M. Attewell	S.A. Dunn	O. Rybinski
I.J. Beardsmore	T. Fidler	J.R. Sexton
M. Beecher	S.C. Mooney	V. Siva

Substitute Members: Councillors C. Bateson, C.F. Barnard, S. Buttar, J. Button,  
N.J. Gething, M. Gibson, H. Harvey, T. Lagden,  
D. Saliagopoulos, J. Vinson and S.J Whitmore

*Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.*

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

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

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## Agenda

### Page nos.

**1. Apologies and Substitutes**

To receive apologies for absence and notification of substitutions.

**2. Minutes**

**5 - 32**

To confirm the minutes of the meetings held on 20 February 2023 and 21 March 2023 as a correct record.

**3. Disclosures of Interest**

To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.

**4. Questions from members of the Public**

The Chair, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 40.

At the time of publication of this agenda no questions were received.

**5. Corporate Risk Management**

**33 - 76**

Committee is asked to consider and note the significant strategic risks and issues highlighted in this report , ensuring continued wider reporting of the Corporate Risk Register and Risk Action Plan across other Committees.

**6. Counter Fraud, Bribery & Corruption Strategy**

**77 - 94**

The Committee is asked to consider the amendments to the Counter Fraud, Bribery & Corruption Strategy and make a recommendation to Council.

**7. LGA Corporate Peer Challenge Outline Action Plan**

**95 - 124**

**8. Forward Plan**

**125 - 126**

To consider the Forward Plan for committee business.

**9. Urgent Actions**

To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 20 February 2023.



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**Minutes of the Corporate Policy and Resources Committee  
20 and 21 February 2023**

**Present:**

Councillor J.R. Boughtflower (Chairman)

Councillors:

M.M. Attewell	S.A. Dunn	R.J. Noble
I.J. Beardsmore	T. Fidler	J.R. Sexton
M. Beecher	S.C. Mooney	
J.T.F. Doran	L. E. Nichols	

**164/23 Apologies and Substitutes**

**20 February 2023 Meeting**

Apologies were received from Cllrs Barratt, Mitchell and Rybinski.

Cllr Gething attended as substitute for Cllr Mitchell and Cllr Harvey attended as substitute for Cllr Rybinski.

**21 February 2023 Carry Over Meeting**

Apologies were received from Cllrs Barratt, Doran, Fidler, Mitchell, Mooney, Noble, Rybinski, Sexton and Siva.

Cllr Harvey attended as substitute for Cllr Rybinski, Cllr Saliagopoulos attended as substitute for Cllr Sexton.

**165/23 Disclosures of Interest**

Cllr Fidler advised that he was related to a member of staff at the Council and therefore would not be taking part in the debate or voting on Item 13, Pay Award 2023/24 nor Item 15, Pay Policy Statement 2023/24.

Cllrs Attewell, Mooney and Sexton advised that they were Surrey County Councillors.

**166/23 Minutes**

The minutes of the meeting held on 16 January 2023 and carried over to 23 January 2023 were agreed as a correct record of proceedings.

**167/23 Questions from members of the Public**

There were none.

**168/23 Exclusion of Press and Public**

It was proposed by Councillor Fidler and Seconded by Councillor Dunn and **resolved** that the public and press be excluded during consideration of the following items, in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose 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 because, disclosure to the public would prejudice the financial position of the authority in being able to undertake even-handed negotiations and finalising acceptable contract terms:

Item 5 – Procurement Service Plan

Item 6 – Assets Service Plan

**169/23 Service Plan - Procurement**

The Committee considered the Procurement Service Plan

The Committee **resolved** to note the Procurement Service Plan and to approve the growth bid.

**170/23 Service Plan - Assets**

The Committee considered the Assets Service Plan.

The Committee had concerns over the number of projects on the Capital Programme that had been outstanding for a long period of time and suggested that the projects be put into low, medium or high categories so that the Committee would be able to have a better understanding of what each project was.

The Committee **resolved** to agree the Assets Service Plan.

The meeting came out of the closed session to consider items 8 to 17.

**171/23 Treasury Management Strategy 2023/24**

The Committee considered the Treasury Management Strategy 2023/24 Report which is a statutory requirement upon the Council.

The Committee **resolved** to make a recommendation to Council that they:

1. Approve the proposed Treasury Management Strategy for 2023/24 as set out in the report; and
2. Note the Treasury Management Practices (TMP) and Schedules

### **172/23 Reserves Policy 2023/24**

The Committee considered the Capital & Revenue Reserves Strategy.

The Committee were advised that the second recommendation in the report needed to be amended to reflect that the Outline Budget analysis now indicated that Council would require net funding of £5,900.000 million as an appropriation from the Sinking Funds reserves for 2023-24 as opposed to the figure of £6,519,900 quoted due to savings having been identified.

The Committee **resolved** to note the following:

1. That by successfully implementing a prudent approach to developing its Sinking Funds, Spelthorne Borough Council has the highest ratio of usable (cash backed) revenue reserves to Net Revenue Expenditure (NRE) of any District or Borough Council in England,
2. That subject to Council approval, the Outline Budget analysis indicate that Council will require net funding of £5,900,000 from the Rent Equalisation Reserve (Sinking Funds) – (RER) in 2023/24 and £3,125,300 in 2024/25. From 2025/26 the five year planning cycle currently indicated that the /council would return to making net contributions to the RER,
3. That based on the Medium Term Financial Strategy (MTFS) Council must look to bridge the £1.24m per annum net contribution deficit from Knowle Green Estates caused by the height restrictions and adverse movements in interest rates and building cost inflation; and
4. The forecast projections for the reserves from 2022/23 to 2024/25, as set out in Appendix D of the report.

### **173/23 Sinking Fund Policy**

The Committee considered the Sinking Fund Policy as at February 2023.

The Committee were advised that this was a strategic policy document, not an operational policy. As such, whilst the policy set out the principles of the Sinking Fund it would need to be led by Councillors. The report outlined the purpose of the Sinking Fund as:

- a) To minimise risk and protect the Council's Revenue Budget and Council taxpayers from exposure to unplanned short terms dips in income,
- b) To ensure that the Council build sufficient cash backed reserves to provide future options at each property, including:
  - i) Refurbishments (net of dilapidations)
  - ii) Development of a Council owned site
  - iii) Repayment of PWLB Loans in the event of a tenant default

It was suggested by the Committee that any future risks should be identified in order to ensure that the correct amount of funds were held within the Council's Sinking Fund.

The Committee agreed that under 1.5 of the report 'Payment from the Sinking Fund, for unplanned items that occur, could include', a third category should be added that would incorporate provision for Major Works on Council owned investment assets.

The Committee asked that the operational milestones, as outlined in 1.8 of the report be included within the final recommendations.

The Committee **resolved** to note:

- 1) The Sinking Fund Policy, which will be reviewed every five years or earlier in the event of a material emergency, as defined in 1.3 of the report,
- 2) The Sinking Fund is to cover unplanned short-term issues, to minimise risk, protect the Council's Revenue Budget and Council Taxpayers from exposure to short term dips in rental income and build sufficient cash backed reserves to provide the Council with future options, which may include funding refurbishments (net of dilapidations) development and or sale of any of the current property portfolio.; and
- 3) As a benchmark, Officers would suggest to the Committee the following operational milestones, until the Committee confirms its strategic objectives, having ensure that each year, the Council receives £10.8m net towards funding frontline services, affordable housing and regeneration programme:
  - a) The first milestone should be to accumulate Sinking Fund balances of at least £37m to ensure that the Council would be able to repay the loans in light of a major catastrophe,



- b) In fourteen years' time, the Sinking Fund balance could be in the order of approximately £60m, to be available for further investment into our existing investments assets; and
- c) Put an average net payment of £3.5m per annum into the Sinking Fund reserve.

#### **174/23 Fees & Charges 2023/24**

The Committee considered the Fees and Charges Report 2023/24 that sought approval and a recommendation to Council that they should be agreed.

Committee advised that the increase shown in the report for Meals on Wheels was incorrect as it was previously agreed at a meeting of the Community and Wellbeing Committee that there would be no increase. The Committee were advised that this would be amended before the report was presented to Council. The Committee also agreed that the proposed increase in the Junior football bookings was to be rejected so that the fees would remain the same as they were for 2022/23.

The Committee agreed to go into a private session to discuss the fees and charges in greater detail.

It was agreed that the fees and charges in respect of Houses of Multiple Occupation (HMOs) would be reviewed to ensure that they were in line with other Local Authorities. An item is to be put on the Committee's Forward Plan and a report is to be brought back to this Committee in July 2023.

The Committee **resolved** to agree to recommend to Council that they approve the Fees and Charges Report subject to the above amendments having been made.

In line with Standing Order 5.1 of the Council's Constitution, it was proposed by Councillor Nichols and seconded by Councillor Beardsmore that the meeting extend beyond three hours. The Committee agreed to the meeting continuing beyond the three hours.

#### **175/23 Capital strategy 2023 to 2024**

The Committee considered a report on the Capital Strategy for 2023 to 2024.

The Committee **resolved** to make a recommendation to Council that they approve the following:

1. The Capital Strategy as set out in the report,
2. That all development and investment projects, along with all significant projects follow the previously approved business case governance process as set out in the report,
3. That no financing sources, unless stipulated in regulations or necessary agreements, are ring fenced,

4. The Council plans to continue its use of capital receipts to fund the costs of eligible proposals (subject to full business cases for each project),
5. The financing of the Capital Programme and revenue implications as set out in this report; and
6. The financing of the Capital Programme being delegated to the Corporate Policy & Resources Committee to provide sufficient flexibility to allow for the most effective use of Council resources.

#### **176/23 Capital Programme 2023/24 to 2026/27**

The Committee considered the Capital Programme 2023/24 to 2026/27 report.

The Committee **resolved** to recommend that Council approve the proposed Capital Programme for 2023/24 to 2026/27.

#### **177/23 Pay Award 2023/24**

Councillor Fidler removed himself from the Chamber whilst this item was discussed as he had previously declared an interest.

The Committee considered a report on the pay award for 2023/24.

The Committee **resolved** to recommend to Council that the 2023/24 pay award is approved as follows:

1. A consolidated payment of £1925 per full time equivalent (FTE) to all scale points including personal salary; and
2. An increase of 3.5% (average percentage increase) to those allowances that increase annually with the pay award.

#### **178/23 Detailed Budget 2023/24**

The Committee considered the Draft Detailed Revenue Budget for 2023/24.

The Chief Accountant advised that the miscellaneous figures that appeared on previous reports presented to Committees had now been looked at and all figures over £5,000 had been allocated to appropriate cost codes.

The Committee were advised that growth bids had been submitted for two additional posts. One post was within Legal Services for a Legal Assistant that had been approved by the Administrative Committee and one within the Joint Enforcement Team (JET) for an Administrator that had been approved by the Neighbourhood & Enforcement Committee. The Group Head of Neighbourhood Services had subsequently advised that she was withdrawing her bid for an additional post. The Committee agreed that the Legal Assistant

post would provide support for a large number of departments across the Council and were advised that the Chief Accountant would liaise with Cost Centre Managers to see where savings could be made to fund this post.

The Committee **resolved** to recommend to Council that they approve the following:

1. A 2.9% increase on the Spelthorne Borough Council element of the Council Tax for 2023/24. Moreover:
  - a) The Revenue estimates as set out in Appendix of the report be approved.
  - b) No funds, as set out in this report are to appropriate from General Reserves in support of Spelthorne's local Council Tax for 2023/24.
  - c) To agree that the Council Tax Base for the year 2023/24 is 40,551 Band D equivalent dwellings calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, made under Section 35(5) of the Local Government Finance Act 1992.
2. Continuing with Council's Local Council Tax Support Scheme with the current rules and regulations.
3. Continuing the complete disregard of war pension/armed forces pension income from benefit calculations.
4. The growth and savings items as set out in the report's appendices 3 and 4.
5. To note the Chief Finance Officer's commentary in Section 4 of the report on the robustness of budget estimates and levels of reserves under Section 25 and 26 of the Local Government Act 2003.
6. The Council Tax Base for the whole Council area for 2022/23 (Item T in the formula in Section 31b(3) of the Local Government Finance Act 1992, as amended (the 'act')) should be 40,551 Band D equivalent dwellings and calculate that the Council Tax requirement for the Council's own purpose for 2023/24 is £216.14 per Band D equivalent dwelling.

That the following sums be now calculated by the Council for the year 2023/24 in accordance with Section 31 to 36 of the Local Government Act 1992.

A	107,487,700	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (2) of
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		the Act considering all precepts issued to it by Parish Councils
<b>B</b>	<b>-98,723,000</b>	Being the aggregate of the amount which the Council estimates for the items set out in Section 31A (3) of the Act
<b>C</b>	<b>8,764,700</b>	Being the amount by which the aggregate at (A) above exceeds the aggregate at (B) above calculated by the Council, in accordance with Section 31A (\$) of the Act, as its Council Tax requirement for the year
<b>D</b>	<b>216.14</b>	Being the amount at C above divided by the amount at 5C (above), calculated by the Council in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts)
<b>E</b>	<b>0</b>	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
<b>F</b>	<b>216.14</b>	Being the amount at (D) above less the result given by dividing the amount at € above by the amount at 5C (above) calculated by the Council, in accordance with

		<b>Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings on those parts of tis area to which no Parish precept relates.</b>
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**That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.**

<b>A</b> <b>£</b>	<b>B</b> <b>£</b>	<b>C</b> <b>£</b>	<b>D</b> <b>£</b>	<b>E</b> <b>£</b>	<b>F</b> <b>£</b>	<b>G</b> <b>£</b>	<b>H</b> <b>£</b>
144.09	168.11	192.12	216.14	264.17	312.20	360.23	432.28

7. To agree the growth bid for a Legal Assistant post within Legal Services to provide support and resilience to the Administrative Officer and resource for the Company Secretary role.

#### **179/23 Pay Policy Statement 2023/24**

The Committee considered a report on the Pay Policy Statement 2023/24.

The Committee **resolved** to recommend to Council that the Pay Policy Statement 2023/24 be approved.

#### **180/23 Disability Fund Grant Framework Approval**

Council considered a report on the Disabled Facilities Grant (DFG) Contractor Framework Approval to commence procurement of a suitable contractor platform.

The Committee were advised that proposed framework would allow for timely access to pre-approved Contractors who meet the criteria in respect of necessary experience and expertise in adaptations at agreed specifications and price. This will provide a quicker, more efficient service to the Borough's residents as currently officers have to obtain three quotes for all works to comply with the requirements of the contracts standing orders that is part of the Council's financial regulations. Key Performance Indicators (KPIs) will be used to monitor the quality and performance of the Contractors on the framework list to ensure that the residents receive the best service possible.

The Committee asked that a report be brought back to them on a periodic basis to monitor how the Contractors are performing against the KPIs.

The Committee **resolved** to make a recommendation to Council that they:

1. Authorise the Group Head of Community Wellbeing and Housing to enter a procurement exercise for a Disabled Facilities Grant Contractor Framework or Dynamic Purchasing system (DPS); and
2. Authorise the Group Head of Corporate Governance to execute the required documentation to conclude either a framework agreement or dynamic purchasing system (DPS) with suitable Contractors as appropriate.

### **181/23 Forward Plan**

The Committee **resolved** to note the contents of the Forward Plan for the business of this Committee.

### **182/23 Urgent Actions**

There were none.

### **183/23 Exclusion of Public & Press (Exempt Business)**

It was proposed by Councillor Dunn and Seconded by Councillor Beardsmore and **resolved** that the public and press be excluded during consideration of the following items, in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose 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 because, disclosure to the public would prejudice the financial position of the authority in being able to undertake even-handed negotiations and finalising acceptable contract terms:

Item 21 – Integrated Insurance Service – Spelthorne Borough Council and the London Borough of Sutton

Item 22 – Local Authority Housing Fund

### **184/23 Letting of MSU2, Elmsleigh Centre**

This item was not discussed at the meeting following a request from the Development Sub-Committee that further information be provided before a recommendation could be made to the Corporate Policy & Resources Committee.

### **185/23 Integrated Insurance Service - Spelthorne Borough Council & the London Borough of Sutton**

The Committee considered a report on the proposed Collaboration Agreement for the provision of a full Integrated Insurance Service.

The Committee **resolved** to recommend to Council that the recommendations in the report be approved.

**Councillor Saliagopoulos left the meeting at 20:47**

**186/23    Local Authority Housing Fund**

The Committee considered a report on the Local Authority Housing Fund.

The Committee **resolved** to approve the recommendations outlined in the report.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Corporate Policy & Resources Committee

17 April 2023



<b>Title</b>	Corporate Risk Register (Corporate Risk Management)
<b>Purpose of the report</b>	To note
<b>Report Author</b>	Punita Talwar, Internal Audit Manager
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	<p>The Corporate Risk Register outlines significant strategic risks impacting the effective delivery of all corporate priorities (CARES).</p> <p>Community Affordable housing Recovery Environment Service delivery</p>
<b>Recommendations</b>	<p><b>1.The Committee is asked to consider and note the significant strategic risks and issues highlighted in this report , ensuring continued wider reporting of the Corporate Risk Register and Risk Action Plan across other Committees.</b></p>
<b>Reason for Recommendation</b>	<p><b>The Corporate Risk Register continues to ensure that the Council’s most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported.</b></p> <p><b>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 addressing risks and implementing mitigating actions.</b></p>

## 1. Summary of the report

- 1.1 This report seeks to highlight significant strategic risks in delivering the Council priorities (CARES) and objectives, current actions to manage risks (these are defined as current control actions and current mitigating actions) as well as any further mitigation measures underway set out in the separate Risk Action Plan.

- 1.2 The Corporate Risk Management Officer Group (officer led) meets three to four times a year, chaired by the Deputy Chief Executive (Chief Finance Officer). This forum provides an opportunity for officers to consider the risk register and identify any further corporate risks emerging or evolving.
- 1.3 As part of ongoing development work, the format and presentation of the Corporate Risk Register was refreshed at the last review in November 2022 to make the content more visually appealing as well as highlighting the direction of travel in terms of RAG status and risk score. Both the Audit Committee and Corporate Policy and Resources Committee (CPRC) welcomed the changes at that time. In addition, CPRC were keen for exploration of software that may further enhance the visual presentation of risk management reporting as well as facilitate the analysis, collation and reporting of information. Some initial discussions have taken place with a recommended company to gain further insight and we are also exploring alternative options as to what may be possible to achieve in-house. This is discussed further under key issues.
- 2. Key issues**
  - 2.1 Risks continue to be assessed as before taking account of current controls and current mitigations in place as this approach reflects the Council's risk management policy requirements and good practice.
  - 2.2 The corporate management team and lead Committee hold collective ownership and accountability for ensuring these strategic corporate risks are effectively managed, and designated lead officers are also recorded.
  - 2.3 The revised corporate risk register is set out at Appendix A and the Risk Action Plan at Appendix B. The direction of travel is highlighted against each broad risk category at Appendix A regarding any movement of either the RAG rating, risk score or indicative risk score since the previous review of November 2022. Risk owners should ultimately be comfortable with the proposed positioning/ranking of the risks in the matrix on page 1 of Appendix A (subject to discussion as necessary).
  - 2.4 Several risks on the corporate risk register continue to be significantly influenced by external factors, due to the economic crisis and macroeconomic environment (elevated inflationary pressures, increased rates of borrowing, continued Cost-of-Living strain, potentially looming recession) as well as the ongoing geopolitical uncertainty. Those risks are highlighted in blue to distinguish areas where risk mitigation measures may be limited in terms of actual outcomes due to externalities beyond the control of the council. Given all of this, it is important to recognise there are no simple fixes or solutions to many of the complex risks identified on the Council's Corporate Risk Register. A separate report on the impact and implications of wider externalities for the Council and its communities is also on the Audit Committee agenda, and we welcome a discussion around reducing duplication of themes, risks and issues being reported. This streamlined approach would seem timely in coinciding with the 2023/24 Audit work programme, subject to views at the March meeting.
  - 2.5 The nature of all risks on the Corporate Risk Register are significant due to their strategic impact on corporate priorities and therefore continued visibility and recognition remains important, including current controls and mitigations to alleviate and manage identified risks. The corresponding risk action plan

attached at Appendix B highlights completed actions (green section), as well as 'work in progress' (white section), 'continuous actions' (blue section) and three new proposed actions (pink) under risk categories 3 - Financial Resilience and Commercial Assets and 4 – Finance and Communities.

A summary of key risks, issues and developments to highlight and draw to your attention are set out below at 2.5 a to e:

- (a) Wider externalities and other factors continue to present increased financial risk to the Council considering the significance of increased borrowing costs in delivering a range of strategies and schemes (which may lead to a detrimental impact on the communities it serves). This is a strategic theme carrying high impact across several categories on the register. Ongoing financial challenges and pressures continue to have a significant impact on the Council's budgetary position and financial sustainability. The Outline Budget report of January 2023 to CPRC for 2023/24 to 2026/27 provides updated medium term budget projections, anticipated budget deficits and sets out options for refreshed medium term financial strategy. (***Links in particular with 1A & B Housing – Development and Targets/Affordable Housing, 2 – Economic Prosperity, 3 – Financial resilience and Commercial Assets, 4 - Financial resilience and Supporting Communities, 5 – Treasury Management***)

- (b) **Risk category 1A Housing – Development and targets.**

Quantifying the impact of delayed property development schemes and accelerated construction inflation on the Council's budgetary position remains pivotal, as well as outlining mitigating actions moving forward in delivering the Council's core priorities and housing programme. ECM agreed a new strategic approach on 2<sup>nd</sup> February to ensure the housing delivery pipeline remains viable for the Council and Knowle Green Estates, placing the residential housing delivery programme on a more financially sustainable footing. This includes maximizing Homes England grant support for affordable and keyworker units, a capital injection into KGE, retaining Thameside and Benwell on Spelthorne's balance sheet for private rental and bringing forward Tothill regeneration scheme. Taking this update into account, the indicative RAG status and risk score could possibly move in a more favorable direction over time against risk category 1A. (Red to Amber)

Formal examination of the Local Plan is due to be undertaken by the Planning Inspectorate. A new risk has been added to this category at 1A highlighting that any delays in the examination and adoption of the Local Plan is likely to continue to impact on the ability to bring forward the appropriate quantum of housing development.

- (c) **Risk Category 2 - Economic Prosperity**

A separate report to Audit Committee on the Council's risk exposure to wider externalities provides further examples of local mitigating measures taken by the Economic Development team, to influence areas where a degree of local control can be applied. More specific reporting around this continues to the Economic Development Committee.

(d) **Risk category 3 – Financial resilience and Commercial Assets.**

In continuing to manage the Council's risk exposure relating to commercial investment assets, a review of sinking fund policy has been undertaken, approved by Corporate Policy and Resources Committee on 28 November 2022. Sinking fund modelling will be transferred to the Finance team from mid-March 2023. Outline and detailed budget modelling highlight a significant dip in investment asset income in 2023-24 which will be offset by use of £6m of sinking funds reserves. Whilst the sinking fund has been drawn upon, the Council are pursuing opportunities for managing rental voids and securing new tenants. A new action proposed in the Risk Action Plan is a strategy for the longer-term relationship management of existing tenants occupying commercial properties with a view to reducing associated risks of tenant departures.

Spelthorne are participating in a review of capital risk mitigation with CIPFA and DLUHC and will pursue any recommendations that may arise (new action for Risk Action Plan).

A further discussion has been held with the Corporate Management Team regarding the RAG rating for this category, and the collective consensus is for the RAG rating to remain at Amber as part of this review. It is considered that the rationale provides justification for this assessment in terms of continued control actions, governance arrangements and mitigation measures in addressing the risks in this category (as set out in the detailed register). In particular, the Council's ongoing management of voids is pivotal with proposals being put forward to a future CPRC in addressing the largest single void with a view to reducing the vacancy rate. The two new actions for this risk category have already been highlighted above which will further support additional risk mitigation measures.

(e) **Risk category 7 Corporate Capacity, Resources, Recruitment and Retention**

The interrelated risks and issues in this category have been highlighted extensively as part of previous reviews. CPRC have approved a Corporate Establishment Review of the Council with a Terms of Reference setting out objectives. Future reporting to CPRC by the Service lead will highlight any actions arising.

2.6 With regards exploring a risk management software product (note earlier reference under report summary), an initial discussion with a recommended provider offered insight to likely benefits. These include:

- Improved visual presentation making the information more digestible. This may in turn facilitate greater continued buy-in regarding risk management concepts and principles which of course are integral to robust organisational governance.
- Encourages enhanced risk ownership and accountability for managing risk across the Council through self-serve data input approach (rather than feeding in updates to a single point/Officer which requires coordination of information). This could in turn contribute towards embedding of a risk management culture.



- Improved visibility and governance around system updates and audit trails
- A more efficient organisational approach to collating information rather than use of spreadsheets or word documents which can become cumbersome to maintain.
- Tracking and monitoring - automated workflows reminding risk owners to update information.
- Management information - facility to extract reports and view dashboard information.
- Methodology - Facility to continue to apply existing corporate risk scoring matrix and criteria.

2.7 There are limitations to such software as follows, in that :

- It will not enable automated identification of new risks or pre-populate corresponding controls expected (i.e., the necessary cognitive process in considering emerging risks or ascertaining controls and mitigation measures is of course still necessary, applying professional judgement and knowledge)
- As with any system it will still require a good level of input to inform the risk management information system in making it meaningful and relevant.
- There will be a cost and currently no budget has been allocated.

2.8 Other risk management software products are likely to present similar benefits/approaches in improving visual presentation and encouraging a self-serve approach for better engagement and ownership. If the procurement of any external software product were to be pursued a budget growth bid would need to be made. The Council already has a range of software in use but with the associated costs of new software it is worth exploring if any systems we have can be used and to look at options within. SharePoint and Office 365 have been developed (and are being further developed) for project management reporting. A cost benefit analysis should be undertaken considering business need. We welcome a further discussion at Audit Committee and subsequently CPRC on any next steps in taking this forward.

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

The revised register at Appendix A is an accurate reflection of the high-level significant risks affecting the Authority, based on consultation with Managers and assessment of risk and controls in operation.

Option 1 - To consider the contents of the Corporate Risk Register including any new or expanded risk categories, residual risks highlighted, current control actions, current mitigating actions and further mitigating actions set out in the Risk Action Plan for perusal. To take necessary actions going forward in response to the significant issues raised in this report and as detailed in the register. The risk action plan at Appendix B outlines the progress made on actions previously proposed and includes new actions which should be addressed as they impact effective delivery of corporate priorities and objectives, (preferred option); or

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

#### **4. Financial implications**

- 4.1 As previously reported, there are major financial implications arising from several corporate risk categories on the register (1a, 1b, 2, 3, 4 and 5), with some of these discussed under section 2.5 above. Whilst many of the current financial and organisational challenges are influenced by wider externalities, given the ongoing major inflationary pressures, increased cost of borrowing and continued impact of the Cost-of-Living Crisis strain, some of the local and collaborative measures being explored and taken forward to alleviate risks by the Council are highlighted under para 2.5.
- 4.2 If there is a strong steer to explore further the acquisition of risk management software, an assessment of all viable options (these could be in-house development or externally sought) will be necessary and the evaluation will determine next steps /any financial implications. If the procurement of any external software product were to be pursued a budget growth bid would need to be made.

#### **5. Risk considerations**

- 5.1 The Council's corporate and strategic risks impacting the achievement of corporate priorities, represent the most significant risks facing the authority. At Appendix A the broad strategic risk categories, specific risk considerations and implications 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 ways of managing risk. A risk action plan is set out at Appendix B, ensuring a mechanism to capture risk related SMART actions and assign a lead officer with target dates to monitor their progress in further alleviating the identified risks. However, to reiterate commentary under para 2.4 above, there are no simple fixes or solutions to many of the complex risks identified on the Council's Corporate Risk Register.

#### **6. Procurement considerations**

- 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.
- 6.2 If there is a strong steer to explore further the acquisition of risk management software, an assessment of all viable options (these could be in-house development or externally sought) will be necessary and the evaluation will determine next steps /any financial implications.

#### **7. Legal considerations**

- 7.1 Some corporate risks facing the Council as identified on the register are driven or influenced by statutory requirements. For example, risk category 1b Housing – Affordable Housing – (iii) specific risk refers to the implications of the Domestic Abuse Act for the Council in terms of suitable housing provision. At risk category 8 - Equalities, Diversity and Inclusion refers to the Equality Act 2010.

## **8. Other considerations**

- 8.1 The LGA Corporate Peer review recommendations arising from the review of November 2022 also supports the Council to address its significant strategic risks, considering overlapping themes around sustainability, developments, housing, supporting communities and finances. It remains the responsibility of designated officers to take these forward. If the Council does not effectively address the Peer Review recommendations this could impact further on risks presented in the Corporate risk register.

## **9. Equality and Diversity**

- 9.1 The Corporate Risk Register incorporates Equality, Diversity and Inclusion as a specific strategic risk category with effect November 2022 and sets out current controls and current mitigation measures in place, as well as any further risk mitigating actions for perusal (risk action plan).

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

- 10.1 There are none separate to those in the Corporate Risk Register.

## **11. Timetable for implementation**

- 11.1 The Risk Action Plan at Appendix B shows lead Council officers responsible for progressing actions, together with target timescales for implementation. The register 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 Internal Audit Manager.

## **12. Contact**

- 12.1 Internal Audit Manager, Punita Talwar. [P.talwar@spelthorne.gov.uk](mailto:P.talwar@spelthorne.gov.uk)  
01784 446454
- 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.

**Background papers: There are none.**

### **Appendices:**

**Appendix A – Corporate Risk Register – this includes (i) level of assessed risk i.e., Red/Amber/Green - RAG status of each risk category (ii) Numerical Risk**

**Appendix B – Risk Action Plan**

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## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Scoring Matrix (Plotted **March 2023** 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.

<b>IMPACT</b>	<b>4 (Catastrophic)</b>				
	<b>3 (Major)</b>			RC2 RC3 RC5 RC6 RC8 RC9	RC1a RC1b RC4 RC7
	<b>2 (Medium)</b>				
	<b>1 (Trivial)</b>				
		<b>1 (Rare)</b>	<b>2 (Unlikely)</b>	<b>3 (Likely)</b>	<b>4 (Almost certain)</b>
		<b>Likelihood</b>			

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

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.

### **KEY TO TERMINOLOGY (SEE RISK REGISTER BELOW)**

- Risk is the chance of something happening or not happening that will affect the achievement of corporate priorities and business objectives.
- Controls and Mitigation - Any action taken to manage risk and increase the likelihood that established objectives will be achieved.
- \*Control Actions - These are specific actions to reduce the likelihood of a risk event or occurrence.
- \*\*Mitigating Actions - These are specific actions to reduce the impact of a risk event should it occur.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 1a - Housing – Development and Targets

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 1a
Supporting Communities Affordable Housing Service Delivery	Management Team CPRC - Development Sub-Committee ESC (for Local Plan)	Group Head Assets (in the interim Deputy CX, Lee O'Neil) Group Head Place, Protection and Prosperity (Heather Morgan) Deputy Chief Executive (Terry Collier)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		12	12

### Risk Descriptions

- 1a (i) The delays in decisions, which occurred due to a number of factors, appear to have been a key contributory cause in schemes not taking off/progressing, leading to rising overall costs, and risk of adverse financial position of the Council. The risk of adverse impact from past delay and any further delay has now increased in the context of rising interest rates and significant construction inflation.
- 1a (ii) Significantly increased interest rates from the Public Works Loan Board (PWLb) and rising inflationary pressures continue to significantly affect the financial viability of each project going forward, which could further impact delivery of housing schemes and development targets (both affordable and general housing).
- 1a (iii) Market volatility including exchange rate fluctuations are further exacerbating frequent uplift of scheme prices and costs (such as materials / fuel / transportation / labour) leading to delays in finalising contracts and necessitating new approaches to contract management such as open booking accounting. This may provide greater uncertainty in terms of longer-term contract costs and budgetary impact but will enable fair value to be demonstrated.
- 1a (iv) If overall direction for Knowle Green Estates (KGE) were to become unclear in the provision of the Council's Housing delivery programme this would present risks of failing to meet wider housing needs within the borough (beyond affordable housing), impacting effective delivery of housing development targets and increased payments to 3<sup>rd</sup> party landlords.
- 1a (v) Any delays in the examination and adoption of the Local Plan is likely to continue to impact on the ability to bring forward the appropriate quantum of housing development.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	<b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
Approved timetable for adoption of Local Plan	Annual Housing Delivery Test Action Plan
Viability assessments for development schemes required to take account of accelerating costs to determine ongoing financial viability	Annual Planning Performance report
Exploring alternative options and funding opportunities in supporting delivery of development schemes (such as Grant funding)	Financial monitoring and reporting; quantifying the impact of delayed property schemes on the Council's budgetary position as well as outlining mitigating actions moving forward
Weekly progress reporting of Property Development projects to officer Development Investment Group (DIG)	<p>Exploring and reviewing options for reducing amount of borrowing required to fund the Housing Delivery programme. Options being explored set out below:</p> <ul style="list-style-type: none"> <li>i) Exploring grant funding options to fund part of the residential developments – a positive initial meeting with Homes England on 07 October 2022. Also exploring with One Public Estate future potential of Brownfield Release grant funding and BEIS green energy grants.</li> <li>ii) Changing the tenure mix of residential schemes to include element of sales of units (reducing the amount of long-term borrowing required)</li> <li>iii) Reviewing with Treasury Management advisors borrowing strategy</li> <li>iv) Bringing forward to November 2022 capitalisation proposals for KGE along with blended mix of the above as to how the Council can facilitate transfer of completed residential schemes at a cost which is financially viable for KGE.</li> </ul> <p>Above covered at Extraordinary Council Meeting on 02 February 2023.</p>
Bi-monthly Assets Portfolio Working Group (with Chair and Vice of both CPRC and Development Sub-Committee)	
Regular advisory reports to relevant Committee regarding status of schemes, to inform decision making	CPRC agreed an Appropriation policy for treating any long-term surpluses generated by KGE
CPRC policy steer regarding options for repatriating surplus funds from KGE over the long term; KGE annual report to CPRC; established policies and framework.	On 28 November 2022 CPRC received the KGE annual report.



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

	ECM on 02 February 2023 agreed a new strategic approach to put the Council's residential delivery programme on a financially sustainable basis and to protect the viability of KGE.
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the indicative/additional indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (At March 2023)	Direction of Travel After considering further mitigation set out in the Risk Action Plan? (Either) <ul style="list-style-type: none"> <li>- Maintained risk score and RAG status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
9	Reduced score and RAG status.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 1b - Housing – Affordable

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 1b
Supporting Communities Affordable Housing Service Delivery	Management Team Community Wellbeing & Housing	Group Head Community Wellbeing (Karen Sinclair)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		12	12

### Risk Descriptions

1b (i) Lack of affordable housing supply increases homelessness  
 1b (ii) Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation.  
 1b (iii) The Domestic Abuse Act presents additional pressures and demand as there is a requirement for victims of domestic abuse to be prioritised and rehoused in secure accommodation (parameters of what constitutes domestic abuse expanded under latest legislation)  
 1b (iv) The ongoing conflict in Ukraine and refugee situation presents additional pressures in ensuring that fundamental needs are met in supporting new communities.  
 1b (v) There is also pressure from neighbouring and London authorities placing households in the borough, often without our knowledge, however the Council has no powers to prevent this. It further reduces supply.  
 1b (vi) Managing demand for social housing is extremely challenging given that anyone with a local connection can apply for housing to any Council.  
 1b (vii) Cost of Living crisis and rising interest rates are adding increased pressure to (a) homeowners and landlords in repayment of mortgages as variable rates spiral. This may lead to landlords increasing rental charges presenting more homelessness cases (if rents cannot be afforded) with increased demand for social housing.

The above risks lead to increased costs and pressure on the Council's Housing Service in responding to homelessness and growing numbers on the Housing register, impacting delivery of affordable housing provision across the borough. If fundamental housing needs are not met / maintained this may have a negative impact on the health and wellbeing of individuals / families.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	<b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
As part of the Housing Delivery Programme, Affordable Housing provision extends beyond those development schemes acquired by Spelthorne Borough Council (direct delivery)	Government funding to assist vulnerable families in rent arrears and who are at threat of eviction.
Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need; S106 agreements with Developers	Collaborative initiatives with Surrey County Council (e.g., Drug and alcohol abuse)
In complying with Homelessness Reduction Act, proactive measures taken to address risk of homelessness	Monitoring of Housing Register levels (currently approx. 3,500 households on the register). Re-registration process will take place this winter in accordance with the new terms of the revised Allocation Policy.
Measures to support Rough Sleepers, Afghan and Ukrainian refugee families under the government funded relocation and assistance scheme, including dedicated support workers. Applying Home Office funding to provide additional support to refugees.	Revised Allocation Policy approved in June 2022, with a view to adding greater efficiency to the housing register process and assigning social housing. Council applying for maximum grant funding for both Afghan and Ukrainian schemes and looking to put in place wrap around housing support to mitigate as much as possible housing accommodation risk pressures.
Housing and Homelessness Strategies. Quarterly monitoring of Strategic Action Plan. Regular review by officer Strategic Housing Group. Member approved tenancy strategy	Counter Fraud bulk data matching initiative being pursued with A2D (subject to finalization of contractual agreement), with the objective of identifying potential social housing fraud occurrences, to free up social housing for those in genuine need
Surrey reciprocal arrangement to re-house applicants across boroughs where local connection confirmed	The Housing Team have written to other Councils reminding them of legal obligation to notify where placing households in the borough
£35m property acquisition scheme via KGE – Knowle Green Estates to purchase and manage readymade properties approved by Full Council in February 2022, forming part of the capital programme. A process flowchart has been prepared, incorporating due diligence at key stages	
Approval of new Property Acquisition Project Manager with a view to them supporting the scheme through relevant skillset. This programme has also been impacted by increased borrowing costs	Council discussing with Homes England potential for some grant support for the Street Acquisition Programme
Review the s106 agreement process to increase robustness and delivery	Strengthening s106 agreements to ensure there is a review at the construction and completion stage to capture any potential additional affordable housing as a result of an uplift in value

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

	February 2023 CPRC approved Council engaging with the new Local Authority Housing Allocation Fund to receive capital grant in purchase of 8 properties for Ukrainian and Afghan families.
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) <ul style="list-style-type: none"> <li>- Maintained risk score and RAG status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
12	Maintained risk score and RAG status.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 2 – Economy

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 2
Supporting Communities Recovery from COVID	Management Team Economic Development Committee	Group Head Place, Protection and Prosperity (Heather Morgan)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

### Risk Descriptions

Evolving national economic strategy and policy and ongoing recovery from previous pandemic lockdowns continue to have an impact on economic wellbeing locally, nationally and globally. This is now being compounded by impact of the Cost-of-Living crisis. The risk implications and threats to the Council are:

- Residual risk to be accepted – 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.
- Challenges around the full recovery of the aviation sector remains significant for Spelthorne's local economy and communities due to its proximity to Heathrow as a major employer in the area.
- Significant longer-term reduction in income (fees and charges, such as parking and retail lettings of the Elmsleigh Centre) with decreased footfall in the town centres and uncertainty around future consumer activity patterns. This will continue to impact the Council's finances.
- The potential for increased level of business failures 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 economic prosperity of the borough and affects collections rates for business rate income, with reduced levels impacting finances and services available.
- The current economic environment may increase occurrences of anti-social behaviour, theft and fraud

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
An Economic Prosperity Strategy has been developed (2023 – 2028) which addresses the key actions which face the borough. It incorporates a detailed strategy	Government assisted Energy Bills Support Scheme (EBSS) to support increased energy costs / bills.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>action plan detailing performance management measures in anticipating outcomes. This was agreed by the Economic Development Committee on 12 January 2023.</p> <p><a href="https://democracy.spelthorne.gov.uk/documents/s46623/App%20A%202023-28%20Economic%20Strategyv4.pdf">https://democracy.spelthorne.gov.uk/documents/s46623/App%20A%202023-28%20Economic%20Strategyv4.pdf</a></p>	<p>On 12 January 2023, the Economic Development Committee agreed a Town Centres Strategy for 2023 which sets out a series of key actions for our smaller shopping areas and parades. These will provide targeted support and interventions, with timescales and measures of success clearly identified.</p> <p><a href="https://democracy.spelthorne.gov.uk/documents/s46628/TCM%20Strategy%20FINAL.pdf">https://democracy.spelthorne.gov.uk/documents/s46628/TCM%20Strategy%20FINAL.pdf</a></p>
<p>Shared Prosperity Fund Investment Plan was submitted to government in August 2022 highlighting local priorities and projects to assist with economic regeneration (£1m to spend over three years but with 88% backloaded to 2024/25). DLUHC confirmed in December 2022 that our Investment Plan has been approved and the first tranche of monies is awaited.</p> <p><a href="https://democracy.spelthorne.gov.uk/documents/s44963/CPR%20Ctee%2011.7.22%20SPF%20report%20v2.pdf">https://democracy.spelthorne.gov.uk/documents/s44963/CPR%20Ctee%2011.7.22%20SPF%20report%20v2.pdf</a></p>	<p>On 10 October 2022, Corporate Policy and Resources Committee approved frontloading of Shared Prosperity Fund schemes from the retained business rates retention reserve. This is to ensure that projects can be delivered in the immediate future (when they are needed) rather than waiting for government funding to come forward in 2024/25.</p> <p><a href="https://democracy.spelthorne.gov.uk/documents/s46672/CPRC%2010.10.22%20-%20SPF%20and%20BBR.pdf">https://democracy.spelthorne.gov.uk/documents/s46672/CPRC%2010.10.22%20-%20SPF%20and%20BBR.pdf</a></p> <p>A separate report went to ED committee in January 2023. A separate report to Audit Committee on the Council's risk exposure to wider externalities provides further examples of local mitigating measures taken by the Economic Development team (to influence areas where a degree of local control can be applied). These include measures to strengthen the resilience of local businesses in the face of future challenges enabling access to new equipment, free professional coaching and training on social media, free cost reduction clinics, free websites etc.</p> <p>Business incubator to support entrepreneurs. Provision of a Youth Hub to provide support into employment / training / education for 16 – 24-year-olds funded by DWP. In Spring 2023 this will become an Employment &amp; Skills Hub focusing on both younger and older age groups.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Fortnightly monitoring of Business Rates and Council Tax collection rates as part of monitoring the effect of current pressures such as the Cost-of-Living crisis on the collection fund. Regular reporting on collection rates to Corporate Debt Group and as part of KPI's to Councillors.	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) - Maintained risk score and RAG status - Reduced risk score with no change to RAG status - Reduced risk score and RAG status
9	Maintained risk score and RAG status

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 3 – Financial Resilience and Commercial Assets

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 3
Recovery from COVID	Management Team CPRC /Development Sub-Committee	Section 151 Officer / Deputy Chief Executive / CFO (Terry Collier)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

### Risk Descriptions

Evolving externalities arising since the aftermath of the pandemic now compounded by the Cost-of-Living crisis and inflation continue to increase 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 in the worst-case scenario to the Council becoming financially unsustainable with associated reputational damage.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
<p>Investment performance is monitored bi-monthly at weekly Councillor Assets Portfolio Working Group, and a quarterly performance report is produced for the Investment Portfolio.</p> <p>Fortnightly Asset Portfolio Working meetings are taking place to monitor income. (Investment portfolio – 99.98% collection rate last year (2021-22) despite the impacts of the pandemic).</p> <p>91% of overall Investment Portfolio let.</p>	<p>The Council is continuing to increase its sinking funds which increased from £26m to £34m at the end of 2021-22 and is expected to be approximately £36m at the end of 2022-23.</p> <p>Ten-year worst and expected case sinking fund scenario projections are reviewed on a fortnightly basis and will be shortly extended to a 20-year time frame.</p> <p>February CPRC 2023 approved refreshed Sinking Fund Policy and Strategy. A full review and refresh of the sinking funds modelling will be undertaken in 2023-24.</p>
Due Diligence measures continue for tenant management.	Periodical reviews of financial health of tenants undertaken.



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Development Sub-Committee approved a methodology for Business Plans for Investment Assets. Most of the investment assets have now had their Business Plans approved by the Development Sub-Committee.	Ongoing management of voids with a view to reducing the portfolio void rate.
Capital Strategy (updated Strategy approved by CPRC February 2023) includes key performance indicators with a particular focus on the investment portfolio. The Asset Management plan (reviewed annually) sets out key control measures. Development Sub Committee of Corporate Policy and Resources receives regular monitoring reports for scrutiny. Annual Performance Report. CIPFA FM Code self-assessment and Member reporting.	Assets team proactively working to fill voids quickly.
All Councillor Budget Briefing setting out financial risks in context of budgetary position, informing budgetary process.	
External review on arrangements	SBC participating in a review of capital risk mitigation with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and will take on board any improvement suggestions.

Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) <ul style="list-style-type: none"> <li>- Maintained score with no change to RAG status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
9	Maintained score with no change to RAG status

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 4 – Financial Resilience and Supporting Communities

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 4
Supporting Communities Recovery from COVID Service Delivery	Management Team CPRC and Community Wellbeing	Section 151 Officer / Deputy Chief Executive / CFO (Terry Collier)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		12	12

### Risk Descriptions

4(i) Increased financial pressures faced by the Council arising from the continued inflationary pressures on fuel, gas and electricity, staff pay pressures, slowing down of the housing delivery programme, significantly increased PWLB loan rates and other external factors are collectively causing a significant increase in revenue costs and capital expenditure. This will have a significant impact on the Council's balanced budget for 2022/23 and the planned budget deficits from 2023/24 to 2025/26.

4(ii) Combined with reduced fee income and collection rates for Business Rates and Council Tax (exacerbated further by the 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). Ongoing financial pressures could lead to the Council becoming financially unsustainable.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
Fully refreshed Reserves Strategy approved by February 2023 CPRC	Governance reporting including financial impact of current pressures on the Council's budget.
Financial impact assessment modelling	Inflationary pressure contingency reserve to assist with the predicted budget deficit.
Cashable savings working group set up to target efficiencies and savings. This Group is making process in identifying savings.	Proposals put forward for making efficiency savings over the next 4 years to further safeguard the authority in addressing the budget deficit.

## 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.	
Procurement Projects Board set up to ensure focus on delivering value for money from procurement.	Outline Budget report approved by January 2023 CPRC provided updated medium term budget projections and set out options for refreshed medium term financial strategy. This was considered alongside the refreshed Reserves Strategy.

Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) <ul style="list-style-type: none"> <li>- Maintained risk score and RAG Status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
12	Maintained risk score and RAG Status

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 5 – Treasury Management

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 5
Recovery from COVID Service Delivery	Management Team CPRC	Section 151 Officer / Deputy Chief Executive / CFO (Terry Collier) Chief Accountant (Paul Taylor)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

### Risk Descriptions

5(i) 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.

5(ii) Stock market volatility due to uncertainty may lead to adverse investment returns.

5(iii) Significant rises to interest rates and increased cost of borrowing / loans influence the Council's treasury activities.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
Treasury Management Strategy for 2023-24 approved by Members at February Council.	Fixed interest rate on most debt and for investments an interest equalisation reserve is in place. Refer also to mitigating actions under section 4 above.
Application of updated CIPFA Code of Practice and Prudential and Treasury Management Codes	Reviewing with Treasury Management advisors the Council's borrowing strategy in the context of interest rates rises and volatility – considering options such as greater internal borrowing, more short-term borrowing, generation of capital receipts to fund portion of Capital Programme.
Performance measurement and reporting	
Aim to select counter parties of the highest credit quality	
Credit ratings monitored	
Council's investments managed internally in consultation with specialist advisors Arlingclose. Explore options for diversifying the portfolio.	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Treasury Management training provided for all Councillors in September 2022	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)	Direction of Travel after Considering further mitigation set out in the Risk Action Plan? (Either) - Maintained score - Reduced score with no change to RAG status - Reduced score and RAG status
9	Maintained risk score and RAG status.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 6 – Sustainability & Climate Change

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 6
Environment and Climate Change	Management Team Environment and Sustainability Committee	Group Head Commissioning & Transformation (Sandy Muirhead)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

### Risk Descriptions

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 on 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. 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.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
In view of Government targets for reducing carbon emissions / greenhouse gases to tackle climate change, the Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target by 2050 or earlier (Developed an action plan to move the Council towards net zero carbon emissions, agreed at Environment and Sustainability Committee September 2022) and to make recommendations on: (i) How to apply the £747k fund (ii) Promote climate change as an issue that needs to permeate all Council areas to ensure we reduce our carbon footprint and adapt to climate change.	Recently installed solar panels at the Nursery as a renewable source of energy. Exploring options for improving energy efficiency of Nursery (including more solar panels) and Council offices.  Officers attended Carbon Literacy training day and have committed to a range of carbon saving pledges. Training days have been put in place for other officers. Training will be provided for Councillors as part of the 2023 Induction Programme.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>There are numerous examples of measures taken so far: Sustainability Strategy / Energy &amp; Water Efficiency Policy / Currently developing climate change strategy and actions / Professional group membership to share best practice and knowledge / Implementing energy efficient measures in Council owned buildings / Increasing renewables capacity / Implementing sustainability principles within new builds undertaken by KGE.</p> <p>Officers working with relevant committees and Treasury Management advisors on how we can transition investment portfolio to a more sustainable basis.</p> <p>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.</p>	<p>Development of list of projects to bring forward over the next 6 months for Green Initiatives Funding including ones on biodiversity.</p> <p>The Council is engaged with Talking Tree and the Open University in a net zero project aimed at involving the community in climate change opportunities and activities.</p>
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

<p>What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)</p>	<p>Direction of Travel after Considering further mitigation set out in the Risk Action Plan? (Either)</p> <ul style="list-style-type: none"> <li>- Maintained risk score and RAG status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
9	Maintained risk score and RAG status.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 7 – Corporate Capacity, Resources, Recruitment and Retention

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 7
All Priorities	Management Team CPRC & Admin Committee	Group Head Commissioning & Transformation (Sandy Muirhead)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		12	12

### Risk Descriptions

7(i) Overstretched capacity exacerbated by the additional workload, new Committee system of governance and demands arising from new schemes / initiatives in supporting communities (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 in expected service delivery.

7(ii) Residual risk refers to the risk that remains after control processes and measures to eliminate some or all the inherent risks have been made. It could be deemed that due to the nature of the risk set out at 7(i) above and 7(iii) below with reference to causes and consequences, as well as the continuation of intense work pressures, some residual risk may continue. In acknowledging this, the Council may wish to either: do nothing on the basis that the controls have proven effective enough to reduce the risk to an acceptable level, OR increase or modify controls to reduce the risk to a level that is regarded acceptable OR evaluate the cost of revised control and mitigation measures vs benefits and whether this is deemed necessary to bring the risk to an acceptable level.

7(iii) Unsuccessful recruitment and ongoing unfilled vacancies in a challenging and competitive labour market lead to reduced level of technical skills and relevant expertise operating across Services. Staff shortages further exacerbate workload pressures across teams. The consequences of this risk are set out earlier at 7(i).

7(iv) 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.

**\*Current Control Actions** (See Key. These are specific actions to reduce the likelihood of a risk event or occurrence)

**\*\*Current Mitigating Actions** (See Key. These are specific actions to reduce the impact of a risk event should it occur).



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Capacity management – Management to address workload issues across teams, with continued prioritisation of tasks	Staff can access welfare information on Intranet. Support is available for mental and emotional wellbeing including mental health first aiders and Care First. This scheme has been promoted through regular staff communications.
Responsibility to remain alert to stress related risks of demanding workload.	Monitoring of sickness absence providing corporate view of stress issues.
The need to treat colleagues respectfully has been recognized and communicated.	
Corporate values under the acronym 'PROVIDE' form part of the Corporate Plan. Over time it is the intention for the Council's values to become further embedded into behaviours, policy, and processes (including recruitment).	
Annual staff and Member survey commissioned Spring / Summer 2022 designed to ascertain employee and member views on several themes including workplace culture, values, recruitment and retention. Feedback from the survey has been analysed with a view to making any necessary improvements and changes. Both survey summaries are being reported to Councillors.	
Growth bids for additional resourcing form part of annual budget process (moratorium restrictions being implemented going forward), with 17 FTE's previously approved for 2022/23.	No net increase in FTE's approved as part of the 2023-24 Budget approved by February Council. Managers and Committees responded positively to the moratorium on new FTE growth bids implemented by CPRC.
<p>Several recruitment and retention measures have been underway for some time with examples below:</p> <ul style="list-style-type: none"> <li>i) Recruitment and Retention Policy and Market Supplement Scheme to offer financial enhancements for hard to fill posts which are agreed by MAT. Anticipated £200k of the £250k corporate provision will be utilised in 2022/23</li> <li>ii) An apprenticeship training programme to upskill existing staff and offer development opportunities to new hirers. As part of the Finance restructure (being funded within existing budget), two apprentice posts are being created.</li> <li>iii) An Employee Assistance Programme scheme and Mental First Aider scheme to assist with staff wellbeing.</li> <li>iv) Implementation of hybrid working in response to staff feedback and ensuring that staff are fully equipped to work from home.</li> </ul>	February Council approved pay uplift for 2023-24 – a fixed £1,925 per FTE equivalent to an average increase of 3.5%

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>v) Flexi time working arrangements.</p> <p>vi) An exit interview scheme routinely offered / undertaken that encourages leavers to engage, providing an opportunity for SBC to learn, improve and apply where appropriate for the future.</p> <p>vii) A 2.5% pay increase for 5 lowest grades approved for 2022/23 and 2% increase for all other staff (moratorium on staff establishment resource for 2023/24)</p> <p>viii) Members of South East Employers newly formed Reward and Recognition Network to share best practice and to learn from any initiatives taking place elsewhere (this is a work in progress). This highlights that all local authorities are experiencing recruitment issues.</p> <p>ix) Collaborative working and Partnerships being explored with a view to enhancing organisational and service resilience, promoting career opportunities and staff retention measures. Working group in place.</p>	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)	<p>Direction of Travel (Either) after considering further mitigation set out in the Risk Action Plan?</p> <ul style="list-style-type: none"> <li>- Maintained risk score and RAG (Red/Amber or Green)</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
9	Reduced score and RAG status

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Risk Category 8 – Equality, Diversity, and Inclusivity		
Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 8
All Priorities	Management Team Admin Committee	Management Team Group Head Commissioning & Transformation (Sandy Muirhead)

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

Risk Descriptions
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 (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
Training mechanisms to raise awareness and understanding such as use of Workrite and external trainer provided remote staff training during 2020/21.	Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.
Some examples of how the Council demonstrates its commitment to E, D & I principles include: (i) Recognising and celebrating diversity through communications and engagement amongst staff and local communities such as Black History Month and GBLT Pride month. (ii) Champions (Staff reps) introduced at staff meeting to explore further positive approaches relating to E, D & I. Inclusivity Working Group in place. (iii) Corporate Values – (PROVIDE) are incorporated into the Council's equality and diversity objectives (to be published next week) together with an internal equality and diversity policy. (iv) An Equality, Diversity and Inclusivity 'Statement of Intent' document has been recently reported.	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

(v) Internal and external websites have been updated.	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the additional /indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) - Maintained risk score and RAG - Reduced risk score with no change to RAG status - Reduced risk score and RAG status
6	Reduced risk score with no change to RAG status

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Category 9 – Working arrangements across local government tiers

Corporate Priority Areas	Ownership & Accountability for Risk	Lead Officer (s) Risk Category 9
All Priorities	Management Team Corporate Policy and Resources Committee (CPRC)	Management Team

Previous RAG Status (Nov 2022)	Current RAG Status (March 2023)	Previous Risk Score (Nov 2022)	Current Risk Score (March 2023)
		9	9

### Risk Descriptions

- 9 (i) The County Deal presents potential implications for collaborative and partnership working approaches across Surrey Districts and Boroughs in serving local communities.
- 9 (ii) In the context of wider financial / funding challenges being experienced across local government, there is a greater risk that pressures faced at County Council level may be diverted to districts and boroughs. This could lead to increased workload for smaller authorities like Spelthorne as well as extended complexity and risk in delivering high profile services / operations for which skills and expertise may not be held. (One example relates to Family Support where the volume of County referrals for high need cases have increased significantly, as well as the caseload category exceeding 'level 3').
- 9 (iii) As Surrey County Council draw to an end a number of services and agency agreements (formerly undertaken by Spelthorne), this could lead to reduced service quality in areas such as on-site parking and verge maintenance, impacting local communities and residents.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).
Service Level Agreements to clarify roles and responsibilities of respective parties	Spelthorne is committed to working in partnership with a significant number of such arrangements already in place, with a view to promoting greater alignment of strategic responsibilities and resources to achieve greater effectiveness and optimising best value.
Strategic boards such as Surrey Delivery Board established in making broader decisions	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Liaison at senior executive level across tiers to discuss future management of high levels and changing complexity of referrals/ caseload.	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

What is the additional/indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once fully implemented) (At March 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) - Maintained risk score and RAG status - Reduced score with no change to RAG status - Reduced score and RAG status
9	Maintained risk score and RAG status

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

COMPLETED ACTIONS ARE SHADED IN GREEN, CONTINUOUS ACTIONS ARE IN BLUE, NEW ACTIONS ARE IN PINK.  
OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

RISK CATEGORY (RC) REFERENCE (AS IN THE CRR)	ACTIONS (SMART)	DATE ACTIONS ADDED	LEAD OFFICER  DATE ACTIONS REVIEWED & WHOM BY	TIMELINE FOR DELIVERY (INCLUDES ALL REVISED TARGET DATES)	STATUS (IMPLEMENTED / IN PROGRESS OR OUTSTANDING) (REPORTED STATUS AT MARCH 2023)
1a. HOUSING – Development & Targets	1a (i). Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	March 2020	Lead - Strategic Planning Manager (Ann Biggs)  <i>Action reviewed by Group Head Place, Protection and Prosperity 07.10.21, 09.02.22, 24.06.22, 27.10.22, 20.02.23</i>	(i) March 2022 (ii) Revised – June 2023	<b>IN PROGRESS</b>  On 08 November 2022, the Environment and Sustainability Committee agreed a revised Local Development Scheme timetable and minor alterations to the Staines Development Framework.  The Local Plan was submitted to the Planning Inspectorate for formal examination on 25 November 2022.  An Inspector was appointed mid-Dec 22. Examination dates are awaited.

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

1a. HOUSING – Development & Targets	1a (ii). Greater strategic direction for Knowle Green Estates (KGE) will support progress in delivering Council priorities, development targets and addressing housing needs (affordable and general).	October 2021	Lead - Management Team  <i>Action reviewed by Chief Finance Officer, 14.10.22 &amp; February 2023</i>	(i)March 2022 (ii)Revised – September 2022 (iii)Revised January 2023	<b>IN PROGRESS</b> On 28 November 2022 CPRC received KGE annual report. Extraordinary Council meeting on 02 February 2023 agreed a new strategic approach to ensure Council's residential delivery plan remains financially sustainable on a long-term basis and in turn protects KGE's sustainability.
1b HOUSING – Affordable	1b (i). Service Level Agreement to be put in place with registered providers to establish and take forward cases of any alleged tenancy fraud with a view to freeing up social housing.	March 2020	Lead - Housing Strategy Manager (Marta Imig)  <i>Action reviewed by Housing Strategy Manager on 3.10.2021,28.1.22,28.6.22 &amp; February 2023</i>	(i)October 2021 (ii) Revised March 2022 (iii) Revised July 2022 (iv) Revised October 2022 (v)Revised January 2023 (vi)Revised May 2023	<b>IN PROGRESS</b> To undertake a targeted bulk data matching exercise. Delays encountered in seeking buy-in. Further to finalisation of legal agreement with Registered Provider, this exercise can commence.



## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE**

3i FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3i. Developing a long-term relationship management strategy with existing tenants	March 2023	Incumbent Group Head Assets	(i).July 2023	NEW ACTION
3ii. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3ii.Consider and pursue any forthcoming recommendations from CIPFA and DLUCH review of Capital risk mitigation	March 2023	Incumbent Group Head Assets / Deputy Chief Executive/ Chief Finance Officer	(i).TBC	NEW ACTION
4.FINANCIAL RESILIENCE AND COMMUNITIES	4i. Progressing medium term financial strategy and efficiency savings plan in addressing budget deficit	Periodical Review	All Senior Management & Chief Finance Officer/Chief Accountant	(i)TBC	NEW ACTION
5.TREASURY MANAGEMENT	5i. Finalisation of the Council's borrowing strategy with Treasury Management Advisors in the context of the challenges presented in the current financial environment	October 2022	Deputy Chief Executive/ Chief Finance Officer <i>Action reviewed by Deputy Chief Executive (CFO) in February 2023</i>	(i)December 2022 (ii) Revised June 2023	<b>IN PROGRESS</b> . Several options are being considered as referred to on the register.
6. SUSTAINABILITY & CLIMATE CHANGE	6i Following approval of the £747k Green Initiatives Fund as part of the Council's 2021/22 Budget, recommendations to be made as to how to apply that fund including provision for salary of climate change officer post.	March 2021	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead)  <i>Action reviewed by Group Head Commissioning &amp; Transformation 10.2.22 &amp; 26.10.22 &amp; 27.2.23.</i>	(i)June 2021 (ii)Revised October 2022 (iii)Revised March 2023 (iv)Revised June 2023	<b>IN PROGRESS</b> Environment and Sustainability Committee of January 2022 agreed framework for prioritising bids to the Green Initiatives provision. Bids submitted to date

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

					cover a range of topics and more will be brought forward to Committee over the next 6 months including solar panels, wildflower meadows, development of biodiversity and mitigation of flood risk for Sweeps Ditch in Staines Park.
6. SUSTAINABILITY & CLIMATE CHANGE	6ii. Training is being arranged to raise awareness and enhance understanding of Climate Change issues across the Council (staff and Councillors).	June 2022	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead) reviewed 26.10.22 & 27.2.23.	(i)September 2022 (ii) Revised June 2023	<b>IN PROGRESS</b> Training delivered to initial group of staff September 2022 and starting to be rolled out in 2023 to all staff.  As part of the induction process Councillors will be provided with training on climate change.
7. CORPORATE CAPACITY, RESOURCES,	7i. Monitoring impact of departure of experienced officers and managing	March 2021	ALL / Group Head Commissioning &	Continuous action	<b>ONGOING</b> Spelthorne are Members of South East

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

RECRUITMENT AND RETENTION	associated loss of organisational knowledge and talent. Review of staff retention measures to reduce and mitigate the risk of staff departures.		Transformation (Sandy Muirhead)  <i>Action reviewed by Group Head Commissioning &amp; Transformation 10.2.22/26.10.22 /February 2023</i>		Employers newly formed Reward and Recognition Network to share best practice and learn from new initiatives.
7.CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7ii. The continuation of excessive workload pressures exacerbated further by the Committee system of Governance and demands arising from new schemes / initiatives in supporting communities needs to be kept under regular review in view of the significant risk implications (as set out on the Corporate Risk Register at Appendix 1).	February 2022	Management Team <i>Action reviewed November 2022</i>  <i>Group Head Commissioning &amp; Transformation (Sandy Muirhead) reviewed action in February 2023</i>	Continuous action	<b>ONGOING &amp; IN PROGRESS</b> Revenue Monitoring Reports to Committee highlight variances between Budgeted FTE and actual FTEs (not including agency and temps).  CPRC has agreed for an Establishment Review of the Council to be undertaken.  Recommendations of the LGA Corporate Peer Review need to be addressed.

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

COMPLETED ACTIONS ARE SHADED IN GREEN, CONTINUOUS ACTIONS ARE IN BLUE, NEW ACTIONS ARE IN PINK.  
OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

7.CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7iii. Continue to explore new and innovative recruitment and retention strategies in a competitive market.	February 2022	Group Head Commissioning & Transformation (Sandy Muirhead) and HR Managers  <i>Action reviewed by Group Head Commissioning &amp; Transformation (Sandy Muirhead) 24.6.22/26.10.22/February 2023 .</i>	(i)June 2022 (ii)Revised October 2022 (iii)Revised February 2023 (iv)Revised July 2023	<b>IN PROGRESS</b> Collaborative working with professional groups such as South East Employers to explore options and strategies. This is a 'work in progress'.
8.EQUALITY, DIVERSITY AND INCLUSIVITY	8i. Produce 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.	October 2022	MAT hold overall accountability and will need to assign a lead Officer to support production of a strategy together with appropriate resources.  <i>Group Head Commissioning &amp; Transformation (Sandy Muirhead) reviewed action in February 2023</i>	(i)March 2023 (ii)July 2023	<b>IN PROGRESS</b> Statement of Intent and equality objectives produced as a first step, and internal and external website updated.  Progression is dependent upon establishing resources to take forward.

COMPLETED ACTIONS IN GREEN

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

RISK CATEGORY REFERENCE (AS IN THE CRR)	ACTIONS (SMART)	DATE ACTIONS ADDED	LEAD OFFICER  DATE ACTIONS REVIEWED & WHOM BY	TIMELINE FOR DELIVERY (INCLUDES ALL REVISED TARGET DATES)	STATUS (COMPLETED) (REPORTED STATUS AT MARCH 2023)
2. ECONOMY	2i. The Economic Prosperity Strategy is being reviewed and fully refreshed to cover 2023 – 2028. It will incorporate any residual actions from the corporate recovery plan.	June 2022	Group Head Place, Protection and Prosperity (Heather Morgan) <i>reviewed 27.10.22 and 20.02.23</i>	(i) September 2022 (ii) Revised January 2023	<b>COMPLETED ACTION</b> Economic Prosperity Strategy approved by ED Committee 12 January 2023.
3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	RC 3ii. Continued application of CIPFA'S Financial Management Code (responsibility of whole organisation) in close alignment with the LGA Financial Peer Review recommendations.	March 2021	Lead Officer - Deputy Chief Executive - Chief Finance Officer  <i>Action reviewed by Deputy Chief Executive 15.10.21, February 2022, June 2022.</i>	Addressed over course of time so added to completed actions	<b>COMPLETED ACTION</b> Financial Management Code Self-Assessment taken to November 2021 Audit Committee. Action Plan for Finance Peer Review recommendations periodically reported to Corporate Policy and Resources and Audit Committee.
3.FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3i. Extending the scenario modelling for sinking fund adequacy from 10 years to 20 years. Review of the sinking fund methodology.	2022	Current Operational Lead for Assets - Deputy Chief Executive, Lee O'Neil	(i) December 2022	<b>COMPLETED ACTION</b> February 2023 CPRC agreed report on review of the sinking fund methodology /

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

			<p><i>Action reviewed by Deputy Chief Executive - Chief Finance Officer 17.6.22 &amp; 14.10.22 &amp; February 2023</i></p> <p><i>From 14 March 2023 responsibility for maintaining Sinking Fund modelling passes from Assets to Finance.</i></p>		<p>approach and confirming strategy. CPRC also agreed updated Reserves Strategy.</p>
4. FINANCIAL RESILIENCE AND SUPPORTING COMMUNITIES	RC4i. Identifying additional inflationary pressures impacting the Council's budget and financial position	June 2022	Lead Officer - Deputy Chief Executive - Chief Finance Officer	July 2022	<p><b>COMPLETED ACTION</b></p> <p>Report to CPRC July 2022 identifying additional inflationary pressures of approximately £1.2m impacting on the 2023/24 budget. A number of mitigating actions are being taken to tighten the 2023-24 Budget process (see register).</p>
6. SUSTAINABILITY & CLIMATE CHANGE	6i. Developed an action plan to move the Council towards net zero carbon emissions	June 2022	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead). <i>Reviewed October 2022</i>	(i)October 2022	<p><b>COMPLETED ACTION</b></p> <p>Agreed at Environment and Sustainability Committee September 2022</p>
6.SUSTAINABILITY & CLIMATE CHANGE	6iii. County have developed a strategy on climate change	March 2021	Lead Officer - Group Head Commissioning &	(i)Revised September	<p><b>COMPLETED ACTION</b></p> <p>Worked in partnership</p>

## APPENDIX B RISK ACTION PLAN REPRESENTING FURTHER MITIGATING ACTIONS (OPEN)

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OVERALL ACCOUNTABILITY ASSIGNED TO MANAGEMENT TEAM AND RESPECTIVE COMMITTEE

	Greener Futures Delivery Plan		Transformation (Sandy Muirhead)  <i>Action reviewed by Group Head Commissioning &amp; Transformation 10.2.22 &amp; 24.6.22 &amp; 26.10.22</i>	2022 (previously ongoing)	with SCC / Boroughs and Districts to develop a Climate Change strategy and related actions with a view
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# Corporate Policy & Resources Committee

17 April 2023



<b>Title</b>	<b>Counter Fraud, Bribery and Corruption Strategy</b>
<b>Purpose of the report</b>	To make a recommendation to Council
<b>Report Author</b>	Internal Audit Manager, Punita Talwar
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	Not Applicable
<b>Corporate Priority</b>	All priorities Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<p><b>The Corporate Policy &amp; Resources Committee is asked to recommend that Council:</b></p> <p><b>1. Endorse the Council's Counter Fraud, Bribery and Corruption Strategy</b>  <b>2. Approve the changes recommended to the Council's Counter Fraud, Bribery and Corruption Strategy.</b></p>
<b>Reason for Recommendation</b>	<b>The Corporate Policy &amp; Resources Committee is required to make any recommendations for change to Council.</b>

## 1. Summary of the report

- 1.1 The continued importance of having a defined approach for how Spelthorne will counter fraud, bribery, and corruption in the form of a strategy is acknowledged. This report sets out the proposed changes to the strategy to ensure it remains relevant and current. A track changes version can be seen at Appendix 1, with a clean version at Appendix 2. The strategy was previously reviewed/reported to Audit Committee in July 2021.
- 1.2 It is no surprise that during economically challenging times and with the continued Cost of Living Crisis, fraud and corruption occurrences are perceived to be on the increase. It remains essential for the Council to protect its assets, resources, and information systems to minimise heightened risks of

fraudulent activity and cyber-crime. Such occurrences could lead to significant business disruption, reputational damage, financial losses to the public purse, reduced public services and harm to vulnerable members of the community targeted by fraudsters. Poor data security and breaches are often viewed as an enabler for fraudulent activity to prevail.

- 1.3 The following quotation references and statistics have been taken from the CIPFA Fraud and Corruption Tracker, national report 2020 (please note these are the latest statistics published by CIPFA).
- 1.4 “Fraud is a prevalent cause of concern in the public sector and continues to pose financial threats to local authorities”.
- 1.5 “For local authorities in the UK, CIPFA has estimated that the total value of fraud identified and prevented in 2019/20 is approximately £239.4m, representing an average of £5,090 per fraud case”.
- 1.6 In addition, the Cabinet Office National Fraud Initiative (NFI) report of December 2022 states ‘Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to Public Services. The NFI has enabled participating organisations to prevent and detect/recover £443 million fraud and error across the UK (of which £417m is for England) in the period April 2020 to March 2022 , through the provision of counter fraud data matching services’.

## **2. Key issues**

- 2.1 The Audit Committee is required to review the Council’s Counter Fraud, Bribery and Corruption Strategy annually and make any recommendations for change to the Corporate Policy and Resources Committee. As the Strategy forms part of the Council’s Constitution and is in line with best practice any amendments to the strategy must be agreed by Council. The Strategy continues to underpin the Council’s commitment to dealing effectively with all forms of fraud, bribery, and corruption, demonstrating the important role it plays in the overall corporate governance framework.
- 2.2 As part of this review, some changes are proposed to the strategy to reflect current developments and provide further insight. Some additional narrative has been included in red text at Appendix 1 along with some minor track changes and these relate to the following sections/references within the strategy document:

### **Section – Introduction**

The references to government departments have been updated at section 2. (*Minor change*)

### **Section – Culture**

Minor changes at points 11 and 12 with reference to raising concerns under the Council’s Confidential Reporting Code. (*Minor change*)

### **Section - Codes/Procedures (Under Heading of Prevention)**

Amended wording at point 13.1 to ensure it is current and additional text around vetting procedures has been included given the importance of such on-boarding checks in the context of the strategy.

Amended and expanded wording at point 13.2 to outline roles and responsibilities of Managers in managing fraud, bribery and corruption risks and the provision of assurance by Internal Audit.

### **Section – Detection**

Amended and expanded wording under sub-section on 'Counter Fraud Measures' to explain collaborative approaches, including examples of targeted counter fraud drives for perusal.

Reference to periodical monitoring, analysis and reporting of Spelthorne's quantified fraud returns in demonstrating savings/fraud losses prevented or stopped.

### **Section – Awareness**

Expanded wording under this section to include tailored training provided to teams dealing with high-risk public fraud activity (Housing, Benefits, Council Tax and Business Rates).

Amended wording to include service area leading on matters relating to Serious and Organised crime. As Serious and Organised crime comprises several categories, one of which being high-value fraud, it seems appropriate to cross reference within the overall counter fraud, bribery and corruption strategy.

- 2.3 Best practice principles promoted in publications such as CIPFA's 'Fraud and Corruption Tracker, national report 2020', and 'Fighting Fraud and Corruption Locally' (2020) have been considered as part of the strategy review, and current activity is deemed as proportionate relative to the perceived risk and size of the authority.
- 2.4 Several Counter Fraud measures and principles continue to operate as part of the strategy, and these are highlighted below:
  - (i) Open and honest Culture – An acceptance that there is always going to be fraud and as public servants everyone has a part to play in remaining alert to the possibility of fraud, bribery or corruption and being mindful that the risks of occurrence can become even more prevalent during periods of economic instability and geopolitical uncertainty. This links to responsibility for raising concerns in accordance with policy and procedure. The Confidential Reporting Code (Whistleblowing Policy) refers to Fraud, Bribery and Corruption as constituting a serious concern category and sets out the protocol.
  - (ii) Communicate and Inform – Spelthorne endeavours to alert Members, officers, and communities of known scams and suspicious communications. This risk remains heightened during the continued Cost of Living Crisis as unfortunately temptation to perpetrate fraud and wrongdoing increases to alleviate need. High risk public fraud cases proven are publicised to serve as a deterrent.

Collaboration - Spelthorne continues to procure specialist counter fraud resource/expertise/services from Reigate and Banstead Council to target high risk public fraud areas which are likely to generate greater financial returns (business rates and housing) as well as wider social benefits. Collaborative working has produced positive outcomes particularly in Housing including some successful prosecutions.

Opportunities to participate in joint data sharing exercises with County and other Surrey Councils continues to be promoted in tackling fraud.

- (iii) Preventing Fraud – It is more difficult and time consuming to recover loss post payment or award, so an emphasis on prevention as the most strategic and effective way to address fraud continues to be pursued. It remains the responsibility of everyone to help prevent fraud and corruption by remaining vigilant. Enhanced verification for all homelessness applications (prior to award) is an example of a preventative measure currently in place which has led to applications being withdrawn. Such verification processes are also available for housing register applications and can help in reducing the level of households listed on the register. (There are currently approx. 3,800 households on the authority's housing register)
- (iv) Detection and Investigation- Measures are set out in the attached strategy under 'Detection and Investigation'. Qualified fraud investigators (including Financial Investigators) have access to open source and other intelligence to inform investigations.
- (v) Fraud Recording and Reporting – There is quantifiable reporting of estimated financial savings/fraud losses prevented or detected (public fraud). This is based on applicable financial savings advised by the Cabinet Office across each of the high-risk public fraud categories. Spelthorne's overall savings/fraud losses prevented/detected for the financial year 2021/22 amount to £339k(rounded). For the period April to December 2022, notional savings generated amount to £235k(rounded) of which approx. £4k can be quantified at this stage as cashable savings for Spelthorne. The 2022/23 fraud return will be analysed and reported in due course in the annual audit report for 2022/23.
- (vi) Opportunities - Increased focus on social housing fraud (such as unlawful sub-letting and wrongly claimed tenancy succession) is being pursued with registered providers. This was reported as the largest growing fraud area in CIPFA'S Fraud and Corruption Tracker 2020.The Cabinet Office notional figure for tenancies recovered currently stands at £93k for every case.

Several meetings and discussions have taken place across Housing, Internal Audit, Reigate and Banstead Council and A2 Dominion and all parties have agreed to the pursual and facilitation of a bulk data matching exercise with a view to freeing up social housing to those in genuine need and reducing the financial burden of temporary accommodation.

Given such a targeted exercise has never been undertaken previously, it is anticipated that the scale of positive financial returns from detected fraud could be significant (these have previously been advised by both the Strategic Housing Manager and Internal Audit Manager). This is a great example of collaborative working approaches, and we look forward to reporting further on outcomes achieved.

Business Rates and Council Tax are prevalent areas of fraud in local government. Pro-active fraud initiatives (e.g., targeting small business rate relief and Single Person Discount) continue to be encouraged. Due to the staffing changes and transitional period within Customer Services, targeted exercises for these common fraud areas have not developed further. However positive discussions have commenced with the Group Head of Commissioning and Transformation and teams will be joining the organised training session in March to gain further insight.

(vii) Understanding & Awareness- Reigate and Banstead Council will be delivering tailored high risk public fraud awareness training (refresher sessions) to Housing, Benefits and Customer Services during March 2023, as well as Registered Providers. Services will be reminded of the scope of Counter Fraud provision and encouraged to refer suspected cases across all high- risk categories.

(viii) Internal Audit & Fraud Risk Management - Fraud can be external in nature (public fraud) or internal to an organisation (internal fraud). Managers are accountable for ensuring the adequate operation of systems of internal control in their service areas. Internal Audit provides independent assurance that effective controls are in place and operating to mitigate or minimise the risk of fraud, bribery and corruption for areas reviewed. Emerging fraud risks arising from new systems and processes also require consideration.

The Internal Audit Manager has commissioned a data analytics exercise to detect potential fraudulent and erroneous transactions or activity associated with 'Creditors' (high risk dataset). This modern audit approach is intended to provide extended assurance to the Council to safeguard the council's financial resources relating to accounts payable.

(ix) Data Sharing and Analytics - Spelthorne already participate in the National fraud Initiative (NFI) every two years, whereby electronic data is matched within and between public and private sector bodies to prevent and detect fraud.

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

Either

i. To note the current position and accept the amendments proposed to the Counter Fraud, Bribery and Corruption Strategy. (Preferred option)

Or:

ii. To make further amendments to the Counter Fraud, Bribery and Corruption Strategy.

Or:

iii. To make no changes to the strategy, thereby not reflecting the current position.

### **4. Financial implications**

- 4.1 Resources required (staff time) to implement actions to prevent and detect Fraud, bribery and corruption risks should be contained within existing budgets. There is approved funding for corporate counter fraud resource until March 2025 to support Housing, Benefits, Business Rates and Council Tax in undertaking preventative/detection/investigatory work. This resource may support other investigatory work, dependant on the nature of the enquiry.

**5. Risk considerations**

- 5.1 Associated risks and consequences of fraud, bribery and corruption include financial losses (potentially high value), reputational damage to the authority, corporate liability offence associated with bribery, harm to staff or the local community, and reduced public services for the borough's residents (if resources are exploited by fraudsters).

**6. Procurement considerations**

- 6.1 The Procurement team were consulted at the time of procuring the external service from Reigate and Banstead Council.

**7. Legal considerations**

- 7.1 The Legal team have been consulted regarding the service provider agreement.

**8. Other considerations**

- 8.1 There are none.

**9. Equality and Diversity**

- 9.1 Fraud, Bribery and Corruption risks should be considered in all areas of operation as fraudulent activity can result in Council services being diverted away from communities who need them.

**10. Sustainability/Climate Change Implications**

- 10.1 There are no specific issues to highlight.

**11. Timetable for implementation**

- 11.1 There is no specific timetable as implementation of the strategy remains ongoing with annual review and reporting.

**12. Contact**

- 12.1 Punita Talwar, Internal Audit Manager. [P.Talwar@spelthorne.gov.uk](mailto:P.Talwar@spelthorne.gov.uk)

**Background papers:** CIPFA Fraud and Corruption Tracker, national report 2020

**Appendices:**

**Appendix 1 – Track changes version of Counter Fraud, Bribery and Corruption Strategy (reviewed February 2022)**

**Appendix 2 – Clean version of Counter Fraud, Bribery and Corruption Strategy (February 2022)**

# APPENDIX 1 - COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

## Introduction

1. This Strategy is applicable to Members and staff. The Borough of Spelthorne is committed to providing a high standard of service and accountability. An important aspect of this is a strategy which protects against fraud, bribery and corruption within the Council itself and from external sources.

In this context

Fraud means - the illicit gaining of cash or other benefit by deception;

Corruption means - the dishonest influencing of actions and decisions.

Bribery means – the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly.

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the [Department for Levelling Up, Ministry of Housing](#), and Communities [\(DLUHC\)](#) and [Local Government](#), the [Department for Business and Trade \(DBT\)](#), [Energy & Industrial Strategy \(BEIS\)](#) and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
  - An open and honest culture
  - Adequate preventative measures
  - Systems for detection and investigation
  - Understanding and awareness within the Council and the adoption of a "whistleblowing" policy

## Culture

6. The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.
7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence. This is covered with all staff as part of their induction process.
8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer	Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.
Monitoring Officer	Responsible for the legal probity and avoidance of maladministration or injustice by the Council.
Chief Executive	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.
10. Concerns should be raised with any of the above officers under section 8 or with the Council's Internal Audit Manager (Punita Talwar).
11. More detailed guidance and advice on how to raise any concerns **relating to fraud, bribery and corruption** is contained in the Council's Confidential Reporting Code (whistleblowing policy).
12. If anyone feels they are unable to raise their concerns through any of the above routes, **under the Confidential Reporting Code** they may contact 'Protect' (020 3117 2520 – advice line), a registered charity whose services are free and strictly confidential.



## **Prevention**

13. The adoption of proper and adequate measures to prevent fraud, bribery and corruption is the responsibility of Members, Chief Executive, Deputy Chief Executives, Group Heads and other managers. Preventative measures can be classified under two broad headings - Codes/Procedures and Systems.

### **1. Codes/Procedures**

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures eg. Financial Regulations, Standing Orders, Codes of Conduct, Code of Corporate Governance and any relevant practice and procedure documents. A review of the Council's Constitution ~~is being~~ **has been** led by the Group Head of Corporate Governance. The Governance Framework ~~has been~~ **continues to be** developed and enhanced to reflect the **Council's significant property/asset portfolio. increasing commercial asset acquisitions and investments.**

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity. **Other vetting should be applied which gives due consideration to the nature of the appointed position.**

~~Members will in particular observe the Spelthorne code of conduct adopted on the 27 June 2012 and subsequently revised on 25 June 2013 any other local Spelthorne code.~~ The Members Code of conduct is kept under review by the ~~Members Code of Conduct~~ **Standards** Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

~~A review of the Confidential Reporting Code (Whistleblowing Policy), using a benchmarking tool to assess the effectiveness of whistleblowing arrangements has highlighted some areas for improvement (reported to Audit Committee November 2019) and the policy has been further developed.~~

### **2. Systems**

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained to minimise the risk of errors, fraud, bribery and corruption.

A detailed analysis of the risks associated with any service and how they are being addressed should be carried out by managers and this is being promoted as part of developing risk management has been integrated into the annual service planning process to enable greater alignment across corporate processes. Managers are responsible for ensuring that fraud, bribery and corruption risks are minimised and Internal Audit will advise through the provision of independent assurance.

#### **14. Detection and investigation**

Concerns should be reported to one of the individuals referred to in paragraphs 8 and 10 above or in accordance with the Council's whistleblowing policy.

A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to Members. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Cabinet Member Committee informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

**Counter Fraud measures** - Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help prevent, deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas of public fraud which are likely to generate greater financial returns payback (Business Rates and Social Housing) will continue. Such initiatives have demonstrated positive financial fraud returns for Spelthorne (notional and cashable savings) in the areas of Housing, Business Rates, and Council Tax and continue to do so. These savings could be enhanced further through the use of Financial Investigator Resource to recover losses/assets (where appropriate). For high-risk public fraud areas, Internal Audit will continue to collaborate with Services to promote awareness and encourage take up of counter fraud measures (these incorporate preventative as well as detective and investigatory approaches). It remains the responsibility and decision of Group Heads

and Service Managers to pursue/implement collaborative opportunities presented enabling sustained targeting of counter fraud measures. Some examples regularly promoted include enhanced pro-active vetting of Housing register applications (preventative measure), periodical County Wide Single Person Discount exercises led by Surrey to target Council Tax fraud, the use of Financial Investigator Resource to recover losses/assets (where appropriate), proactive fraud drives such as bulk data matching exercises with Registered Providers to target social housing fraud. There has been strong commitment across teams to pursue the bulk data matching initiative with A2D (currently undergoing legal due diligence stage) and this is explained in more detail in other reports along with positive anticipated returns.

Counter fraud measures targeting illegal sub-letting and other types of social housing fraud also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people and members of the community who are genuinely in need of a home, leading to a reduction in housing applicant waiting times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (proven fraud) are publicised periodically to serve as a deterrent.

~~External groups are attended with Surrey Partners including~~ Whilst the Surrey Counter Fraud Board (SCFB) no longer meets on a regular basis, existing networks provide useful points of contact. This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. ~~Spelthorne's fraud returns are collated quarterly and reported to the Surrey Counter Fraud Board, which enables some benchmarking and comparison across Surrey Partners.~~ Periodical monitoring and analysis of Spelthorne's quantified fraud returns across categories and time intervals is included in Internal Audit reporting to Management Team and Audit Committee. These demonstrate financial savings (notional and where measurable cashable)/financial losses prevented for the Council and the wider public purse.

## Awareness

The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council and receive a copy for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. Effective methods for mandatory training and raising awareness including face to face and online shall be periodically explored and delivered. For those Services administering areas that present higher risk of public fraud occurrence, as well as Registered Providers, periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage any suspicions (no matter how small) to be referred for

investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council

In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have previously provided ~~two~~ awareness raising sessions for staff and Members ~~during 2018~~ to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted by the relevant Service Area (Community Safety) falling under Neighbourhood Services. Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.

## APPENDIX 2 - COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

### Introduction

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4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
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### Culture

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practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

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9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.
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In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity. **Other vetting should be applied which gives due consideration to the nature of the appointed position.**

The Members Code of conduct is kept under review by the **Standards** Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

## **2. Systems**

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A detailed analysis of the risks associated with any service **and how they are being addressed has been integrated into the annual service planning process to enable greater alignment across corporate processes. Managers are responsible for ensuring** that fraud, bribery and corruption **risks are minimised and Internal Audit will advise through the provision of independent assurance.**



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A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to **Members**. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant **Committee** informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

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Counter fraud measures **targeting illegal sub-letting and other types of social housing fraud** also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people **and members of the community** who are genuinely in need of a home, leading to a reduction in housing applicant waiting



times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (**proven fraud**) are publicised periodically to serve as a deterrent.

**Whilst the Surrey Counter Fraud Board (SCFB) no longer meets on a regular basis, existing networks provide useful points of contact.** This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. **Periodical monitoring and analysis of Spelthorne's quantified fraud returns across categories and time intervals is included in Internal Audit reporting to Management Team and Audit Committee. These demonstrate financial savings (notional and where measurable cashable)/financial losses prevented for the Council and the wider public purse.**

## **Awareness**

The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. Effective methods for mandatory training and raising awareness including face to face and online shall be periodically explored and delivered. **For those Services administering areas that present higher risk of public fraud occurrence, as well as Registered Providers, periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage any suspicions (no matter how small) to be referred for investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council**

In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have **previously** provided awareness raising sessions for staff and Members to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted **by the relevant Service Area (Community Safety) falling under Neighbourhood Services.** Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.



# Corporate Policy and Review Committee



17 April 2023

<b>Title</b>	LGA Corporate Peer Challenge Outline Action Plan
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Daniel Mouawad – Chief Executive Lee O’Neil – Deputy Chief Executive Terry Collier – Deputy Chief Executive
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> Agree the proposed Outline Action Plan as outlined in <b>Appendix A</b> , to address the 12 recommendations from the Local Government Association following the completion of their Corporate Peer Challenge (CPC), and to agree to the subsequent development of a Detailed Action Plan as outlined in this report.
<b>Reason for Recommendation</b>	To ensure that the Council fully addresses the issues raised within the CPC report, which is designed to assist this authority to further improve the way it administers and delivers its services to our residents and businesses.

## 1. Summary of the report

- 1.1 In November 2022 Spelthorne took part in a Local Government Association (LGA) Corporate Peer Challenge (CPC).
- 1.2 Following a recent meeting of the Council’s political Group Leaders and senior managers, an Outline Action Plan has been developed to address the 12 recommendations contained within the CPC Team’s feedback.
- 1.3 This report requests that the Corporate Policy and Resources Committee adopts the proposed Outline Action Plan with a view to developing a more outcome-focused and comprehensive Detailed Action Plan once the Council’s

new administration takes shape after the May 2023 local government elections.

## **2. Key issues**

- 2.1 LGA Peer challenges are designed to support councils to drive improvements and efficiency and to assist local authorities to respond to local priorities and issues in their own way to the greatest effect. The CPC team visited Spelthorne from 15-17 November 2022 and consisted of peers from across the sector (including senior officers and two Council Leaders).
- 2.2 The CPC Team provided a verbal summary of their findings at a feedback session held in the Council Chamber on 17 November to which all staff, Borough Councillors and all other stakeholders taking part in the process were invited.
- 2.3 The CPC Team's detailed feedback report ('the CPC report') (see **Appendix B**) was received on 1 February 2023 and this was considered by Full Council on 23 February 2023. This included a recommendation that Council agree to the development of an Action Plan to address the recommendations in the CPC report. Council agreed to accept these recommendations, subject to amending Recommendation 2 of the covering report to state, *"to agree to the development of an Action Plan to address those recommendations and for this to be directed through the Corporate Policy and Resources Committee"*.
- 2.4 Following the completion of a CPC, the LGA would normally expect a Council to start developing an Action Plan to address any recommendations within 8 weeks of their report being published. The CPC Team would then normally revisit the Council around 6 months after their report is published to assess progress and to offer any further assistance.
- 2.5 A number of measures are already in train to address some of the issues outlined in the CPC Team's comments/recommendations, such as a review of the current committee system, the development of a Member training programme for successful candidates in this year's May election, and an ongoing Establishment Review, which will cover issues such as staff recruitment and retention.
- 2.6 In order to progress the development of an Action Plan in a timely manner, a meeting of all Group Leaders was held on 9 March 2023, which was also attended by senior managers of the Council. At that meeting the 12 recommendations contained within the CPC report were considered in order to try to find some 'common ground' as recommended by the CPC Team, and to start developing some outline actions which all political groups could support and work together to progress. The meeting was generally very positive and good progress was made in agreeing some overarching outline actions, being mindful of the fact that the political landscape of the Council could change as a result of the impending May 2023 local government elections. One significant area of common-ground shown by the Group Leaders at that meeting was the desire to continue to pursue the existing CARES priorities and PROVIDES values which form the basis of the Council's current Corporate Plan, with the Recovery priority possibly adapted to have a revised focus on supporting our communities (both residents and businesses) in recovery from the cost-of living crisis.

- 2.7 **Appendix A** contains a summary of the outline actions agreed at that Group Leader/senior officer meeting, with the CPC recommendations grouped by relevant subject area. If agreed by the Corporate Policy and Resources Committee ('the Committee'), this will form the basis of a more detailed outcome-focussed Action Plan, with clear targets and action-owners (the 'Detailed Action Plan'), to be developed when the new post-May elections administration takes shape. A further meeting of Group Leaders will be held after those elections to build on the cross-party discussions that took place on 9 March and bed-down any agreement on the actions to be undertaken,
- 2.8 In the meantime, if the Outline Action Plan outlined in **Appendix A** is agreed by the Committee this will be forwarded to the LGA as evidence of progress with the CPC's recommendations, prior to their planned 6-month progress meeting (date to be arranged).
- 3. Options analysis and proposal**
- 3.1 Option 1 (**preferred option**) - The Committee is asked to agree the Outline Action Plan as outlined in **Appendix A**, and to agree to the subsequent development of a Detailed Action Plan as outlined in section 2.7 of this report.
- 3.2 Option 2 - The Committee may wish to make changes to the proposed Outline Action Plan or propose an alternative approach.
- 4. Financial implications**
- 4.1 There are no additional costs for the LGA to undertake a CPC (and their subsequently follow-up visit) as the Council pays an annual £10,000 LGA subscription.
- 4.2 There will be some financial implications of pursuing a number of the actions proposed to address the CPC report recommendations. The Committee will be advised of these as the Detailed Action Plan is developed.
- 5. Risk considerations**
- 5.1 The CPC report makes a wide range of comments and recommendations which are designed to assist the Council in understanding its strengths and where improvements could be made. Failure to recognise those strengths and address some of the key issues raised, could potentially have significant financial, reputational and organisational implications for the Council (including risks to future recruitment and retention of staff). It is proposed that a risk analysis forms part of the proposed Detailed Action Plan to assist in understanding and addressing those issues.
- 6. Legal considerations**
- 6.1 There are no direct legal considerations relating the consideration of the CPC Report. Any legal considerations relating to the Council following up on the CPC recommendations made will be outlined in the proposed Detailed Action Plan.
- 7. Other considerations**
- 7.1 There are none.
- 8. Equality and Diversity**

- 8.1 There are no direct equality and diversity considerations at this stage relating to the proposed CPC Outline Action Plan. Any equality and diversity considerations relating to the Council following up on the CPC recommendations made will be included in the proposed Detailed Action Plan.

**9. Sustainability/Climate Change Implications**

- 9.1 There are no direct sustainability/climate change implications at this stage relating to the proposed CPC Outline Action Plan. Any sustainability/climate change considerations relating to the Council following up on the CPC recommendations made will be included in the proposed Detailed Action Plan.

**10. Timetable for implementation**

- 10.1 If agreed by CPRC, the Outline Action Plan will take immediate effect. Discussions will be arranged with the new administration once this takes shape after the May 2023 elections to establish how they wish to move forward with the actions outlined in the plan, including developing the Detailed Action Plan to fully address the CPC recommendations. All progress will be directed through the Committee as requested by Full Council.
- 10.2 The CPC Team would normally revisit the Council 6-months after the publication of their report which would suggest around July 2023 with the exact date to be confirmed.

**11. Contact**

Daniel Mouawad, Chief Executive: [dcm.cex@spelthorne.gov.uk](mailto:dcm.cex@spelthorne.gov.uk)

Lee O'Neil, Deputy Chief Executive: [l.o'neil@spelthorne.gov.uk](mailto:l.o'neil@spelthorne.gov.uk)

Terry Collier, Deputy Chief Executive: [t.collier@spelthorne.gov.uk](mailto:t.collier@spelthorne.gov.uk)

**Background papers: There are none.**

**Appendices:**

**Appendix A – CPC Outline Action Plan**

**Appendix B – Spelthorne CPC Report**

## APPENDIX A - LGA CORPORATE PEER CHALLENGE - DRAFT OUTLINE ACTION PLAN (MARCH 2023) v.1

CPC RECOMMENDATION NUMBER	RECOMMENDATIONS (GROUPED BY RELEVANT AREA)	PROPOSED OUTLINE ACTIONS
	<b>Vision and Priorities</b>	
1	All Members need to identify what they have in common in terms of shared priorities and objectives for your Borough and your residents and use them to progress the delivery of your shared ambitions for Spelthorne.	<ul style="list-style-type: none"> <li>a. Local Government Association (LGA) to be invited to come in at the outset after the May 2023 elections to help facilitate a number of sessions to get broad consensus on agreed vision and priorities.</li> <li>b. LGA to look at whether there is a broad councillor consensus around a member led Council or one where members and officers work together as a team.</li> <li>c. Undertake a 'Strategy Day' for all Group Leader's (GL) with the LGA (which can then be fed back by GL's to their groups).</li> <li>d. Find common ground that all GL's can sign up to.</li> <li>e. Use Induction training programme to set out the CARES priorities and PROVIDES values in the current corporate plan.</li> <li>f. Use CARES priorities as a basis for the 'Strategy Day'.</li> </ul>
2	Then share your agreed political ambitions for the Borough to create a longer-term vision embodied in a broadly agreed Corporate Plan.	
	<b>Time to plan</b>	
5	Take the time today to plan for tomorrow. Do not put off the 'non-urgent strategic' work you need to do.	<ul style="list-style-type: none"> <li>a. Agree at the first Council meeting after the May 2023 elections to continue with the CARES priorities for at least another year, to provide continuity and a basis for agreeing and setting a new strategy.</li> <li>b. New Corporate Plan needs to cover a longer period than four-years and needs to capture short, medium and long term plans/priorities.</li> <li>c. Undertake a prioritisation exercise.</li> <li>d. Be clearer on celebrating our achievements.</li> </ul>
	<b>Officer/Member relations</b>	
3	Take the opportunity you now have to reset the officer / Member working relationship and agree how it will work differently going forward for the benefit of your residents.	<ul style="list-style-type: none"> <li>a. Schedule a further round table session where officers feed in views and GL's listen.</li> <li>b. Officers to provide key information to councillors.</li> <li>c. Officers need to be able to clearly articulate those situations where it is not possible to find a solution, or where it would have significant financial, service, resource or equity impacts (link to new logging system referred to below)</li> </ul>
4	The discrete but complementary roles of officers and Members need	

CPC RECOMMENDATION NUMBER	RECOMMENDATIONS (GROUPED BY RELEVANT AREA)	PROPOSED OUTLINE ACTIONS
	to be better understood by all to improve working relationships.	d. Consider how best to deliver the suggestion of a number of councillor/officer joint site visits, so that Cllrs can understand how officers work and the legislative background they have to work within.
6	Members need to respect officers' roles and give them the time and space to focus on delivering the important priorities you have agreed.	e. Develop a separate logging system for councillor enquiries (to better manage the process, ensure fairness, understand trends, key issues and response times) f. Consider how to best bring new Cllrs elected as a result of a by-election up to speed and briefed on the Council's processes, procedures and key policies.
	<b>Behaviour</b>	
7	Recognise the risk of continued poor behaviour by some Members and the likely impact on the organisation and your reputation as a Council and a place. Take steps to address it.	a. Logging system and process referred up above is needed to ensure that there is equity in how Cllrs approach officers, and issues and responses are logged. b. There is a lot more mandatory training (planning, licencing, finance etc) and with the new cohort of Cllrs there is a greater opportunity to ensure that this is enforced. c. Suggestion that officers need to have permission to challenge Cllrs who have not done the necessary training and for them to speak to GL's to get this addressed d. Follow up on actions arising from the Extraordinary Standards Committee. e. Ensure that the Council's Code of Conduct is fully adhered to and endorsed/actioned by GL's. f. Mandatory training for Cllrs (e.g. on planning, licencing, finance etc) will be enforced. GL's will take up failure of any of their Cllrs to attend mandatory training within their groups, and accept that non-attendance will mean Cllrs cannot sit on the relevant committee. g. Use the new logging system referred to in 7a. above to ensure that there is equity in how Cllrs approach officers, and that issues and responses are logged.
	<b>Financial</b>	
8	Continue your efforts to address the issue of outstanding audits of the financial accounts.	a. Ensure induction training is easily understandable and sufficiently focused on the role of Cllrs and Committees in budget setting, annual financial cycle, financial audit, investment portfolio and Knowle Green Estates and Spelthorne Direct Services.
10	Engage in financial training for Members to promote a better understanding of financial implications, project viability and creating robust business cases.	b. Review and refine training as required over time. c. Ensure all reports clearly spell out financial consequences of a course of action. d. Refine financial reports so that they are more visual and user friendly.



CPC RECOMMENDATION NUMBER	RECOMMENDATIONS (GROUPED BY RELEVANT AREA)	PROPOSED OUTLINE ACTIONS
	<b>Committee</b>	
9	Review the working of the committee system by looking at best practice elsewhere to consider how to create a system that is fit for purpose.	<ul style="list-style-type: none"> <li>a. Use the opportunity created by the new cohort of Cllrs elected in May 2023 to assist all Cllrs to better understand the Committee System.</li> <li>b. Act upon the recommendations of the Committee System Review Group.</li> <li>c. Consider what is required in terms of chairs' training to deal with councillors who do not follow process and procedure.</li> </ul>
	<b>Engagement</b>	
11	Improve the balance between communication and meaningful engagement whereby people feel listened to and heard. Use this in the context of evidence and need, to drive priorities and take people with you.	<ul style="list-style-type: none"> <li>a. Need to consider how we capture the views of those who do not engage, so that we get a wider understanding of the whole community, e.g. those who do not have housing, are in fuel poverty, youth who do not engage. Those who would otherwise fall through the safety net.</li> <li>b. Consider how we capture the views of the business community, and the younger demographic who need to be more invested in issues that will affect them more over the medium/longer term.</li> <li>c. Look at whether there are existing forums/meetings that could be used more effectively.</li> <li>d. Ensure that we regularly feedback to our communities.</li> </ul>
	<b>Support</b>	
12	Consider how the LGA can continue to assist with the above recommendations on this reset journey.	<ul style="list-style-type: none"> <li>a. Engage LGA from the outset as soon as possible after the May 2023 elections to assist councillors in developing the shared vision, priorities and objectives and other areas identified in the Peer Review report.</li> </ul>

**Note:** Outline Action Plan developed following a meeting of Group Leaders and senior officers – 9 March 2023

**Purpose of meeting:** Initial discussion (pre-election) of the twelve recommendations in the Peer Review document to enable Group Leaders to give officers their initial thoughts and enable the development of a high-level Outline Action Plan to be reported to CPRC on 17 April 2023.

**Group Leaders in attendance to actively contribute to discussion (alphabetical order):** Cllr Beecher, Cllr Boughtflower (Leader and Chair of the roundtable discussion), Cllr S Doran, Cllr S Dunn, Cllr I Harvey, Cllr Sexton, Cllr Mitchell as outgoing Deputy Leader.

**Apologies (alphabetical order):** Cllr Beardsmore, Cllr Noble, Cllr Siva

**Officers in attendance to observe and assist (alphabetical order):** T Collier, F Hussain, J Medcraft, H Morgan, D Mouawad, S Muirhead, L O'Neil, K Sinclair, J Taylor

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# LGA Corporate Peer Challenge

Spelthorne Borough Council

15-17 November 2022

Feedback report





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## 1. Executive summary

Spelthorne Borough Council undertook a Local Government Association Corporate Peer Challenge between 15-17<sup>th</sup> November 2022. In addition to the five themes which form the core component of all Corporate Peer Challenges, the Council asked the peer team to consider the importance of the current Corporate Plan approved by the full Council and how delivery of affordable housing can be sustained. The Council also asked the team to explore Council governance issues as the committee system has been in place for a year now and there are signs that it is having a negative influence upon the speed of decision making. The Constitution locks a council into this system for 5 years unless there is a referendum. The peer challenge team was also asked to consider the related working of Overview and Scrutiny.

The peer team noted that Spelthorne had an LGA Finance Peer Challenge in November 2020 (final report received in January 2021), and as this is relatively recent and has been reported on twice to Audit Committee, this was not an area on which the peer team focused in great detail. The peer team is aware of the Public Interest Report into the Council's commercial property investments in 2017-18 published at the end of November following this peer challenge, and at the time of the peer challenge was aware that the Council's financial accounts for the years 2017-18 and onwards had yet to be finalised and agreed with its external auditors. However, it is not appropriate for the peer team to comment further on this beyond saying that the leadership of the Council recognises that it needs to address these issues and is encouraged to do so.


Spelthorne Borough Council has achieved many unique things of which they can be rightly proud, ranging from the high profile and strategic to the very local and small scale. Their Covid response was brilliant and a focus on supporting vulnerable people in their community is evident. The Council has a generally friendly and caring

staff culture where cross-service working is very good. Partnership working is also a strength with the Chief Executive being a very visible presence for all partners.

The Council is seen by partners as both commercially minded and entrepreneurial whilst at the same time being community focused. There is generally a positive can-do attitude. This commercial mindedness is evidenced by the high level of borrowing accumulated and the extensive investment portfolio that the Council has created since 2016.

Partners and officers would benefit from a clear political direction and visibility from the Council for which it needs a cohesive, functioning Councillor cohort. There is an opportunity for Councillors to have a clearer strategic vision for the future rather than spending so much time internally focused in the here and now. There is poor behaviour by some Councillors towards each other and staff which is widely recognised as damaging the Council's reputation. It is also affecting staff morale and the organisation's ability to retain and recruit staff. As a result, the relationship between the roles of officers and Members need to be clearly defined and respected in order to create trust.

The committee system brought in quickly last year at the behest of Councillors, is not yet working well enough as a decision-making forum to create consensus to take forward important plans for the Council and the Borough. There is now an opportunity to review it to make it work. The delay in decision making by Councillors on some key issues is costing the Council money, specifically, servicing the cost of borrowing and delaying potential developments to the tune of £170,000 per month. This means the Council cannot unlock the value of its own assets nor deliver the required homes and ultimately may risk sustainable service delivery. Therefore, Members need to fully appreciate the financial implications of their decision making - or of not making decisions.



Officers should also review the volume and content of the information in reports that they are providing to Councillors to assist them in their decision making. Financial and economic implications of decisions need to be clearer and financial data in the reports needs to be consistently presented in order to give the decision makers confidence in the information. It may also be worth making the social, community and environmental benefits of decisions clearer up front to help Councillors consider the wider benefits to their residents.

The present situation is leading to much frustration for officers and Councillors and leading to poor behaviours by some Councillors. The leadership group of officers and Councillors need to recognise that they should work together to resolve this situation. There is talent, knowledge and experience in the senior officer team and the Councillors need to use it well to help achieve their corporate and community objectives for the Borough. There needs to be a recognition that some Member behaviour is affecting the Council's reputation, is costing the Council money, is affecting staff morale, and could ultimately affect the delivery of Council services for local residents and businesses.

Other recommendations and comments are included in the body of the report.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the Council:

### 2.1. Recommendation 1

All Members need to identify what they have in common in terms of shared priorities and objectives for your Borough and your residents and use them to progress the delivery of your shared ambitions for Spelthorne.

### 2.2. Recommendation 2

Then share your agreed political ambitions for the Borough to create a longer-term vision embodied in a broadly agreed Corporate Plan.

### 2.3. Recommendation 3

Take the opportunity you now have to reset the officer / Member working relationship and agree how it will work differently going forward for the benefit of your residents.

### 2.4. Recommendation 4

The discrete but complementary roles of officers and Members need to be better understood by all to improve working relationships.

### 2.5. Recommendation 5

Take the time today to plan for tomorrow. Do not put off the 'non-urgent strategic' work you need to do.

### 2.6. Recommendation 6

Members need to respect officers' roles and give them the time and space to focus on delivering the important priorities you have agreed.

### 2.7. Recommendation 7

Recognise the risk of continued poor behaviour by some Members and the likely impact on the organisation and your reputation as a Council and a place. Take steps to address it.



## **2.8. Recommendation 8**

Continue your efforts to address the issue of outstanding audits of the financial accounts.

## **2.9. Recommendation 9**

Review the working of the committee system by looking at best practice elsewhere to consider how to create a system that is fit for purpose.

## **2.10. Recommendation 10**

Engage in financial training for Members to promote a better understanding of financial implications, project viability and creating robust business cases.

## **2.11. Recommendation 11**

Improve the balance between communication and meaningful engagement whereby people feel listened to and heard. Use this in the context of evidence and need, to drive priorities and take people with you.

## **2.12. Recommendation 12**

Consider how the LGA can continue to assist with the above recommendations on this reset journey.

# **3. Summary of the peer challenge approach**

## **3.1. The peer team**

Peer challenges are delivered by experienced elected Member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- **Kathy O'Leary**, Chief Executive, Stroud District Council
- **Councillor Chris Hossack**, Conservative Leader of Brentwood Borough Council
- **Councillor Sarah Rouse**, LGA Independent Group Executive Member and former-Leader of Malvern Hills District Council

- **Bob Watson**, Strategic Director Finance & Customer Service, Surrey Heath Borough Council
- **Fiona Bryant**, Director of Enterprise and Sustainable Development, Cambridge City Council
- **Kate Blakemore**, Strategic Director, Great Yarmouth Borough Council
- **Marcus Coulson**, Peer Challenge Manager, Local Government Association

### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the Council's priorities clear and informed by the local context? Is the Council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the Council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the Council have a grip on its current financial position? Does the Council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the Council have the capacity to improve?

In addition to these questions, the Council asked the peer team to provide feedback on the current Corporate Plan and the delivery of affordable housing as a priority. The Council also asked for a deep dive into Council governance issues because the committee system has been in place for over one year and there are signs that it is having a negative influence upon the speed of decision making. The Constitution locks Councils into this system for 5 years unless there is a referendum. The Council

asked the peer challenge team to consider the related working of Overview and Scrutiny.

Spelthorne had an LGA Finance Peer Challenge in November 2020, and as this is relatively recent and has been reported on twice to Audit Committee, this was not an area on which the peer team focused in great detail. The peer team is aware of the Public Interest Report into the Council's commercial property investments in 2017-18 published at the end of November, following this peer challenge, and at the time of the peer challenge was aware that the Council's financial accounts for the years 2017-18 and onwards had yet to be agreed with its external auditors. However, it is not appropriate for the peer team to comment further on this beyond saying that the leadership of the Council recognises that it needs to address these issues and should be encouraged to do so.

### **The Peer Challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read, acting as a 'critical friend to the Council.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days onsite at Spelthorne Borough Council in Staines-upon-Thames, during which they:

- Gathered information and views from more than forty meetings, in addition to further research and reading.
- Spoke to more than 125 people including a range of Council staff together with Members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and Members.

## 4. Feedback

### Key messages

Spelthorne Borough Council has done many unique things of which it can be rightly proud, these range from the high profile and strategic to the very local and small scale. This was illustrated by the fact that the Council's response to Covid was brilliant and is clearly evidenced through the Council's own report that explains in detail how the Council showed leadership and foresight to respond to the pandemic creatively. The report can be found [here](#). The peer team would like to commend Spelthorne Borough Council on this response and the way it supported its local communities in so many positive ways. A reflection by the Council on two years combating Covid is included [here](#) which illustrates an organisation that delivers services well through clear leadership, prioritisation and committed, hardworking staff responding flexibly to benefit local residents and businesses. The Council can be satisfied that its response to the pandemic was admirable.

As it has emerged from the acute aspect of the Covid experience, the Council has spent time and effort looking at what recovery work needs to be done and implemented a detailed Recovery Action Plan. This outlines a wide range of actions the Council is going to be taking to assist residents and businesses to address future need. The updated plan can be found [here](#).

From this evidence and from what the peer team read, heard and saw throughout this peer challenge process, Spelthorne Borough Council feels like it has a generally friendly and caring staff culture where cross-service working is very good. Cross-

service collaboration on resident and business focused work during the pandemic and recovery period were cited as good examples in several different discussions with the peer team.

Partnership working is generally a strength for the organisation and is outlined in the current Corporate Plan where it lays out the aim of developing strong partnerships in all sectors of the community, businesses and with other authorities and health, so that knowledge, skills and expertise can be shared to help shape priorities and effectively deliver on them. These examples are detailed later in the report. Partnerships could, however, be even stronger in future with a combined Member and officer approach, which seeks shared benefits and outcomes across all the partners.

The Chief Executive is a very visible presence for all partners, who consistently referenced his availability and responsiveness. What some partners and all the officers would benefit from would be a stronger and clearer political direction and visibility from the Council Members. In the view of the peer team, the Council is doing well but could achieve even more with a cohesive functioning Councillor cohort, which it recognisably does not have at this present time. There is an opportunity for Councillors to develop a clearer strategic vision for the future rather than spending so much time internally focused in the 'here and now'. The democratic make-up of the Council is complex and fragmented. This gives rise to a perception that the Council is focussed on internal political issues at the expense of giving a clear vision that engages its partners.


Added to this there is poor behaviour by a small number of Councillors which is widely recognised in the Council. This is damaging the reputation of the Council as well as negatively affecting staff morale and there was evidence that this was also affecting the ability of the Council to retain and recruit staff.

This poor behaviour by some Members is distracting officers from completing tasks that could take the Council forward and benefit the community. The excessive number of internal complaints being processed is diverting officer resource that could be better deployed. The roles of officers and Members and how they interrelate needs to be clearly defined and respected under the provisions in the constitution, in order to create trust between these key groups and a more effective working environment.

Spelthorne had an LGA Finance Peer Challenge in November 2020, and as this is relatively recent and has been reported on twice to Audit Committee, this was not an area on which the peer team focused in great detail. The peer team is aware of the Public Interest Report into the Council's commercial property investments in 2017-18 published at the end of November, following this peer challenge, and at the time of the peer challenge was aware that the Council's financial accounts for the years 2017-18 and onwards had yet to be agreed with its external auditors. However, it is not appropriate for the peer team to comment further on this beyond saying that the leadership of the Council recognises that it needs to address these issues and should be encouraged to do so.

The committee system that was introduced quickly last year at the behest of Councillors is not yet working well enough to create consensus to take forward important plans for the Council.

Whilst officers are satisfied that they delivered the committee system within the tight timeline prescribed by the Members, the impact of such a significant shift in the way decisions are made and scrutinised, seems to have been underestimated on both sides. There appears to be little evidence that this transformative shift was resourced effectively and as a result Members at least have still not adapted to this new way of making democratic decisions. Some of the provisions within the committee system



and its supporting constitution make decision making more complex, which can add to both the political tension within the committee system itself and undermine the confidence of partners in its observations of the functioning of the democratic system. In order to improve the functioning of this newly adopted system, there is now an opportunity to review it to make sure it works better for everyone. Seeking to learn from other councils that have an established and effective committee based democratic system should be considered in order to help the Council move forward.

The delay in decision making by Councillors on some key issues is costing the Council, specifically, servicing the cost of borrowing and delaying potential developments which is currently running at £170,000 per month. This means the Council cannot unlock the value of its own development sites nor deliver the required homes and ultimately may risk service delivery. Therefore, Members need to fully appreciate the financial social, and environmental impact of any delays in their decision making.

The present situation is leading to much frustration for officers and Councillors and leading to poor behaviours by some Councillors. The leadership group of officers and Councillors need to recognise that they should work together to resolve this situation. There is talent, knowledge and experience in the senior officer team and the Councillors need to use it well to help achieve their corporate and community objectives for the Borough. There needs to be a recognition that the current lack of cohesive working is affecting the Council's reputation, is costing the Council money, is affecting staff morale, and could ultimately affect the delivery of Council services for local residents and businesses.

#### 4.1. Local priorities and outcomes

A significant strength for Spelthorne Borough Council is that business-as-usual services are generally seen as good and efficient. This is a perception shared by those who receive the services and those who deliver them. This is a key strength of Council activity that needs to be recognised by those who set Council priorities and ensure that this approach is supported.

The Council can be rightly proud of the discretionary services it provides above the minimum statutory requirements. There was clear evidence of personal commitment, passion for community and significant goodwill provided by the staff involved. The self-assessment for this Corporate Peer Challenge described a great deal of good service delivery by Council staff and the peer team had the privilege of witnessing and hearing about a number of them of which the following are examples:

- **Day care centres** – such as the Fordbridge Day Centre which is one of four day centres the Council runs that provide local people, typically older people, with the opportunity to meet together thereby reducing social isolation and supporting wellbeing.
- **The Step Up and Step Down initiatives with the NHS** is where Spelthorne Borough Council is the lead authority for the set-up of a step-down project across North-West Surrey Alliance to support hospital discharges. The Chief Executive sits on this partnership of health system partners where the Council has negotiated the testing of a new hospital 'step-down' service with Spelthorne delivering an integrated 'wrap-round' intermediate care package to support timely discharge of older residents from acute settings.
- **Fire Station in Sunbury** – where the Council is working with Surrey County Council to potentially deliver a community offering within their new fire station at Sunbury Cross.
- **Independent living** – the White House is a newly built Council facility that provides accommodation for one year to those that would otherwise be 'on the street' homeless. We heard impactful stories where residents have been able to get their lives back together during



this time and move on to find work and their own accommodation.

- **Optimisation of Assets to provide affordable homes** – The West Wing saw the Council officers moving their office space into part of the Council Offices and utilising space they no longer have a need for to develop twenty-five high quality affordable rental flats.
- **Approach to homelessness and resettlement** - the Council provides contract funding to Citizens Advice who provided housing, employment and accredited financial advice to 2,215 residents in 2021/22. The Council has used the Government's Rough Sleeper Initiative fund to appoint a Rough Sleeper Coordinator and Outreach worker who is dedicated to support rough sleepers into accommodation, and who adopts a 'no second night out' approach. As a result, Spelthorne does not currently have any entrenched rough sleepers and is recording its lowest average number of rough sleepers.

The Council has opted in to support up to 8 families find accommodation in private rental sector under the Afghan Relocation Assistance Programme and Afghan Citizens Resettlement Scheme and is actively working to support guests arriving under the Homes for Ukraine scheme. The Housing Options team is working with the North-East Surrey Family support team to ensure wrap-around support is provided to refugees upon arrival to ensure community integration, effective resettlement and prevention of homelessness.

- **Spelthorne in Bloom** - the Council has won numerous Green Flag awards for its gardens, parks and cemeteries. The Sunbury Walled Garden and Staines Cemetery were named overall category winners at this year's South and South-East in Bloom Awards in October.
- **Public realm** - Reinforcing the preventative approach, over the past year the Council has also installed ten outdoor gyms in parks across the borough (Ashford, Laleham, Shepperton, Staines-upon-Thames, Stanwell Moor and Sunbury). These outdoor gyms provide communities with free access to a good variety of equipment to improve health outcomes for those that may not otherwise be able to afford gym

membership. The Council's leisure partner, Everyone Active, is also working to secure funding to deliver outreach sessions using these facilities.

**Other areas of work the peer team heard about were:**

- **Youth Hub**, One particularly successful example of partnership working has been the creation of a Youth Hub. Aimed at 16-24-year-olds, the Youth Hub offers advice, training and mentoring for young people currently not in education, employment or training, those with special needs and disabilities, as well as young carers/parents. The initiative is being delivered by the Council in partnership with A2 Dominion, Brooklands College, Association of Learning Providers (ALPS), Ashford Youth and Community CIC and Transfer to Transform, under the leadership of an external Partnership Manager.
- **Working with business partners**, The Council's pro-business approach to economic development means it actively works with partners to deliver for the wider community. For example, Berkeley Homes (currently building the Eden Grove development in Staines-upon-Thames) have been involved with a number of events at the Youth Hub.

Whilst there is a Corporate Plan that runs between 2021-2023 and covers relevant priorities and ambitions, there is now an opportunity to develop a longer-term vision and strategy to provide an agreed direction for the Council beyond the elections in May 2023 and for which there is greater Councillor leadership, supported by officers. The resulting strategy should have objectives that are outcome oriented and easily measurable in order to evidence that they have been delivered. The priorities that form the Corporate Plan need to be based both on evidence of need, which may include provision of homes, known environmental pressures, economic data, health statistics etc., and the feedback from your communities ascertained by consultation. A combination of this aspirational feedback and evidential data can then be used to plan and deliver services and investments.

At present the narrative of the Corporate Plan is centred around opportunities that

arise for development. The values that under-pin this approach are commendable in that they aim to deliver services for local residents and businesses. However, the narrative could be improved by relating it directly to available evidence and the assessed needs of the people and businesses in the Borough. This would help to articulate the wider community, social, and environmental benefits of such developments whilst also confirming a robust economic business case.

#### **4.2. Organisational and place leadership**

The Chief Executive has a strong and positive relationship with businesses who state that he is their key point of contact in delivering the strategic vision as well as directing operational solutions to issues as they arise. Some community partners would welcome a more collaborative dialogue and approach to working together as they sometimes feel they are being told things that have been already decided, giving the impression of inflexibility, rather than always being in a dialogue of coproduction. As a result, the peer team recommends that as the Council continues to deliver its consultation exercises, it should ensure it is able to deliver a Council-wide listening approach to its communications.

Whilst recognising that there is much proactive ward Councillor work, there is an evidential void in the role of community leadership from the elected Members of the Council on more strategic matters. For instance, the organisation's response to the pandemic, whilst as already stated was admirable, was largely officer led.

The senior team reported that they often work long hours, answering emails well outside of normal office hours. The peer team encourages the senior officer team to raise their awareness of the message this sends out to others about a work / life balance and to model the behaviours that they want to see in their fellow officers. Similarly, Members should also have reasonable expectations around responses, especially when contacting the officer team out of hours.

#### **4.3. Governance and culture**

The Council is seen by partners as both commercially minded and entrepreneurial whilst at the same time being community focused. There is generally a positive can-do attitude. This commercial mindedness is evidenced by the high level of borrowing accumulated and income stream being sustained the extensive investment portfolio that the Council has created since 2016.

It is this commercial income that has enabled the Council to deliver a number of different highly-valued services and initiatives across the Borough that it otherwise would not have been able to do. The officers are seen as great ambassadors for the Council and are responsive when partners and others get in touch. The Councillors however appear distracted with internal political discussions that are a feature of political tensions in the organisation, rather than looking at the bigger external picture of delivering Council priorities for the broader benefit of the community as outlined in the Corporate Plan.

The committee system was introduced at speed just over a year ago, at the behest of Councillors, replacing the Leader and Cabinet Model. It does not function well, which is recognised by many people the peer team spoke to. There is now an opportunity to review how it could work better. Some areas of detail that could be included in this work would be; the length of meetings, the number of committees, the political balance of the committees, the role of the Chair and Vice-Chairs, the formula system for allocating lead committee roles, timing of meetings, frequency of meetings, the length and accuracy of reports, the ability of the system to encompass effective forward planning, clarity around who sets the agenda for committee meetings and how to ensure that everyone understands what respectful behaviour in these meetings looks like and to make sure it occurs. The number and scope of issues listed above outlines the scale of the task ahead.

The peer challenge team also heard about the potential abuse of privilege by some Members in their dealings with some officers. It was reported that a small number of Councillors request preferential treatment from the Council such as the frequency of street cleaning and waste collection and the provision of leisure services. From what the peer team heard, not only does this demonstrate a fundamental disregard for the fair allocation of resources across the Borough, it amounts to a potential abuse of

privilege which needs to be robustly addressed by the organisation. If it is not, there is the risk of bullying claims by staff and reputational damage as a result.

#### **4.4. Financial planning and management**

This LGA peer challenge team is not able to comment on the annual statement of accounts and level of long-term borrowing. At the time of the peer challenge the 2017/18 audit results were still awaited and the KPMG Public Interest Report into the Council's commercial property investments in that year had not been published.

The senior officer in charge of finance at Spelthorne is very experienced as is his finance team. This is a strength and suggests there is resilience and capacity available to manage financial issues. There is however a general need for a greater understanding of financial issues for the majority of Councillors and other officers. The detailed understanding of the high level of borrowing, investments and contracts that Spelthorne has developed in the past five years is held by a small number of people with significant knowledge and expertise. This group could be widened in order to ensure the Council has increased resilience to manage these demands.

In a related issue some Councillors reported that the length and quality of finance reports rendered it difficult for them to fully grasp the issues at hand and therefore be able to understand their options and decision-making. Therefore, whilst recognising the need for an appropriate level of facts and detail there is an opportunity to write finance and investment reports with the Councillor audience more in mind to enable better informed decision-making.

The peer team acknowledges some of the work done by officers around transparency of the financial performance of its asset portfolio, the delivery of treasury workshops for Members and also the work done in assisting Members to understand how the commercial function interrelates with the Council's finances using illustrative means.

The Council Corporate and Service Risk Registers are well linked, and it is recognised best practice that risk management and mitigation need regular review to ensure the Council remains focused on the most relevant risks and mitigation

strategies whilst continuing to manage newly emerging risks. Those in the organisation recognise that the Council needs to manage its future borrowing in the light of rising interest rates which could cause the cost of debt financing to rise for new borrowing or the need to refinance the maturing debt. The Council is also aware that HM Treasury is reviewing its consultation on a revised Minimum Revenue Provision (MRP) policy which may impact on the annual revenue cost of medium-term debt, which in turn may challenge the viability of future projects if the annual revenue provision for debt repayment increases the overall cost of a project or programme.

#### **4.5. Capacity for improvement**

The peer team believes that there is an opportunity to reset with the coming local Council elections in May 2023 when there is anticipated to be a cohort of new Councillors as some of the longer serving Councillors are deciding to step down. The peer team urges those leading the Council to maximise this opportunity to reset the tone and culture of the organisation and revisit its training and induction programme for new Members, correlating this work with previous comments around the need for the effective functioning of the committee system and Member Code of Conduct.

There is also an opportunity to reflect on how the Council's transformation programme, digital strategy, workplace accommodation and ITC equipment could better support the move to hybrid working and dovetail with the hybrid working policy. Many of the Council's staff commented on their perceived inability to fully participate in meetings due to the lack of access to a camera. At present the Council operates a mix of desktop (without cameras) and laptops (with cameras), whereas many councils with hybrid working policies have moved to a situation where all staff and Councillors have laptops, with docking stations and additional monitors at office workstations, so that wherever they are working, they can join meetings using their cameras. The peer team noted that some meeting rooms are equipped with cameras to facilitate participation in online meetings, but the peer team's own experience of this would suggest it would be helpful to review how well this works (including the quality and strength of the Wi-Fi signal). It is also important to ensure that the IT and

mobile accessibility of those in more placed based operational teams are equally considered.

A number of partners fed back that when the Council joined online meetings without cameras, it was considered a little 'rude' when everyone else had cameras on, and staff felt embarrassed by this. The peer team would encourage the Council to reflect on the need to be visibly present in online meetings as well as at in person meetings, and for the senior leadership team to take the lead on this in their approach to internal online meetings.

The peer team would also encourage the Council to reflect and act on the findings of the recent staff survey, which the peer team appreciates is the intention of the senior leadership team. The staff survey showed an improved response rate on previous years but illustrated that whilst staff are clearly invested in their jobs and confident in their abilities to do them well, they did not feel that the organisation was delivering fully on its obligations, which could be correlated to the evident workplace tension between officers and Members and the lack of political leadership. There is an opportunity to address this and to consider improving the recognition for the good work that frontline staff do to help improve morale across the organisation, especially given the political pressures within the Council and the impact of this on staff. It would be helpful to reflect on whether this recognition should come from Members.

## Housing

The peer team was very pleased to see the example of very good collaborative working between officers and Members at Spelthorne Borough Council in the development of the emerging Local Plan to progress it to submission stage. There is perhaps the opportunity for other areas of the Council to look at this example as well as best practice in other authorities in the light of the need to improve the Member and officer collaborative approach.

The knowledge drive and commitment of the teams to deliver affordable housing and supported housing has been demonstrated successfully through examples such as the West Wing and The White House (referenced earlier in this report). As a result of earlier work Spelthorne Borough Council has developed an ambitious pipeline of sites to deliver affordable housing at increased scale and pace. However, politicians



are going to need to accept the need for higher density in urban areas if they wish to continue to protect the green belt, as set out in the Local Plan that has been agreed and submitted. With this in mind Councillors need to understand the necessary and vital relationship between density and viability especially in the delivery of the appropriate level of affordable units within proposed schemes. It may be helpful, in drafting future short and clear decision reports, to focus on the potential wider social and environmental benefits for residents of the developments as well as presentation of a robust business case.

## 5. Next steps

The LGA recognises that the senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer challenge team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the Council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, **Mona Sehgal, Principal Adviser for Berkshire, East Sussex, & Surrey**, is the main contact between your authority and the Local Government Association. Mona is available to discuss any further support the Council requires on email: [mona.sehgal@local.gov.uk](mailto:mona.sehgal@local.gov.uk) or telephone 07795 291006.

***On behalf of the LGA Corporate Peer Challenge Team November 2022:***

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## **Spelthorne Borough Council**

### **Services Committees Forward Plan and Key Decisions**

This Forward Plan sets out the decisions which the Service Committees expect to take over the forthcoming months, and identifies those which are **Key Decisions**.

A **Key Decision** is a decision to be taken by the Service Committee, which is either likely to result in significant expenditure or savings or to have significant effects on those living or working in an area comprising two or more wards in the Borough.

Please direct any enquiries about this Plan to [CommitteeServices@spelthorne.gov.uk](mailto:CommitteeServices@spelthorne.gov.uk).

## Spelthorne Borough Council

### Service Committees Forward Plan and Key Decisions for 17 April 2023 to 30 June 2023

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Members' briefing pack 18 04 2023	Q3 Revenue Monitoring Report - Members' Briefing Pack	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Members' briefing pack 18 04 2023	Q3 Capital Monitoring Report - Members' Briefing Pack	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 17 04 2023  Council 20 04 2023	Counter Fraud, Bribery & Corruption Strategy	Non-Key Decision	Public	Farida Hussain, Group Head- Corporate Governance
Corporate Policy and Resources Committee 17 04 2023	Corporate Risk Management	Non-Key Decision	Public	Punita Talwar, Internal Audit Manager
Corporate Policy and Resources Committee 17 04 2023	LGA Corporate Peer Challenge Outline Action Plan	Non-Key Decision	Public	Daniel Mouawad, Chief Executive
Corporate Policy and Resources Committee 05 06 2023	Oast House Listed Building	Non-Key Decision	Part public/part private	Kamal Mehmood, Strategic Lead for Leisure and Community Development, Heather Morgan, Group Head - Place, Protection and Prosperity