



*Please reply to:*

Contact: Karen Wyeth  
Service: Committee Services  
Direct Line: 01784 446431  
E-mail: [k.wyeth@spelthorne.gov.uk](mailto:k.wyeth@spelthorne.gov.uk)  
Date: 01 September 2023

## Notice of meeting

### Corporate Policy and Resources Committee

**Date:** Monday, 11 September 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. Sexton (Chair)

C. Bateson (Vice-Chair)

M.M. Attewell

M. Beecher

J.R. Boughtflower

J. Button

J.T.F. Doran

S.M. Doran

D. Geraci

M. Gibson

K.M. Grant

K. Howkins

M. Lee

L. E. Nichols

O. Rybinski

K. Rutherford

H.R.D. Williams

Substitute Members: Councillors D. Clarke, N. Islam, M. Bing Dong, S.A. Dunn, A. Gale and M. Buck

*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**

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

# Agenda

Page nos.

**1. Apologies and Substitutes**

To receive apologies for absence and notification of substitutions.

**2. Disclosures of Interest**

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

**3. Minutes**

**5 - 12**

To confirm the minutes of the meeting held on 17 July 2023 as a correct record of proceedings.

**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. Revised Housing Delivery Policy 2023/24**

**13 - 28**

The Committee is asked to:

1. Confirm its support to suspend the Council's residential developments;
2. Support, in principle that Council explores new ways of delivering the affordable and private rental housing delivery strategy; and
3. Bring back revised strategies and policies to the October committee meeting and subsequent Council meeting on 16 October 2023.
4. Support, in principle to recommend to Council that this Authority explores new ways of delivering the Council's affordable housing development schemes, by moving away from direct delivery, apart from the Local Authority Housing Fund Acquisitions Scheme (single property) acquisitions to initially house Afghan families, funded with a higher level of government grant.

**6. Electric Vehicle Infrastructure Strategy**

**29 - 46**

The Committee are asked to approve and adopt the Electric Vehicle Infrastructure Study 2023-2030.

**7. Parking Services - Business Model** **47 - 72**

The Committee are asked to approve the following:

1. Approve Option 5, as detailed at 4.3 of the report and enable the Parking Services Operational Manager and the Group Head Neighbourhood Services to explore opportunities to partner with other authorities,
2. Authorise the Group Head Neighbourhood Services to continue managing the Parking Service with th current business; and
3. Authorise the Group Head Neighbourhood Services to chair a working group across interested authorities for shared services and represent the Council's interest in that group.

**8. Laleham Nursery improvements** **73 - 80**

The Committee is asked to agree that the funding allocated for replacement porta cabins used as office space by the Joint Enforcement Team (JET) is reallocated to be used to create new permanent office and meeting space within the existing nursery building and provide improved facilities for Surrey Choices.

**9. Verbal Update - External Audit**

To receive a verbal update from the Deputy Chief Executive on the External Audit.

**10. Corporate Risk Register (Corporate Risk Management)** **81 - 132**

To consider the significant strategic risks and issues highlighted in the report.

**11. Letter to Knowle Green Estates** **133 - 136**

The Committee is asked to:

1. Formally minute the Council's ongoing support for Knowle Green Estates, in accordance with the wording provided by the Company's External Auditors in Appendix A, and financial support.
2. Delegate authority to the Chief Executive to sign a letter on behalf of the Council advising the auditors of Knowle Green Estates that this has been agreed by the Committee and duly minuted.

- 12. Collaborative Working Group** **137 - 140**
- Committee are asked to agree a revision to the Terms of Reference for the Collaborative Working Group.
- 13. Forward Plan** **141 - 146**
- To consider the Forward Plan for committee business.
- 14. Urgent Actions** **147 - 148**
- To note the attached urgent action which had been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 17 July 2023.
- 15. Exclusion of Public & Press (Exempt Business)**
- To move the exclusion of the Press/Public for the following items, in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.
- 16. Corporate Policy and Resources Chair's Updates**
- To receive any updates from the Leader.

Document is Restricted

This page is intentionally left blank

**Minutes of the Corporate Policy and Resources Committee  
17 July 2023**

**Present:**

Councillor J.R. Sexton (Chair)  
Councillor C. Bateson (Vice-Chair)

Councillors:

M. Beecher	S.M. Doran	O. Rybinski
J.R. Boughtflower	K.M. Grant	K. Rutherford
J. Button	K. Howkins	H.R.D. Williams
J.T.F. Doran	L. E. Nichols	

**Substitutions:** Councillors S.A. Dunn

**76/23 Apologies and Substitutes**

Apologies were received from Councillors Attewell, Gibson and Lee.

Councillor Dunn was in attendance as substitute for Councillor Gibson.

The Committee were advised that Councillor Nichols would be attending the meeting late due to a prior commitment.

**77/23 Minutes**

The minutes of the meetings held on 26 and 29 June 2023 were agreed as a correct record of proceedings.

**78/23 Disclosures of Interest**

Councillor Nichols declared an interest in Item 12, Knowle Green Estates Ltd in that was the Council's representative on the Knowle Green Estates Board.

He advised that he would not be voting on this item.

Councillor Sexton declared that she was also a Surrey County Councillor.

**79/23 Questions from members of the Public**

There were none.

### **80/23 Establishment Review**

The Committee considered a report on the Corporate Establishment Review that was undertaken by South East Employers (SEE). Jennifer McNeil, Regional Director of SEE presented her findings to the Committee.

The Committee **resolved** to note the report.

### **81/23 LGA Corporate Peer Challenge Outline Action Plan**

The Committee considered the proposed Outline Action Plan that sought to address the 12 recommendations from the Local Government Association (LGA) following the completion of their Corporate Peer Challenge.

The Committee were advised that the LGA team would need to come back to the Council in September 2023 and complete their report by the end of November 2023.

The Committee **resolved** to:

1. Agree the proposed Outline Action Plan as outlined in the report to address the 12 recommendations from the Local Government Association; and
2. Agree to the subsequent development of a Detailed Action Plan.

### **82/23 Commercial Assets Sub-Committee**

#### **Councillor Nichols entered the Chamber at 20:16**

The Committee considered a report that sought approval for the creation of a new Commercial Assets Sub-Committee with associated Terms of Reference and the changes to the Terms of Reference for the existing Development Sub-Committee.

The Committee agreed in principle to the creation of a Commercial Assets Sub-Committee but wanted to look at its Terms of Reference again and alongside this look at the revisions needed to the Terms of Reference for the Development Sub-Committee. A focus group would be set up that would consist of members and officers to look at both Terms of Reference and report back to this Committee with their recommendations. If additional professional advice was needed, the Committee agreed to undertake a procurement exercise to employ an external consultant.

The Committee **resolved** to:



1. Create a Commercial Assets Sub-Committee
2. Delegate authority to the Development Sub-Committee to revisit the Terms of Reference for the Commercial Assets Sub-Committee and to revise its own Terms of Reference and to take any professional advice as required; and
3. Delegate authority to the Monitoring Officer to consider any constitutional changes that are required.

### **83/23 Treasury Management Outturn**

The Committee considered a Treasury Management Annual Outturn Report 2022/23.

The Committee **resolved** to note the report.

### **84/23 Forward Plan**

The Committee **resolved** to note the contents of the Forward Plan with the following addition:

'Review of Consultants Working within Spelthorne Borough Council'.

### **85/23 Urgent Actions**

There were none.

### **86/23 Exclusion of Public & Press (Exempt Business)**

It was proposed by Councillor Beecher and Seconded by Councillor Bateson 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 12 – Knowle Green Estates Ltd

Item 13 – Licensing Policy for Houses in Multiple Occupation

### **87/23 Knowle Green Estates Limited**

The Committee **resolved** to approve the recommendations as outlined in the exempt report in respect of Knowle Green Estates Limited.

**88/23 Housing In Multiple Occupation Licensing Fees**

The Committee considered a report that sought approval for mandatory licensing for houses in multiple occupation.

The Committee **resolved** to approve the recommendations as outlined in the exempt report in respect of the Mandatory Licensing of Houses in Multiple Occupation.

# Corporate Policy & Resources Committee



11 September 2023

<b>Title</b>	<i>Revised Direct Affordable &amp; Private Rental Housing Delivery Strategy</i>
<b>Purpose of the report</b>	To make a Key Decision
<b>Report Author</b>	<i>Coralie Holman, Group Head of Assets &amp; Paul Taylor Chief Accountant</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Community Affordable housing Environment Service delivery
<b>Recommendations</b>	<p><b>Local Government is facing significant financial challenges, demonstrated by an increasing number of authorities expressing concerns about their financial position. Consequently, Spelthorne has been proactively monitoring and continually assessing its financial options. Based upon recent considerations the Committee is asked to:</b></p> <ol style="list-style-type: none"> <li><b>1. Confirm its support to suspend the Council's residential developments,</b></li> <li><b>2. Support in principle that Council explores new ways of delivering the affordable &amp; private rental housing delivery strategy.</b></li> <li><b>3. Bring back revised strategies and policies to the October Committee meeting and subsequent Council meeting on 16 October.</b></li> </ol> <p><b>Support in principle recommending to Council that this authority explores new ways of delivering the Council's affordable housing development schemes, by moving away from direct delivery, apart from the Local Authority Housing Fund Acquisitions Scheme (single property) acquisitions to initially house Afghan families – funded with a higher level of government grant.</b></p>
<b>Reason for Recommendation</b>	<i>The current Public Works Loan Board interest rate of 5.42% (22 August 2023), with further rises predicted, make the current direct</i>

	<p><i>housing development plan financially unviable, and the Council, must reconsider its options going forward.</i></p> <p><i>This report seeks support from the Committee for officers to review the alternative options for the housing development schemes and bring forward revised plans for this Committee and Council to review, assess and approve.</i></p>
--	--

## **1. Summary of the report**

1.1 Due to the increasing risks associated with residential development from rising interest rates and the impacts of significant construction inflation, officers in discussion with Group Leaders have concluded that it is no longer preferable or appropriate for the Council to directly bear this risk and additional financial exposure from increased borrowing needs to deliver the Council's housing schemes.

1.2 Instead, it is recommended that alternative methods for delivery (including joint ventures, direct disposals, and conditional sales) are explored. There is one exception, being a small scheme, which can be financed from internal resources, reducing the borrowing requirement to a negligible amount.

1.3 It is proposed, subject to the Committee's support, that more detailed papers are taken to the next Development Subcommittee in September and Corporate Policy & Resources Committee in October setting out options, associated risks and recommended approaches for each site. This will include:

(a) An emerging mixed use place making strategy brought forward for Staines-upon-Thames town centre. The aspiration being to create a portfolio of assets to deliver key regeneration benefits that will include housing, retail, community, and other key uses that will strengthen the vitality, vibrance and longevity of our lead town centre.

(b) Suggested delivery routes for those sites not in Staines.

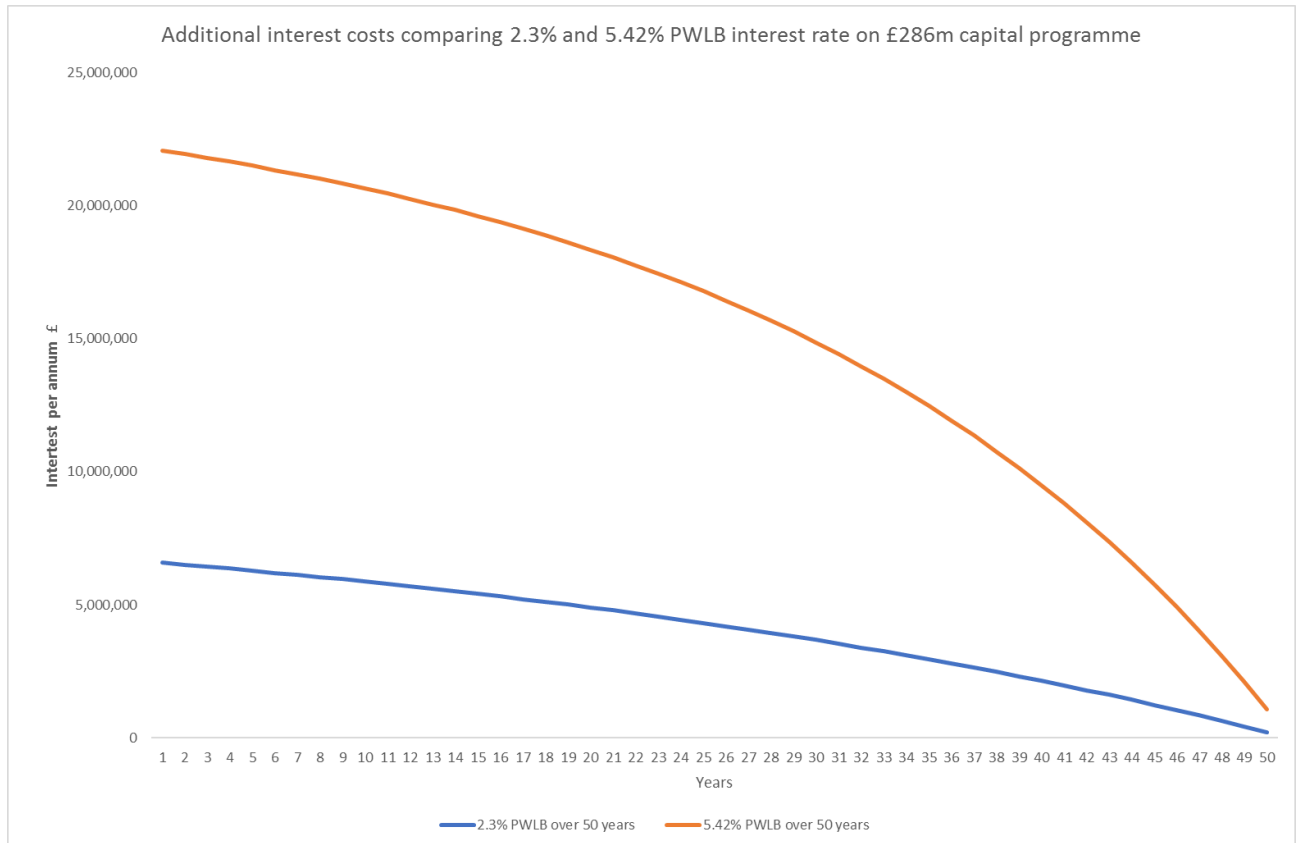
Each option will be fully evaluated, highlighting risks and the advantages and disadvantages of the delivery mechanism to assist the Committee with understanding and decision making.

1.4 This report recommends moving to suspending the direct delivery of the current housing developments, until alternative delivery methods are presented to this committee in October and suitable delivery mechanisms are agreed.

## **2. Key issues**

2.1 The Council, approximately five years ago, in response to the Housing Needs analysis, underpinning its Housing Strategy, identified the need for more affordable, keyworker and private rental accommodation to be provided for the Borough's residents, and decided to seek to directly make a difference through progressing its own residential schemes to address those needs, However, it has increasingly become clear that trying to undertake residential developments over the last 1.5 – 2 years has seen greater challenges around cost certainty due to very significant construction cost inflation, the increase of interest rates impacting financing costs, in addition to the normal risks of

planning uncertainty etc. The externalities we are dealing with now have significantly changed since the Council initiated its ambitious housing delivery programme in 2018 to address the needs of its residents by directly improving the supply of affordable rental housing in the Borough. The previously low fifty-year fixed term, averaging 2.3% PWLB interest rates which were available for us as a Council to access are now, 5.42% (as at 22<sup>nd</sup> August 2023), more than three times the rate at the end of calendar year 2022, rendering the remaining projects financially unviable.



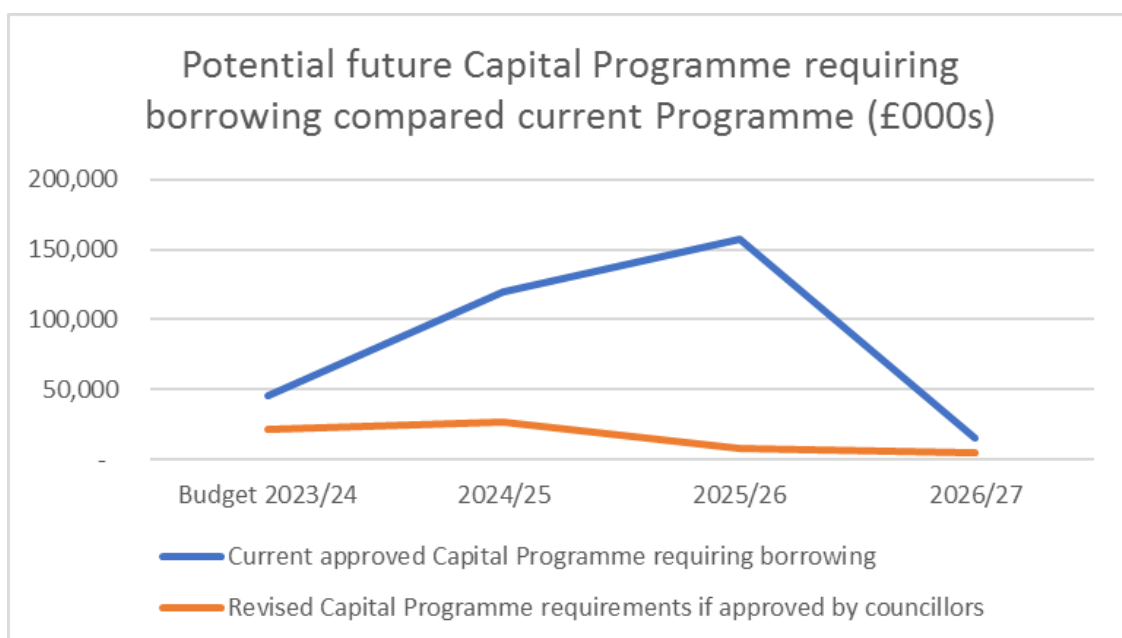
- 2.2 The additional interest charge between 2.3% and 5.42% amounts to £350.5m over 50 years, or the average of £7m per annum to the Council.
- 2.3 Since the beginning of 2022, interest rates have risen dramatically, and we have seen over the last two years cumulative construction inflation of approximately fifty percent. In that context, the Council has been considering options for evolving and changing its strategy for delivering its desired housing outcomes. Noting that improving the supply of affordable housing for our residents remains a corporate priority for the Council and Councillors will need to decide how the authority will now achieve this over the coming years..
- 2.4 Following the May 2023 election, where 22 (out of 39) new Councillors were elected, this Council has adopted new ways of working, an objective of which is to implement more collaborative approach, allowing more voices to be heard and putting our communities at the forefront of everything the Council does. This administration recognised the significant number of

economic factors that were changing producing greater challenges with direct delivery of new housing and greater risk and exposure for the council.

- 2.5 Due to the increasing risks associated with residential development, officers in discussion with Group Leaders have concluded that it no longer preferable or appropriate for the Council to directly bear this risk and additional financial exposure from increased borrowing needs to deliver housing schemes. Instead, we need to reduce our exposure to financing risks by working with the market and adopting alternative approaches to delivering our housing priorities.
- 2.6 The Council's Assets Service have been reviewing the Asset Management Strategy which details how the Council will manage its land and property portfolio, as well as setting out key priorities and focuses over the forthcoming 5-year period. This review has been undertaken for a number of reasons including, responding to market changes post COVID, the need to align with the emerging Asset Management Strategy and also the increased challenges and risks associated with property development. The review, together with internal and market specialist discussions has identified other options that would allow the Council to deliver its housing and wider regeneration objectives without the need to bear the direct construction risk. Officers are currently at the early stages of exploring the opportunities via an emerging mixed use place making strategy for further consideration by Councillors.
- 2.7 When determining the best approach, consideration will be given to the value, size, and location of the site. Possible methods for alternative delivery include joint ventures, direct disposals, and conditional sales. Except for one small scheme, which can be financed from internal resources rather than borrowing, all other development schemes will be suspended until alternative suitable delivery mechanisms are identified.
- 2.8 The purpose of this report is to highlight that it is proposed, subject to the Committee's support, that we take more detailed papers to our Corporate Policy & Resources Committee and Full Council in October setting out options and a recommended approach, that if approved will see:
- i) an emerging mixed use place making strategy and delivery options brought forward for Staines-upon-Thames town centre. The aspiration is to create a portfolio of assets to deliver key regeneration benefits that will include housing, retail, community infrastructure, and other key uses that will strengthen the vitality, vibrance and longevity of our lead town centre.
  - ii) Suggested delivery options for those sites not in Staines or that are not included in a portfolio for Staines place making purposes.
- 2.9 In advance of the October CPRC meeting, papers are going to Development Sub-Committee on 25<sup>th</sup> September, which sets out the key stages of developing this emerging strategy, incorporating detailed resident

consultation, prior to moving forward, and adopting the agreed strategy as formal Council policy.

2.10 This in turn means that the Council's Capital Strategy, Treasury Management and Capital Programme would not need to provide for directly delivering and financing the housing schemes currently in our residential delivery pipeline in the current approved Capital Programme. Subject to the Committee's and Council's support in October it is proposed that Spelthorne will initiate (with effect from October Full Council) an immediate reduction in this authority's borrowing requirements. In doing so, it is anticipated that over the next four years the Council can reduce its borrowing by around £286m (gross cost saving of £384m) compared to what was previously planned. The table below shows the potential impact of this change on our Capital Programme. The table shows net financing figures are allowing for grant funding. This indicates that over the next four years the Council's Capital Programme will fall to a total spend of approximately £57m, the bulk of which relates to the financing of our new leisure centre which is already under construction



2.11 Subject to approval by CPRC and Council, the portfolio of sites currently in the housing delivery pipeline will form a key part of the emerging mixed use place making strategy, ensuring the Council retains control where needed, so that our regeneration objectives (including housing) are achieved. The Council may seek to utilise partnership arrangements, whereby the partner secures the finance needed to facilitate delivery of the strategy, plus brings additional expertise to ensure successful delivery on a site by site or combined portfolio basis.

2.12 Initial assessments would suggest that this change of approach could potentially offer... many other advantages, as well as the financial benefits, for our residents and communities. Officers suggest that the regeneration of Tothill and other locations in Staines-upon-Thames, should be viewed as a

whole, rather than a piecemeal development to support the initial direct housing development projects.

- 2.13 The options will need further exploration with Councillors and stakeholders before a final decision can be reached on the preferred route of delivery on both a portfolio of sites and individual site basis. This process will take some time to work through as outlined in **Appendix 1**, which also sets out some of the key workstreams that will need to be progressed as part of finally determining what the correct strategy is for individual sites or a more comprehensive mixed-use place making strategy.
- 2.14 For clarity as outlined above, it is suggested that the Council will suspend any further development work and borrowing from the Public Works Loan Board or any other market providers to take new housing development/regeneration schemes forward (but will need to undertake some borrowing to complete the construction of our leisure centre and other small elements of the Capital Programme). In the interim and in line with best value requirements, we will consider all available options for the sites, to offset holding costs, whether this be alternative use or disposal.
- 2.15 Officers will also be reviewing options to tackle the deficit relating to the existing housing portfolio, currently managed by Knowle Green Estates Ltd (KGE). The Council and the Board will evaluate several options about the future of the Company, including its shape and size. Options could include transfer to a Registered Provider or reducing the portfolio and incorporating a reduced portfolio into the Council's Balance Sheet. There are a number of complexities and impacting factors that need to be considered as part of this decision, all of which will be fully outlined to our Members, prior to any decision being taken. Proposals will be worked up and brought back for consideration of councillors and KGE Board.
- 2.16 Over the last few months, the Bank of England Base Rate has continued to rise and following the latest inflation figures announced on 16 August, indicated that a further rise in the base rate was predicted. So rates have risen higher and look like they will remain higher for longer than the Council and commentators were anticipating when we were previously the viability of our affordable housing and private rental housing delivery strategy on the 2<sup>nd</sup> February 2023 Extraordinary Council Meeting.
- 2.17 At current interest rates, the financial viability of the remaining direct housing development projects are not sustainable for the Council to continue to seek to directly deliver and to finance from a combination of borrowing and Homes England grant, even with the Tothill mixed use development in Staines.
- 2.18 Therefore, it is recommended that the Committee supports in principle, subject to more details reports in October, to suspend the current Council residential development schemes in the Capital Programme, apart from the Local Authority Housing Fund Acquisitions (single property acquisitions to initially house Afghan families – funded with a higher level of grant than available for general Affordable Housing)

Suspending the schemes will allow officers to look for alternative solutions, which may include joint ventures and disposal of sites, to deliver much



needed affordable housing for the residents of the Borough, for Council to consider the revised options.

- 2.19 The remaining non-housing capital projects, i.e., the leisure centre, will continue, as approved by Council.
- 2.20 This review will also impact on Knowle Green Estates (KGE) and its future financial viability, therefore, the process to apply to become a Registered Provider has been put on hold, pending the review by officers and any decision made by Council, as to the long-term future of KGE.

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

- 3.1 **Option 1 (Preferred)** The Committee confirms its support for moving to suspending the developments, and for more detail papers with the relevant strategies and policies parameters changes to go to October CPRC and Council. This will give officers the opportunity to assess all the options available and present them to Council for consideration. The options will be worked up in consultation with councillors and residents and could include a move towards a place shaping strategy. It is proposed that papers come to October CPRC and Council setting out options for moving forwards.
- 3.2 Should the Committee decline to move towards a suspension of residential capital schemes, officers will still be required to review the appropriateness of continuing to capitalise other costs, i.e., architect's fees, because of the continued delays in building the Council's development properties and will be removing many of the costs from the balance sheet to the revenue budget, in accordance with the CIPFA Code on capitalising cost.
- 3.3 **Option 2: Continue with current strategy:** This is not recommended as the Council cannot afford to continue with these projects because of the current level of PWLB Fixed interest rate and therefore, must suspend the development of the various direct housing projects.
- 3.4 Further proposals will be presented to the Committee and the Council in October

### **4. Financial implications**

- 4.1 Following discussions with the Chartered Institute of Public Finance & Accountancy (CIPFA), Council can suspend the developments and retain the capitalised interest on the land and building acquired, on the basis that the Council intends to build affordable housing on these sites in the future. Whilst the future is not specified, it can exceed 10 years.
- 4.2 Officers will need to assess each development project and the 'other' costs incurred, to quantify the level of costs that can remain capitalised and in the balance sheet, and those that need to be written back to the Revenue Budget and consequently the General Fund. This is likely to be a substantial figure.
- 4.3 Alongside this review, officers will also need to assess the Council's Earmarked Reserves, to identify funds that can be used to mitigate the impact of these costs. A refreshed Reserves Strategy would be brought forward to October Committee and Council.
- 4.4 The proposals are likely to result in a significant reduction in the scale of the Council's Capital Programme moving forward and to reduce the amount of additional borrowing (with the exception of financing the leisure centre currently under construction) required in the future.

- 4.5 The reduction in the Council's Capital Programme will in turn mean a significant reduction in the amount of new borrowing the Council will need over the next four years and will enable the Council to consider reducing its Authorised Limit and Operational Limit, borrowing limits significantly.
- 4.6 The following Financial and Assets strategies and policies would be impacted and would require refreshing as a result of the proposed change of strategy direction:
- (a) Medium Term Financial Plan
  - (b) Impact on the 2023/24 Revenue Budget
  - (c) Impact on the 2024/25 Budget
  - (d) Reserves Strategy
  - (e) Capital Programme
  - (f) Treasury Management Strategy, including reducing future borrowing limits:  
Authorised Limits & Operational Boundary, and other Prudential Code Indicators
  - (g) Capital Strategy
- 4.7 It is proposed that the Assets Team bring forward an Emerging Mixed Use Place Making Strategy.
- 4.8 Whilst rising interest rates are making the delivery of new housing schemes much more challenging, it is worth noting that the rising interest rates do not impact on the Council's commercial investment assets, as the loan financing of those assets were all fixed, at an average of 2.3%, at the time of acquisition of those assets.
- 5. Risk considerations**
- 5.1 **Risk:** Higher interest rates result in reductions in the market value of some financial assets, which could present further risks if exposures are not prudently managed.
- 5.2 **Mitigation:** By suspending the direct housing development programme, this will provide an opportunity for officers to assess and evaluate all the options available and present robust options to Council for consideration.
- 5.3 Whilst the continued rises in PWLB fixed interest rates has been a significant factor in the recommendation to suspend the housing development projects, other substantial risks will emerge as the Council implements its review and submits detailed reports, starting at Development Subcommittee in late September, including but not limited to the following:
- 5.4 Disposing of sites without planning approval will not deliver a maximised capital receipt, as there is greater development risk for a purchaser.
- 5.5 The Council's acceptable development densities and site design preferences may not achieve financially viable schemes where developers are seeking to achieve usual profit levels of 18%+ on their investment into a site.
- 5.6 Different delivery mechanisms offer varying control verses risk options i.e., the greater control the council wishes to retain on any site from a landowner

perspective could result in increased development risk and sites being unattractive to potential purchasers.

- 5.7 Development delivery objectives may not fully align with planning objectives, therefore a considered and aligned approach needs to be agreed.
- 5.8 Conditional and joint venture delivery options typically result in longer timeframes to achieve financial receipts/other council objectives, where terms need to be negotiated with partners.
- 5.9 It may not be possible to mitigate non recoverable holding costs on specific sites and instead demolition and other options involving financial output maybe required in the short term to offset these non-recoverable costs.
  - (a) The failure by the Council to grant planning permission on the development sites, will significantly reduce the value of each site, when it comes to considering the Council's future options, i.e., to dispose of the site, or use the site values as part of a joint venture and this could generate significant realisable losses that will impact on the General Fund and lead to services being cut to residents.
  - (b) The high interest rates, will deter developments from being progressed with a joint venture, leaving the Council to service the annual interest charge on the loans taken out to purchase the development sites, which will place further pressure on the Council's General Fund, and this will have an impact on service.
  - (c) The construction industry is experiencing significant double-digit inflation on its material and labour costs, due to the cost-of-living crisis and a shortage of labour, which has been adding over 20% per annum to the total construction fees, for the last two years, i.e., the costs have increased by over 40%, which is putting severe pressure on the Council's finances. This has also significantly affected the financial viability of progressing development schemes.
  - (d) The lack of cohesive affordable housing strategy and affordable housing stock in the Borough, is putting severe pressure on the Council's homeless budget, and as the cost-of-living crisis progresses, the council expect to see more homeless cases materialise, with no housing stock to accommodate these families. This could consequently have an adverse impact on the health and wellbeing of families or individuals in the community.
  - (e) There could be an associated reputational risk to the Council as a result of the proposed change in strategy direction and approach. Communication and consultation with the public and stakeholders will be very important to promote understanding of why it has been necessary for the Council to change its approach to Housing delivery arising from continued risk exposure to wider externalities, ongoing uncertainty and significant financial challenges presented.
  - (f) Effective and timely delivery of some of the Council's corporate priorities, particularly relating to Housing delivery may be impacted further in planning for this revised approach.

- (g) The risks relating to each of the alternative options for financing that have been referred to in this report and the impact for the Council's finances as well as wider implications require early identification, continued analysis, assessment and evaluation . For example, joint venture arrangements are likely to present a number of risks as well as opportunities and it will be critical that this detailed analysis is undertaken in concluding on the optimal approaches and outcomes for Spelthorne.
- (h) There could be a risk that any changes in direction and options proposed do not support other relevant Council strategies which could result in fragmented approaches being proposed/adopted. Therefore consideration of how the preferred options dovetail with other critical strategies in a cohesive way will be important in effectively delivering the Councils corporate priorities and corporate plan.

## **6. Procurement considerations**

- 6.1 Any procurements required as a result of the approval of any recommended options will be carried out in accordance with the Council's Contract Standing Orders and with the Public Contracts Regulations 2015 where applicable to ensure compliance and achieve value for money.

## **7. Legal considerations**

- 7.1 The legal implications of options will be set out in the October papers to this Committee and Council.

## **8. Other considerations**

- 8.1 Over the last few months it is becoming clear that a number of other councils are increasingly struggling to finance and deliver their housing aspirations and are having to revisit their approaches, which will include encouraging the private sector to play their part in delivering the affordable housing needs of the Borough

## **9. Equality and Diversity**

- 9.1 Equality impact assessments will be worked up to assess impacts of the options put forward.

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

- 10.1 Climate change mitigations will be considered as part of the options analysis.

## **11. Timetable for implementation**

- 11.1 Based on the recommendation above,
  - (a) 25th September Development Sub-Committee Updated Development Strategy
  - (b) Early October – date to be confirmed – all Councillors Budget Briefing
  - (c) 16th October Corporate Policy and Resources Committee to receive options analysis and proposed amendments to financial strategies and policies, such as borrowing limits to recommend to Council.
  - (d) 19<sup>th</sup> October Council to consider CPRC recommendations.

## **12. Contact**

12.1 Coralie Holman - [C.Holman@spelthorne.gov.uk](mailto:C.Holman@spelthorne.gov.uk) & Paul Taylor - [p.taylor@spelthorne.gov.uk](mailto:p.taylor@spelthorne.gov.uk)

### **Background papers:**

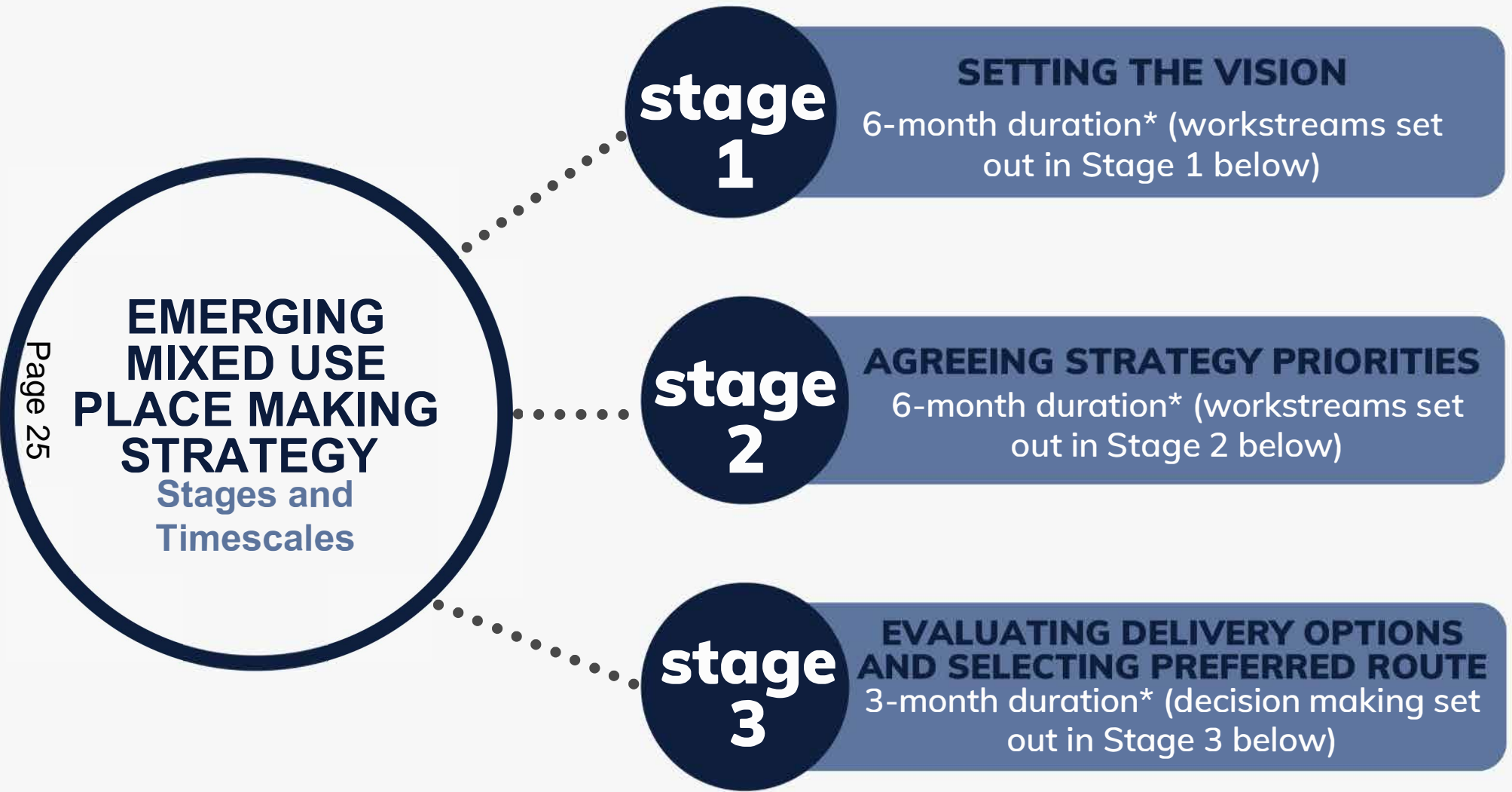
Extraordinary Council Meeting 2 February 2023

**Appendices: Appendix 1** - Emerging Mixed Use Place Making Strategy

This page is intentionally left blank

# Appendix 1: Emerging Mixed Use Place Making Strategy - stages and timescales

Page 25



\*Timescales are indicative and will be confirmed in the project plan timetable. More details and a working plan are available if required.

# SETTING THE VISION

Emerging Mixed Use  
place making  
strategy consultation

Public Consultation

Height and Densities

Environmental Strategy

Internal Stakeholder Consultation

Land Uses

Sustainability

Public Realm and Placemaking

Economic Vibrancy

Parking Highways Movement Strategy

Planning (Local Plan)

Social Infrastructure (NHS/Leisure/Arts)

Short, Medium, Long-term aspirations

Financial Viability

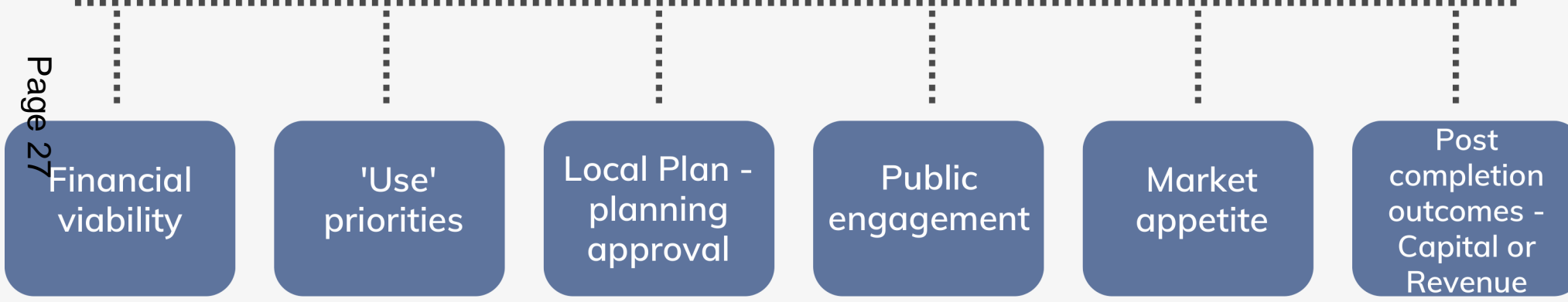


# Strategy Priorities

What aspects of the vision are deliverable

on\* (workstreams set stage 1 below)

Page 27



Decision on strategy

Council approval

Delivery mechanisms



Delivery mechanisms



Direct disposal

Conditional disposal

Direct development

Joint venture

Master developer

Securitisation

**START A REPORT CHECKLIST BEFORE WRITING YOUR REPORT****Corporate Policy and Resources Committee**11<sup>th</sup> of September 2023

<b>Title</b>	<i>Electric Vehicle Infrastructure Strategy 2023-2030</i>
<b>Purpose of the report</b>	To make a Key Decision
<b>Report Author</b>	<i>Tim Snook, Sustainability and Flood Risk Officer</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Recovery Environment Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b>  <b>Adopt the Electric Vehicle Infrastructure Strategy 2023 -2030</b>
<b>Reason for Recommendation</b>	<i>Following the creation of the electric vehicle rapid charging hub working group (26-06-23). It concluded that for further development of electric vehicle infrastructure, a formal strategy would be required to outline the best approach. This strategy has been created as an outcome of that cross service officer working group.</i>

**1. Summary of the report**

- 1.1 This report seeks to get a decision on whether to adopt Electric Vehicle Infrastructure Strategy 2023 -2030 (Appendix A).

**2. Key issues**

- 2.1 The committee agreed to the creation of an officer working group to 'determine in detail the feasibility of the concept to install ultra-rapid electric vehicle chargers on Spelthorne property.' (26-06-23). This working group includes the following officers:

- 2.2 Sustainability and Flood Risk Officer, Strategic Planning Manager, Programme Manager, Parking Services Operational Manager, Interim Head of Procurement, Procurement Officer, Group Head Neighbourhood Services, Chief Accountant, Senior Planning Officer, Facilities Manager and Asset Manager.
- 2.3 Resulting from the officer working group, it was decided that to progress the development of EV charging infrastructure further, an electric vehicle infrastructure strategy should be developed and adopted.
- 3. Options analysis and proposal**
- 3.1 Option 1: (Preferred Option): To adopt Electric Vehicle Infrastructure Strategy 2023 -2030 with suggested changes from members.
- 3.2 Option 2: To adopt the Electric Vehicle Infrastructure Strategy 2023 – 2030.
- 3.3 Option 3: To decline to adopt Electric Vehicle Infrastructure Strategy 2023-2030.
- 4. Financial implications**
- 4.1 The strategy will not incur costs in of itself. However, through implementing the strategy across the two phases, electric vehicle infrastructure development will initially incur capital costs. Although, this infrastructure is expected to earn a net income.
- 4.2 It is expected that each project developed under this strategy will create a net income, generating sustainable revenue for the council. This can be used to offset any further costs for electric vehicle infrastructure maintenance and development.
- 5. Risk considerations**
- 5.1 Without a coherent strategy, Spelthorne will not have identifiable objectives. The council would lack focus to achieve the climate change strategy (key action 22) and develop projects that enable us to meet our sustainability commitments. A lack of objectives would indicate that the council does not have a clear vision for the future.
- 6. Procurement considerations**
- 6.1 Although the strategy will not require procurement, any project initiated through enacting the strategy will require and undertake the full procurement process.
- 7. Legal considerations**
- 7.1 Legal has been consulted.
- 8. Other considerations**
- 8.1 N/A
- 9. Equality and Diversity**
- 9.1 The strategy proposes publicly available electric vehicle charging solutions for those without off-street parking. Additionally, residents and businesses will be able to transition to EVs without the fear of not being able to charge them, therefore not hindering their life or business.
- 10. Sustainability/Climate Change Implications**

10.1 The council declared a climate emergency in 2020 and adopted a climate change strategy in 2022. Within the climate change strategy, key action 22 specified that the council was committed to improving EV infrastructure, with a desired outcome to develop an EV charging strategy. Therefore, adopting an Electric Vehicle infrastructure strategy would progress this action.

10.2 Electric vehicles produce zero emissions from the point of use, developing infrastructure further through adopting the Electric Vehicle Infrastructure Strategy will lead to reduced reduce greenhouse gas emissions from transportation and improve the air quality.

#### **11. Timetable for implementation**

11.1 If adopted, phase 1 of the strategy will begin towards the end of 2023. This will include the development of the first rapid hub projects being considered by the electric vehicle rapid hub working group.

11.2 Phase 2 will begin from 2025.

#### **12. Contact**

12.1 Tim Snook, [t.snook@spelthorne.gov.uk](mailto:t.snook@spelthorne.gov.uk)

**Background papers: There are none.**

**Appendices:**

**Appendix A - Electric Vehicle Infrastructure Strategy 2023 -2030**

This page is intentionally left blank

# Electric Vehicle Infrastructure Strategy 2023-2030 Draft

## **Executive Summary**

The following strategy explores the implementation of electric vehicle charging infrastructure within Spelthorne. This has been developed in response to the climate change strategy (2022) which outlined a key action to further improve EV infrastructure throughout the borough and develop an EV infrastructure strategy. Additionally, residents and businesses will be able to transition to EVs without the fear of not being able to charge them, therefore not hindering their life or business.

Our strategic objectives are to:

- Reduce greenhouse gas emissions from transportation.
- Improve the air quality through reducing harmful pollutants attributed to internal combustion vehicles, nitrous oxide, and particulate matter.
- Adhere to SBCs climate change strategy and respond to the climate emergency.
- Generate a sustainable income stream to enable the council to meet its service needs and invest in green initiatives.
- Utilise Spelthorne's unique location in relation to key national transport infrastructure to provide charging facilities for use of the users of this infrastructure.
- Develop local EV infrastructure to support residents and businesses.
- Ensure sufficient power is available in the local grid for EV infrastructure development.

The target audience for this strategy is:

- Our residents, visitors, and businesses.

There are government targets at both national and local level that encourage the uptake of EVs as a means of climate change mitigation and to improve air quality in urban environments. This strategy builds upon these ambitions, outlining how Spelthorne Borough Council will facilitate electric vehicle charging infrastructure within Spelthorne.

## **Introduction**

The predominant vehicle type in Spelthorne is currently petrol and diesel cars and vans. However, the recent increasing popularity of electric vehicles (EVs) coupled with the upcoming ban of sale of new petrol and diesel cars and vans

by 2030 has meant that there is a strong case for furthering EV infrastructure within Spelthorne.

Emissions attributed to the use of petrol and diesel cars contribute to harmful pollutants that impact public health. Electric vehicles produce zero emissions from the point of use, and therefore carry significantly lower environmental impacts over their lifecycle than petrol and diesel alternatives.

Spelthorne Borough Council (SBC) declared a climate emergency in 2020. Additionally, the transport sector is the largest carbon emitting sector in the UK economy. Therefore, any action that can be taken towards mitigating climate change contributions within this sector should be considered and prepared for by governments at all levels, including SBC.

Surrey County Council and Mayor of London both have targets relating to EV infrastructure. This, in addition to the location of Spelthorne in relation to key transportation infrastructure around London and the number of London commuters, makes it an ideal place for EV charging infrastructure.

Specific to Spelthorne's location relative to London, the ULEZ expansion may further increase the ownership of "Plug-in-hybrid" and electric vehicles for commuters into London.

Spelthorne is uniquely located in that the M25, M3 and Heathrow are all either within, or border the borough. This transport infrastructure services millions of cars yearly. Therefore, Spelthorne can utilise this location to provide EV charging facilities to meet the needs of EV owners that are dependent on this infrastructure.

As vehicle manufactures ramp up production of EVs, there is increasing pressure from both government and manufacturers to further develop EV infrastructure. The UK government is indicating that this is to be led by local governments alongside private organisations. Therefore, this demonstrates the requirement for a comprehensive EV infrastructure strategy.

## **Policy Context**

### **National policy.**

The Government's aim for all new cars and vans to have zero emissions is set out in The UK's Road to Zero Strategy. Under this strategy, the end of the sale of new cars and vans that are not zero emission was set for 2040. However, this was updated in November 2020 with the publication of the Government's Electric Vehicle Infrastructure Strategy. This set out the vision and action plan for electric vehicle provision ahead of the new date of the ban on new petrol and diesel cars and vans forward to 2030. With the sale of new hybrid cars and vans set to be banned in 2035.

It is expected that this transition will be consumer led and will be supported by measures set out in this strategy.



Spelthorne is an air quality monitoring zone, so any action to improve air quality must be considered as a significant factor.

### Regional policy

Surrey County Council (SCC) declared a climate emergency in 2019 and set a target of meeting zero carbon emissions by 2050.

Surrey Climate Change Strategy outlines a joint framework for collaborative action across Surrey. This included 8 chapters, of which transport is listed as a key target aiming for a 60% reduction in emissions by 2035 against current “business as usual”.

The Surrey County Council Air Quality Strategy outlines the importance of reducing emissions across the county, incorporating all districts and boroughs to work in partnership to reduce emissions from transport.

The Surrey EV strategy was adopted in 2019 as part of the Surrey transport plan. The strategy details the requirement to, and methods of encouragement for, the transition to electric vehicles within Surrey, including local authority partners such as SBC in the provision EV charging infrastructure.

### Local policy

SBC declared a climate emergency in 2020 and adopted its Climate Change Strategy in 2022. Key action 22 of this strategy is intended to improve EV infrastructure throughout the borough and develop an EV infrastructure strategy.

## **Aims and Objectives**

The aim of this strategy is to:

Develop a borough wide methodology to enable the transition to electric vehicles as part of SBC’s commitment to addressing the climate emergency. Ensuring sustainable transport for residents and travellers in the future.

To achieve this, the SBC has set the following objectives:

### **As a local authority and employer:**

- Utilise EV infrastructure for staff uses and through electrification of the council operated fleet.

### **As a licencing authority:**

- To engage, inform and encourage Spelthorne taxi drivers to switch to electric vehicles.
- Working with SCC to identify areas to install on street EV chargers for taxi drivers, businesses, and residents.

**Acting in accordance with building regulations:**

- As of the 15th of June 2022, new homes and buildings in England are required to have EV charging points fitted.

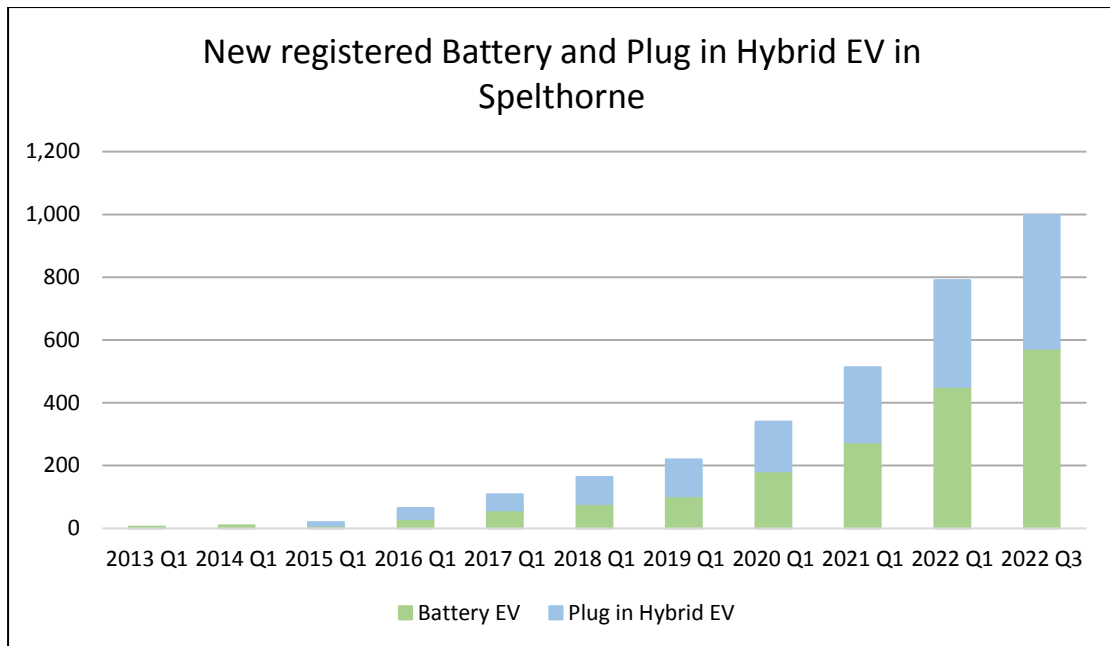
**Acting as a landowner, car park operator and landlord:**

- Encourage the uptake of EVs amongst Spelthorne residents, visitors and businesses through the provision of easily accessible, convenient public charging infrastructure across Spelthorne.
- Be able to stay up to date with developments in the technologies around EV infrastructure and make necessary updates where appropriate in a timely manner.

**Demand for Electric Vehicles and EV Charging**

The most significant demand factor for electric vehicle charging provision is the proposed ban of sale of new petrol and diesel cars and vans by 2030. Therefore, it is important that SBC is prepared for the increase in electric vehicles within the borough and ensures sufficient charging provision for all residents.

The chart below outlines the growth in battery electric vehicles (BEVs) and plug in hybrid electric vehicles (PHEVs) from Quarter 1 2014 to Quarter 3 2022.



Source: Department for Transport Statistics – Vehicle Licensing Statistics (Table VEH0132, 2022) <https://www.gov.uk/government/collections/vehicles-statistics>

January 2021, 12.5% of new registered cars sold were battery electric vehicles, by December 2022, that market share has risen to 39.4% battery electric vehicle and Plug in Hybrid Electric Vehicles.

The number of plug-ins on the road is rapidly increasing, with one in five new cars purchased in London being a plug-in electric or hybrid vehicle.

Nationally, in December 2022 alone there were over 50,000 new plug-in vehicle registrations, with 42,000 being pure electric, representing 40% of the market share.

The current charging infrastructure is already showing signs of strain, as news headlines from Christmas 2022 reported that many EV drivers waited for hours for access to charging points. This highlights the inadequacy of the current system during peak demand.

The prices for new electric vehicles are reducing as supply chains are becoming more effective on a global scale, which is contributing to the greater accessibility of electric vehicles and popularisation. Further to this, many car and van manufacturers are responding to government policy and consumer demand through offering both more fully electric models and supplying these models at higher volumes.

With the increasing uptake of BEVs and PHEVs, infrastructure must be established to ensure sufficient supply of chargers to current and future electric vehicle owners.

Below is a chart outlining the predicted number and market share of electric vehicles in Spelthorne by the year 2030 (NEVIS 2023):

Year data relates to				
2030				
region	BodyType	Fuel	Number of vehicles	% of parc
Spelthorne	Cars	Petrol	23,824	45.73%
Spelthorne	Cars	Battery electric	21,734	41.71%
Spelthorne	Cars	Diesel	4,360	8.37%
Spelthorne	Cars	Other EV	2,184	4.19%
<b>Total</b>			<b>52,102</b>	<b>100.00%</b>

Below is a chart detailing the predicted number of electric vehicle charge points required to meet the demands of a moderate uptake of electric vehicles by 2030. Broken down by charger speed (NEVIS 2023):

Year data relates to			
2030			
region	Vehicle type	EVI type	Number of sockets
Spelthorne	Cars	Standard	500
Spelthorne	Cars	Fast	38
Spelthorne	Cars	Rapid	23
Spelthorne	Cars	Ultra-Rapid	26
<b>Total</b>			<b>587</b>

### Electric Vehicle Chargers

There are four different types of electric vehicle chargers (demonstrated below). By taking this into account in implementing electric vehicle infrastructure specific use cases and demands can be met.

Below demonstrates the four main types of chargers:

- Slow**
  - Up to 3kW AC chargers
  - 3 pin home plug, used for overnight charging
- Fast**
  - Usually between 7kW and 22kW AC chargers
  - Installed in some properties and car parks
- Rapid**
  - 43kW to 150kW DC chargers
  - Installed in short stay car parks
- Ultra Rapid**
  - Any charger with DC rapid speeds of over 150kW

Table outlining the time to charge popular electric cars from 0% to 100% (AC Charging), and 20% – 100% (DC Charging):

Typical time to charge in hours 0% – 100%				
Charger Speed	Nissan Leaf (2019)	LEVC TX (Taxi)	Renault Zoe (Cheap citycar)	Tesla Model Y (2022 Best Seller)
3-pin plug	27 hrs	14 hrs	23 hrs	36 hrs
3.6kW	17 hrs	9 hrs	14 hrs	22 hrs
7kW	10 hrs	5 hrs	8 hrs	12 hrs
22kW	10 hrs	2 hrs	3 hrs	8 hrs
Typical Charge time in minutes 20% – 80%*				
50KW	50 min	30 min	50 min	60 min
150kW	30 min	N/A	N/A	20 min

**Types of Electric vehicles:**

Below is a list of electric vehicle types that utilise different technologies:

Require electric charging infrastructure:

- BEV** Battery electric vehicle.
- PHEV** Plug in hybrid electric vehicle.

Require hydrogen supply infrastructure:

**FCEV**      Hydrogen fuel cell electric vehicle.

### **Existing EV charging infrastructure within Spelthorne.**

Most existing EV chargers across the borough are owned and operated by private organisations, on private land.

As of 2023 SBC owns 6 publicly accessible charge points, which are located in Elmsleigh multistorey car park, Staines-upon-Thames.

### **Developing public charging infrastructure within SBC owned car parks, throughout Spelthorne:**

The development of EV charging infrastructure will be approached through provisioning the two charging concepts, residential charging and rapid hub charging. This will ensure that through all uses, electric charging provision will meet both residents and local business needs.

#### Residential/destination charging.

The residential, or destination charging concept consists of slower charge points, designed to charge cars over longer periods of time to reduce wear on the battery. They are best placed in locations where users complete their journeys. They also enable those who do not have access to charging at home to charge in local car parks/on street overnight.

#### Residential charging use case:

Catering for residents that do not have access to home charging for their vehicles, the slower 7kw charging enables overnight charging.

#### On street:

Surrey County Council have conducted pilot installations of their on-street charge point network. There have been 20 installed in the pilots within Spelthorne.

In March 2023, SCC signed a contract with Connected Kerb to supply up to £60 million worth of on street electric vehicle charge points. This commits SCC towards its 2030 target of 10,000 publicly accessible charge points by 2030.

#### Car parks:

Implementing slower 7kW charge points within car parks located in areas where residents are eligible for paid season tickets would enable these residents to charge their vehicles overnight and over longer periods of time.

Whilst these charge points are not designed for use cases where users are mid-journey and require rapid charging, they serve a purpose in enabling those who are not requiring a rapid charge option a slower charge.

#### Rapid hub charging:

The rapid hub charging concept consist of a few, ultra rapid charging points designed for use mid-journeys, and by users who want to charge their vehicles in the quickest possible times. the concept is functionally similar to a conventional petrol station. Rapid and Ultra-rapid charge points carry a premium cost as they are able to charge electric cars at much faster rates in comparison to other charge points.

While slower 7kW (fast) chargers are, although limited, becoming available throughout Spelthorne, the 50kW+ (rapid) and 150kW+ (ultra-rapid) chargers are few and far between, with only four currently operational in the area. Thus, taking advantage of this opportunity could lead to a significant advantage in meeting the growing demand. There is now availability for up to 350kW chargers to be installed as technology improves and speeds increase.

The shift towards sustainable electrified transport presents a unique opportunity for SBC to reframe its approach concerning car parks. The versatile nature of electric vehicle charging infrastructure allows for any car park to evolve into the "petrol station forecourt" of the future.

As the sale of petrol and diesel vehicles will be banned in 2030 and electric vehicles become more common, the Council can provide electricity in a similar manner to fuel providers in the past.

#### EV rapid charging use cases

Providing an EV rapid charging hub in Spelthorne would offer several benefits, including increased accessibility to rapid charging for residents and visitors who may have reservations about adopting new EV technology. This increased accessibility will help to accelerate the adoption of low and zero-emission vehicles throughout the region, and the Borough in particular.

The use of rapid hubs can be similar to petrol stations, meaning that charging can be accessible to those that are used to the petrol station format.

SMEs and taxi drivers are also facing the prospect of electrification within their industries. The presence of a local, easily accessible rapid charging hub would aid in their transition towards more sustainable transport practices.

Additionally, they can ensure that visitors to Spelthorne's town centres will be able to charge their vehicles, which can encourage economic sustainability within these centres.

### Location

Spelthorne is a uniquely advantageous location for rapid hub implementation. With the distribution of population centres, coupled with major transportation infrastructure (M3, M25 and Heathrow Airport). There is case that rapid hub concept will be greatly utilised.

### Scope for a mixed approach:

To cater for both potential primary use cases of electric vehicle charge points, a mixed speed of charge point approach will be appropriate in some settings, dependent upon user demands.

### **Proposed outline for charge point implementation:**

The implementation of SBC owned and operated charging infrastructure will be conducted in phases.

Both Surrey County Council and private EV infrastructure installers are extending the availability of 7kW destination chargers throughout the borough. As a result, phase 1 will address the requirement for rapid and ultrarapid charge points within Spelthorne that is not currently being met. Phase 2 will build upon the successes of phase 1, enabling the provision of slower destination chargers within SBC owned car parks.

#### Phase 1: 2023 – 2030

Phase 1 will focus SBC infrastructure on the provision of Rapid and Ultra-rapid charge points in strategic locations of high demand. Focusing on the appropriate car parks previously outlined in this document, as there is a shortage of these charge points within and around Spelthorne.

#### Phase 2: 2025 - 2030

Following the implementation of the much needed rapid and ultrarapid chargers, an extension of Spelthorne's residential/destination charging can be undertaken. Building upon the existing residential charging points. This phase will be undertaken in existing Spelthorne carparks, dependent upon the EV charging demands of their surrounding areas.



### Across both phases:

Throughout the proposed implementation timeline will be continued support of both Surrey County Council, and private companies in their development of 7kW destination charge points. Collaborating to ensure even distribution to meet the demands of the borough.

In addition, it is now planning requirement that all new developments with parking must provision electric charging.

### **Strengthening EV charging infrastructure across Spelthorne Borough Council's offices and investment developments:**

In addition to car park EV infrastructure, the Council will seek to increase EV infrastructure within council offices, the depot and leisure centres.

This will increase staff utilisation and enable more staff to consider switching to EVs. It will also enable access for customers of the leisure centres to EV charge points.

Further to this, the development of EV infrastructure within the Council depot will enable further electrification of the Council owned fleet of vehicles in the future.

Knowle Green Estates will provide their tenants with electric vehicle charging capability through installation of EV charge points. This will be dependent upon the relevant demands and user need at each asset.

### **Challenges and Solutions**

The ever accelerating and development of EV and transport technology remains a challenge that must be considered at a strategic level. Spelthorne will need short, medium and long term future-proof plans incorporating a flexible approach to EV charging across the borough in order to optimise commercial advantage and limit risk.

Additionally, SBC will need to consider new approaches, technologies and developments to private low carbon transportation that may have an impact on the Borough. SBC will amend the strategy and relevant policies to reflect these technologies when and if they arise.

Electrical capacity of the local network within Spelthorne will be a key consideration in the future development of EV infrastructure. The Council will work with energy providers and the district network operator (DNO), along with other key actors to develop the capacity required and ensure works undertaken meet the requirements of the DNO.

Generating income from charge points and not a cost, to the Council will depend on utilisation and uptake of EV charging infrastructure and wholesale electricity cost. Given the demands for EV infrastructure are growing exponentially this risk is minimised. Proactive marketing of charge points also reduces the risk of charge points becoming a cost to the Council.

Utilisation of charge points can also be affected by the pricing structure for the charge points. A fair, market driven pricing structure will prevent pricing from hindering the charging infrastructure's financial success. Additionally, concessions can be made in charging prices for residents and businesses within Spelthorne to incentivise the transition to electric vehicles. SBC will explore if this structure can be utilised to manage traffic challenges, and if so, how.

Infrastructure developed as part of phase 1 will require capital investment to see the generation of income. These costs will include the potential for substations from the DNO and the electric charging points themselves. As consumers adopt EVs and utilisation of charge points increases, the returns on this investment will increase.

Flooding is a challenge that must be considered within Spelthorne. Any future development of EV infrastructure within the borough must consider mitigating factors to flooding in place.

Anti-social behaviour and vandalism can negatively impact EV charge point infrastructure. To prevent this, enforcement in addition to lighting and cameras can be implemented in each development. This must be considered during implementation and maintenance of the charge points.

Ensuring that all electric charge point users can use all EV charge point infrastructure is paramount. Any development should include measures to enable accessibility for people of all abilities.

### **Technological Risks:**

There remains the risk of emerging technologies within personal transport that may make conventional EV charging obsolete. Technologies such as better battery solutions, hydrogen or other unforeseen developments. This would have an adverse effect on any existing or future EV charging infrastructure planned and outlined within this strategy. Therefore, an element of focus must be kept on the technological progress of emerging technologies to ensure we are adaptable.

### **Targets and measurements plan of delivery**

Below is a table outlining the key aims and metrics that enable the delivery of electric vehicle charge points and the overall visions of the EV strategy.

Methodology for measurement will encompass annual data collection from online sources (ZapMap) coupled with internal SBC data. This data collection will be presented through annual update reports published under this strategy.

<b>Aims</b>	<b>Target</b>	<b>Baseline</b>	<b>Metric</b>
Income generation from SBC owned charge points.	To increase the income generated by SBC owned charge points	£952 in total (generated from 6 chargers in the period 2020 – 2023)	Amount of income generated for the Council
Making EV charge points accessible for residents.	Increase the number of SBC owned charge points, enabling charging for residents, and generating income.	6 publicly accessible SBC charge points	Number of publicly accessible SBC charge points.
Make charging infrastructure more accessible	400 publicly accessible charge points	54 publicly accessible charge points	Number of publicly accessible charge points
To reduce the number of petrol- and diesel-powered vehicles in Spelthorne	A reduction in petrol and diesel vehicles by 20,000 by 2030.	50,000 petrol and diesel vehicles as of 2023.	Reduction in number of petrol- and diesel-powered vehicles.

<b>Annual deliverables</b>	
<b>Indicator</b>	<b>Measurement</b>
Number of SBC owned charge points installed	Council Data
Number of overall publicly accessible charge points installed within the borough (Private + Surrey County Council)	Data provided by ZapMap*

\*a private company that records and presents all publicly accessible charge points

### **Continuous review**

As transport is an ever-changing industry, this document must be continually reviewed and updated with the most up to date information to ensure that the strategy remains fit for purpose. This strategy is to be formally revisited on an annual basis.

This page is intentionally left blank

## Corporate Policy & Resources Committee

Monday 11 September 2023

<b>Title</b>	<i>Parking Services – Business Models</i>
<b>Purpose of the report</b>	To make a Key Decision
<b>Report Author</b>	<i>Bruno Barbosa, Parking Services Manager Jackie Taylor, Group Head Neighbourhood Services</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	<i>N/a</i>
<b>Corporate Priority</b>	Community Recovery Environment Service delivery
<b>Recommendations</b>	<p><b>Committee is asked to:</b></p> <ul style="list-style-type: none"> <li>• Approve <b>Option 5</b>, as detailed at <b>4.3</b> of this report, and enable the Parking Services Operational Manager and the Group Head Neighbourhood Services to explore opportunities to partner with other authorities.</li> <li>• Authorise the Group Head Neighbourhood Services to continue managing the parking service with the current business model.</li> <li>• Authorise the Group Head Neighbourhood Services to chair a working group across interested authorities for shared services and represent the Council interests in that group.</li> </ul>
<b>Reason for Recommendation</b>	<i>The agency agreement with Surrey County Council for management of on street parking ended in March 2023. This has created the opportunity to explore options to maximise efficiency and provide best value for money within Parking Services.</i>

## **1. Summary of the report**

- 1.1 The Parking Services structure and service delivery fundamentally reduced due a unilateral decision by SCC to outsource On Street Civil Enforcement. With a reduced scope, and full focus on our own car parks, there is an opportunity to consider all available business models for the longer-term provision of Parking Services. This project is aimed initially at exploring one of the key options (**Option 5**) which will enable officers to provide Councillors with important information such as working arrangements and financial information enabling the Committee to make fully informed decisions.
- 1.2 The report is asking Committee to give authority to the Group Head Neighbourhood Services to proceed with exploring all aspects of the preferred **Option 5**.

## **2. Key issues**

- 2.1 The service scope was significantly reduced due to the outsourcing of On Street enforcement by Surrey County Council.
- 2.2 Within the current parking service there are several contracts with third party providers, most of which are expired or renewed yearly, and for some the equipment is reaching end of life.
- 2.3 There is an expected significant reduction in available public car park spaces in Staines-upon-Thames due to upcoming developments, and these will impact footfall and income streams associated with those spaces.
- 2.4 The service is currently using several end-of-life pieces of software and equipment, which are associated with approved growth bids for permanent replacement, but are on hold, pending a decision regarding this project. Approved Growth bids are for a new car park management system for Elmsleigh Surface+MSCP (£250k) and a new PCN case management system (£50k).

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

- 3.1 There are 6 main possible business models that have been explored by the Parking Services Operational Manager:
  1. Outsource civil enforcement to a private operator.
  2. Lease out car parks on a case-by-case basis to private operators, whilst continuing to carry out civil enforcement on the remaining car parks.
  3. Relinquish all acquired Road Traffic Act 1984 powers and lease/rent out all car parks to a private operator.
  4. Continue the current business model.
  5. Enhance the current model to partner with other authorities.
  6. Create a Local Authority Trading Company as a private civil enforcement operator to perform the services towards SBC as a contractor and become able to carry out the same services for other authorities.

3.2 The following is a table that illustrates the main disadvantages/risks, advantages/opportunities as well as the main drivers for each option (please note that financial implications are contained within Section 4):

	<b>Disadvantages/risks</b>	<b>Advantages/opportunities</b>	<b>Main driver for the provider</b>
<p><b>Option 1</b></p> <p><b>Outsource civil enforcement</b></p>	<p>There is limited budget for this type of contract, since it would be the current staffing and civil enforcement software costs, which amount to around £375k (including oncosts and administrative costs).</p> <p>The priorities of the contractor will be deployment and enforcement, which is budgeted for income as £67k. Car park income would not be a priority for the contractor.</p> <p>By virtue of being the same business model chosen by Surrey County Council for their On Street civil enforcement, this business model carries additional reputational risk by association to the current poor performance and quality of the services provided by the SCC business model.</p> <p>The current performance from this business model elsewhere in Surrey also demonstrates that it carries a risk of degradation of quality of service to residents.</p>	<p>Service level assurances for deployment and enforcement would become a contractual obligation and thus a straightforward contract management function as opposed to a workforce management function.</p> <p>We would be less exposed to staffing shortfall issues since deployment and contractual functions would be a contractual assurance.</p>	<p>The private civil enforcement provider will mainly be driven by deployment of officers and PCN issuance as part of their contractual terms.</p>

	<b>Disadvantages/risks</b>	<b>Advantages/opportunities</b>	<b>Main driver for the provider</b>
<p><b>Option 2</b></p> <p><b>Lease/rent out some car parks</b></p>	<p>There is not much in terms of examples of this model being used elsewhere, and there is some guidance from the Secretary of State discouraging authorities from ceasing civil enforcement and reverting to contract law for parking management.</p> <p>Parking operators under contract law are heavily focused in PCN issuance and rely on PCN income to balance their business model costs.</p> <p>There is likely to be legal challenge against this type of model, or even an unfavourable internal legal opinion on the legality of this approach.</p> <p>The priorities of the operator may not align with those of the car park owner, leading to potential loss of footfall into the car parks and the associated recreation ground or town centre.</p> <p>The focus from private contractors on the issuance of notices can carry reputational risk to Spelthorne Borough Council by association.</p> <p>Leasing of car parks restricts our control in the implementation of EV resources and structures as part of a Council strategy since the operator would likely want to retain control of the management of the space.</p>	<p>This could eliminate current deficits from specific car parks by means of reducing the costs to manage them, since contract law is normally performed at nil cost to the owner of the car park by the supplier.</p> <p>This option creates a flexible approach to the management of car parks, allowing to streamline the management of car parks that run at a deficit and keeping full operational and strategic control for car parks where the operation is solid and creates a dependable surplus.</p>	<p>The private contractor will be driven solely by issuance of Notices as sole means of income. The current in-house team will be driven by quality of service, strategic alignment of the car parks as an asset with the surrounding facilities, adherence to the budgetary expectations and maximisation of use of spaces in the car parks.</p>



	Disadvantages/risks	Advantages/opportunities	Main driver for the provider
<p><b>Option 3</b>  <b>Rescind ROAD TRAFFIC ACT 1984 powers and lease/rent out all car parks</b></p>	<p>There is not much in terms of examples of this model being used elsewhere, and there is some guidance from the Secretary of State discouraging authorities from ceasing civil enforcement and reverting to contract law for parking management.</p> <p>Parking operators under contract law are heavily focused in PCN issuance and rely on PCN income to balance their business model costs.</p> <p>There is likely to be legal challenge against this type of model, or even an unfavourable internal legal opinion on the legality of this approach.</p> <p>The priorities of the operator may not align with those of the car park owner, leading to potential loss of footfall and income into the car parks and the associated recreation ground or town centre.</p> <p>Leasing of car parks restricts our control in the implementation of EV resources and structures as part of a Council strategy since the operator would likely want to retain control of the management of the space.</p>	<p>This could eliminate current deficits from specific car parks by means of reducing the costs to manage them, since contract law is normally performed at nil cost to the owner of the car park by the supplier.</p>	<p>The private contractor will be driven solely by issuance of Notices as sole means of income.</p>

	Disadvantages/risks	Advantages/opportunities	Main driver for the provider
<p><b>Option 4</b></p> <p><b>Continue current business model</b></p>	<p>Continuing with the same model can be perceived as non-progressive or challenging.</p> <p>An in-house model involves a greater staffing cost than the ones born by private operators, as well as traditionally being less flexible when there are operational challenges.</p> <p>A civil enforcement model requires the enactment of statutory powers and strict adherence to a Parking Order, which can't be revised quickly and does not provide reasonable flexibility to a service to adapt to changing circumstances as quickly as a private operator under contract law can.</p> <p>This business model does not enable carrying out private car park services for private companies.</p>	<p>There would be no inherent additional cost for continuing the model, and resourcing could be fully dedicated to streamlining and improving the model, which would otherwise be needed to research and implement alternative models.</p> <p>This business model is differentiated and in high demand, with multiple authorities in the process of bringing back in house civil enforcement after poor performance and quality from a private operator. An in-house business model ensures full strategic alignment and a focus on quality of service that cannot be matched by private operators due to conflicts of interest.</p>	<p>The current in-house team would be driven by quality of service, strategic alignment of the car parks as an asset with the surrounding facilities, adherence to the budgetary expectations and maximisation of use of spaces in the car parks.</p>

	Disadvantages/risks	Advantages/opportunities	Main driver for the provider
<p><b>Option 5</b></p> <p><b>Enhance the current model to partner with other authorities</b></p>	<p>An in-house model involves a greater staffing cost than the ones born by private operators, as well as traditionally being less flexible when there are operational challenges.</p> <p>Sharing resources and functions with other authorities is an unknown, and the efficiencies may not be quantifiable.</p> <p>A civil enforcement model requires the enactment of statutory powers and strict adherence to a Parking Order, which can't be revised quickly and does not provide reasonable flexibility to a service to adapt to changing circumstances as quickly as a private operator under contract law can.</p> <p>This business model does not enable carrying out private car park services for private companies.</p>	<p>There would be no inherent additional cost for continuing the model, and resourcing could be fully dedicated to streamlining and improving the model, which would otherwise be needed to research and implement alternative models.</p> <p>This business model is differentiated and in high demand, with multiple authorities in the process of bringing back in house civil enforcement after poor performance and quality from a private operator. An in-house business model ensures full strategic alignment and a focus on quality of service that cannot be matched by private operators due to conflicts of interest.</p> <p>Partnerships, if successful, have a very positive impact in the perception of Boroughs and Districts delivering value for money in their services, as well as contributing to a sense of local relevance and identity.</p>	<p>The current in-house team will be driven by quality of service, strategic alignment of the car parks as an asset with the surrounding facilities, adherence to the budgetary expectations and maximisation of use of spaces in the car parks.</p> <p>Partnerships will have individual drivers per partner, mostly focused on the local ambition and priorities of each partner.</p>

	<b>Disadvantages/risks</b>	<b>Advantages/opportunities</b>	<b>Main driver for the provider</b>
<b>Option 6</b>  <b>Outsource civil enforcement to a Local Authority Trading Company</b>	<p>This is completely unproven ground, so it would be a journey for SBC that would require plenty of legal and statutory advice.</p> <p>There may not be the ability to directly award a service to a Local Authority Trading Company created by an authority, leading to a possible tender that could end up with an award to a third party and ultimately make the creation of the Local Authority Trading Company redundant.</p> <p>Other Surrey Boroughs and Districts already carry this out without a Local Authority Trading Company for neighbouring Boroughs and Districts, and they have a much more mature and experienced model that would be a direct competitor to this Local Authority Trading Company.</p>	<p>This would enable greater flexibility and room for growth if there is a local market for this delivery.</p> <p>The Local Authority Trading Company would absorb risks, and there would be complete assurance of alignment of strategic aims and priorities between SBC and the Local Authority Trading Company.</p>	<p>An LATC would be driven by quality of service, strategic alignment of the car parks as an asset with the surrounding facilities, adherence to the budgetary expectations and maximisation of use of spaces in the car parks. They would also be driven by their budgetary health if the income generated is insufficient to cover the investment for its creation and sustainability.</p>

3.3 A further detailed overview of each Option is available within the Project Initiation document attached.

#### 4. Financial implications

- 4.1 Some options do not currently have a quantifiable impact on income/costs, but as a baseline, the following are the current actual costs/income values in question:
1. Revenue - £1.165m (as per the budget for 2023/24)
  2. Staffing - £317k (as projected, based on current filled posts and at the highest scale point of each grade on 2022/23 actuals incurred)
  3. Contracts and materials - £83k (based on costs incurred in 22/23)
  4. Business Rates - £516k (as set on the budget for 2023/24)
- 4.2 For a context on current financial performance for the current business model, we have performed 10% above the budgetary income expectation in the first 3 months of 23/24, on average, and projected to achieve £1.309m by the end of 23/24.
- 4.3 There are some significant financial considerations for each option, as follows:
1. **Option 1** has limited budget availability for implementation, amounting to the current budgets for staffing, contracts and materials, which totals around £400k. Compliance levels under this business model would be intangible to estimate reliably at this stage, but the low compliance levels currently observed On Street could reliably inform an expectation of significant reduction of compliance, which could equate to a significant reduction in car park income from car park fees.
  2. **Option 2** could potentially introduce savings on Business Rates for some car parks, assuming that they would be payable by the company assuming the lease/rent, or the fact that there would not be a payable tariff would make significantly less Business Rates payable. There would however be a deficit in the income budget for those same car parks, since it's unlikely that a private contractor would achieve income from the operation of those car parks, unless agreed as a lease/rent fee. Most car parks with a budget deficit are within Recreation Grounds with a nil charge first hour, and this first hour free represents a loss of annual income of approximately £35k across up to 10 car parks.
  3. **Option 3** carries significant risk on the income budget since it's unlikely that a private operator would be able to generate or achieve the same levels of income as the current business model (partly due to lower footfall, and lower compliance).
  4. **Option 4** has no foreseeable immediate impacts on current approved budgets. The existing approved growth bid projects which are on hold could generate efficiencies and/or increase income as well as enabling different customer interactions that can also generate further efficiencies and/or additional income and represents the best interests of our residents and visitors by ensuring a high quality and reliable service.
  5. **Option 5 (preferred)** has no foreseeable immediate impacts on current approved budgets, but the approved growth bid projects could generate efficiencies and/or increase income as well as enabling different customer interactions that can also generate further efficiencies and/or additional income. The added focus on working collaboratively with other authorities

has the potential to deliver further savings and resilience on staffing if authorities decide to co-fund posts existing posts (these savings will not be realised if instead the collaborative decision is to co-fund further staffing). This preferred option also fits with the recommendation from the Peer Review for exploring collaborative working with other Boroughs and Districts and represents the best interests of our residents and visitors by ensuring a high quality and reliable service.

6. **Option 6** would have no implications on current budgets, but the LATC could incur significant costs in the TUPE process (assuming the LATC can be awarded the contract directly).

## 5. Risk considerations

5.1 Several options have significant risks due to not being models that we can find examples of in the market. The risks are as follows:

1. **Option 1** – An outsourced civil enforcement model carries the risk of contractual priorities for the contractor not having a positive impact on the income budget achievement, as well as reputational risk of association with the business model and partner chosen by Surrey County Council for their On Street civil enforcement model.
2. **Option 2** – Private companies that operate car park management through contract law normally rely solely on income from the issuance of penalties, hence there is great uncertainty over income streams for the owner of the car parks. Their particular focus on issuance of Notices could also carry reputational risk to the owner of the car parks.
3. **Option 3** – Relinquishing Road Traffic Act 1984 powers is not something that we can look at a positive example for elsewhere in the UK. Notably it's a cumbersome process to regain those powers, and there is no known evidence of a local authority exclusively operating public car parks using contract law through a parking operator.
4. **Option 6** – There are no Local Authority Trading Companies specialising on Civil Enforcement that we can compare and analyse performance with, and there is a very limited market that the company would be operating under. It's very likely that the company would operate at a loss in the short term.

5.2 For the Options based on the current service model, all risks form part of the current Corporate Risk register, but below are some notable risks for comparison with the other options:

1. **Options 4 and 5** – The civil enforcement model is dependent on national legislation, and is often a major campaign focus from government policy, so legislation changes can be frequent and have a major impact on how civil enforcement is carried out (e.g. the Deregulation Act 2015 effectively banned the use of CCTV for civil enforcement and introduced a free period of 10 minutes of parking without payment) whilst the authority has little to no influence on how that legislation is shaped. Being a statutory function, when there is major social events such as Covid-19 it can often be more challenging for services to recover income levels, compared to private operators under contract law.

2. **Option 5** – If there are delays to this decision and the timeline detailed in Section 11, there is a risk that opportunities will be missed, by virtue of other Boroughs and Districts already working towards partnerships and achieving agreements before we can participate or be involved in that process.

## **6. Procurement considerations**

- 6.1 There are multiple considerations in terms of procurement for each option and the Contracts and Procurement team have been consulted on this project.

## **7. Legal considerations**

- 7.1 There are multiple considerations in terms of law for each option, and the Legal team have been consulted on this project.

## **8. Other considerations**

- 8.1 If committee agrees with officers to commence discussions with other local authorities (**Option 5**) a report will come back to CPRC in February 2024 with the findings of the working group.

## **9. Equality and Diversity**

- 9.1 Equality and Diversity considerations as per the attached assessment.

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

- 10.1 There are several aspects of parking management that can influence sustainable behaviours with regards to transport, and depending on the business model chosen there is a varying degree of strategic control and oversight that Spelthorne Borough Council can retain or enact.

## 11. Timetable for implementation

Milestone/Key activities	Estimated start date	Estimate end date
Present report to MAT (high level)	18/07/2023	18/07/2023
Present report to MAT (final)	25/07/2023	25/07/2023
Present report to CPRC	11/09/2023	11/09/2023
Create the working group and invite all interested Borough and District partners	12/09/2023	30/11/2023
Analyze and present the workable options for Committee approval (MAT)	31/01/2024	31/01/2024
Analyze and present the workable options for Committee approval (CPRC)	19/02/2024	19/02/2024
Analyze and present the workable options for Committee approval (CPRC)	22/02/2024	22/02/2024
If a way forward is agreed, proceed with the implementation of the relevant agreement with the Borough and District partners	23/02/2024	31/03/2024



## **12. Contact**

12.1 Bruno Barbosa – Parking Services Operational Manager –  
[b.barbosa@spelthorne.gov.uk](mailto:b.barbosa@spelthorne.gov.uk)

Jackie Taylor – Group Head Neighbourhood Services  
[j.taylor@spelthorne.gov.uk](mailto:j.taylor@spelthorne.gov.uk)

**Background papers: There are none.**

### **Appendices:**

**Project Initiation - Parking Services Business Models**

**Equality and Diversity Impact Assessment - Parking Services - Business Models**

This page is intentionally left blank

# **PROJECT INITIATION DOCUMENT**

(This document contains the Project Brief, Business Case and other aspects of Project Initiation Document)

**Project Title: Parking Services – Business Models**

**PROJECT BRIEF**

**BUSINESS CASE**

**PROJECT INITIATION**

**APPROVAL AND SIGN OFF**

This page is intentionally left blank

## Equality Analysis

<b>Directorate:</b> Neighbourhood Services <b>Service Area:</b> Parking Services	<b>Lead Officer:</b> Bruno Barbosa <b>Date completed:</b> 12/07/2023
<b>Service / Function / Policy / Procedure to be assessed:</b> Parking Services	
<b>Is this:</b> New / Proposed <input checked="" type="checkbox"/> Existing/Review <input type="checkbox"/> Changing <input type="checkbox"/>	<b>Review date:</b>

**Part A – Initial Equality Analysis to determine if a full Equality Analysis is required.**

**What are the aims and objectives/purpose of this service, function, policy or procedure?**

The aim of this service is to manage public car parks owned by Spelthorne Borough Council that are defined under the Parking Order.

**Please indicate its relevance to any of the equality duties (below) by selecting Yes or No?**

	Yes	No
Eliminating unlawful discrimination, victimisation and harassment		X
Advancing equality of opportunity	X	
Fostering good community relations		X

**If not relevant to any of the three equality duties and this is agreed by your Head of Service**, the Equality Analysis is now complete - please send a copy to **NAMED OFFICER**. **If relevant**, a Full Equality Analysis will need to be undertaken (PART B below).

## PART B: Full Equality Analysis

### Step 1 – Identifying outcomes and delivery mechanisms (in relation to what you are assessing)

<b>What outcomes are sought and for whom?</b>	The outcome sought is for parking spaces to be available to the general public and accessible, whilst being financially sustainable.
<b>Are there any associated policies, functions, services or procedures?</b>	The service is statutory. It must follow multiple legal standards.
<b>If partners (including external partners) are involved in delivering the service, who are they?</b>	None

### Step 2 – What does the information you have collected, or that you have available, tell you?

**What evidence/data already exists about the service and its users?** (in terms of its impact on the ‘equality strands’, i.e. race, disability, gender, gender identity, age, religion or belief, sexual orientation, maternity/pregnancy, marriage/civil partnership and other socially excluded communities or groups) and **what does the data tell you?** e.g. are there any significant gaps?

#### General Spelthorne context

As of the 2021 census, Spelthorne has a population of 103,000 and is the 14<sup>th</sup> most densely populated of the South East’s 64 local authority areas with 2,295 of residents per square kilometre.

According to the Indices of Deprivation 2019, the most deprived borough in Surrey is Spelthorne. Spelthorne has the highest number of lone parent families and the highest level of child poverty in Surrey; it also has the highest under-18 conception rate in the county. That said, residents are largely healthy, with life expectancy for both males and females slightly above the national average.

Spelthorne has a relatively low rate of unemployment: 3.3% of those economically active aged 16 to 64, compared to the South East (3%) and UK as a whole (3.7%). Average wages are £709 per week for full-time employees, slightly above the South East average of £685.

Whilst house prices remain well above the national average, most residents are owner-occupiers (68%), followed by private rented (18%) and social rented (13%).

Source: English Indices of Deprivation 2019; Authority Monitoring Report for Spelthorne 2022; Nomis – Official Census and Labour Market Statistics 2021-2022; ONS Census, 2021 – Home Ownership and Renting; and <https://commonslibrary.parliament.uk/constituency-data-wages/>

### Gender / gender identity

Census data from 2021 shows that 50.9% of residents in Spelthorne are female, with the remaining 49.1% being male.

A White Paper published in December 2018 (Help shape our future: the 2021 Census of population and housing in England and Wales) set out the ONS recommendation for what the census should contain and how it should operate. The White Paper recommended that the census in 2021 include a question about gender identity, asking respondents whether their gender is the same as the sex they were registered as at birth. As a result, 93.98% of people aged 16 years and over in Spelthorne have the same gender identity as their sex registered at birth.

The remaining population identify as follows:

People aged 16 years and over who have a gender identity different from their sex registered at birth but no specific identity given	0.19%
Identify as a trans woman	0.09%
Identify as a trans man	0.09%
Non-binary	0.02%
Another gender identity	0.02%
Prefer not to say	5.62%

Source: ONS Census, 2021 – Population and household estimates, England and Wales: Census 2021. Gender identity – ONS, 2021; and <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8531>

### Age

Spelthorne has a slightly lower population of under-30s (33%) compared to the rest of the country (36%), and a slightly higher population of 30-69 year olds (53%) compared with the national average of (51%), The number of 70+ is 14%, which is broadly in line with the rest of the nation.

Source: ONS – Population and household estimates, England and Wales: Census 2021.



## Ethnicity

The ethnic make-up of Spelthorne is largely in line with the rest of England and Wales, predominantly residents are from a white ethnic background. However, there are slightly more Asian people and those with a mixed ethnic background but fewer people from a black ethnic group compared to the national average.

Ethnic group	Spelthorne		England and Wales
	Number	%	%
Asian	13,146	12.8%	9.3%
black	2,548	2.5%	4%
mixed ethnicities	3,763	3.7%	2.9%
white	81,000	78.6%	81.7%
other	2,503	2.4%	2.1%

Source: ONS – Ethnic Group, England and Wales: Census 2021.

## Disability

Spelthorne has a slightly lower percentage of residents with a disability compared to the rest of England and Wales.

Disability	Spelthorne	England and Wales
	%	%
Disabled under the Equality Act	14.4%	17.8%
Not disabled under the Equality Act	85.6%	82.2%

As of Oct 2022, there were around 5,159 PIP claimants in Spelthorne. Within Spelthorne, psychiatric disorders were the most common reason for claiming PIP. They accounted for 39% of awards, compared 36.9% in Great Britain. 'Psychiatric disorders' include anxiety and depression, learning disabilities and autism. The second most common reason for awards was musculoskeletal disease (general), which accounted for 15% of awards within the constituency and 20.1% in Great Britain. Musculoskeletal disease (general) includes osteoarthritis, inflammatory arthritis and chronic pain syndromes.

Source: ONS – Disability, England and Wales: Census 2021; and <https://commonslibrary.parliament.uk/constituency-data-personal-independence-payment-2/>

## Religion

Residents of Spelthorne predominately identify themselves as either Christian or having no religion. There is a smaller Muslim population compared with the national average, but a larger Hindu and Sikh population.

	Spelthorne		England and Wales
	Number	%	%
<b>Has religion</b>	<b>64,959</b>	<b>63%</b>	<b>56.9%</b>
of which			
Christian	52,432	50.9%	46.2%
Muslim	4,146	4.0%	6.5%
Hindu	4,372	4.2%	1.7%
Buddhist	703	0.7%	0.5%
Jewish	174	0.2%	0.5%
Sikh	2,612	2.5%	0.9%
Other	520	0.5%	0.6%
<b>No religion</b>	<b>32,112</b>	<b>31.2%</b>	<b>37.2%</b>
<b>Not stated</b>	<b>5,884</b>	<b>5.7%</b>	<b>6.0%</b>

Source: ONS – Religion, England and Wales: Census 2021.

## Sexual orientation

The sexual orientation of Spelthorne residents is largely in line with the rest of England and Wales.

	Spelthorne		England and Wales
	Number	%	%
<b>Sexual Orientation</b>			
Straight or Heterosexual	75,505	90.57%	89.37%
Gay or Lesbian	1,088	1.31%	1.54%
Bisexual	704	0.84%	1.28%
Pansexual	123	0.15%	0.23%
Asexual	25	0.03%	0.06%
Queer	6	0.01%	0.03%
All Other Sexual Orientations	7	0.01%	0.02%
Not answered	5,904	7.08%	7.47%

Source: ONS – Sexual Orientation, England and Wales: Census 2021.

### Marriage / Civil Partnership

Slightly more people in Spelthorne are married compared to the rest of England and Wales, and fewer people identify as single.

	Spelthorne %	UK %
<b>Marital Status</b>		
Never Married or Registered a Civil Partnership	35.1%	37.9%
Married or in a Registered Civil Partnership (including separated)	49.9%	46.9%
Divorced or Civil Partnership Dissolved	8.9%	9.1%
Widowed or Surviving Civil Partnership Partner	6.1%	6.1%

Source: ONS – Marriage and Civil Partnership Status in England and Wales: Census 2021.

**Has there been any consultation with, or input from, customers / service users or other stakeholders?** If so, with whom, how were they consulted and what did they say? If you haven't consulted yet and are intending to do so, please list which specific groups or communities you are going to consult with and when.

When enacting Road Traffic Act 1984 powers we have a duty of public consultation when implementing a Parking Order, which is followed upon each implementation or revision of that Order.

**Are there any complaints, compliments, satisfaction surveys or customer feedback that could help inform this assessment? If yes, what do these tell you?**

None

### Step 3 – Identifying the negative impact.

a. Is there any negative impact on individuals or groups in the community?

#### **Barriers:**

What are the potential or known barriers/impacts for the different 'equality strands' set out below? Consider:

- **Where** you provide your service, e.g. the facilities/premises;
- **Who** provides it, e.g. are staff trained and representative of the local population/users?
- **How** it is provided, e.g. do people come to you or do you go to them? Do any rules or requirements prevent certain people accessing the service?
- **When** it is provided, e.g. opening hours?
- **What** is provided, e.g. does the service meet everyone’s needs? How do you know?

\* Some barriers are justified, e.g. for health or safety reasons, or might actually be designed to promote equality, e.g. single sex swimming/exercise sessions, or cannot be removed without excessive cost. If you believe any of the barriers identified to be justified then please indicate which they are and why.

**Solutions:**

What can be done to minimise or remove these barriers to make sure everyone has equal access to the service or to reduce adverse impact? Consider:

- Other arrangements that can be made to ensure people’s diverse needs are met;
- How your actions might help to promote good relations between communities;
- How you might prevent any unintentional future discrimination.

<b>Equality Themes</b>	<b>Barriers/Impacts identified</b>	<b>Solutions (ways in which you could mitigate the impact)</b>
<b>Age</b> (including children, young people and older people)	None	None
<b>Disability</b> (including carers)	Within a parking context it’s important to provide suitable adapted spaces for vehicles driven by or carrying blue badge holders.	Each car park is furnished with suitable adapted bays and accessibility for users carrying a disabled badge.
<b>Gender</b> (men and women)	None	None
<b>Ethnicity</b> (including Gypsy, Roma, Travellers and Asylum Seekers)	None	None
<b>Religion or belief</b> (including people of no religion or belief)	None	None

<b>Gender Re-assignment</b> (those that are going through transition: male to female or female to male)	None	None
<b>Pregnancy and Maternity</b>	None	None
<b>Sexual orientation</b> (including gay, lesbian, bisexual and heterosexual)	None	None

### Step 4 – Changes or mitigating actions proposed or adopted

Having undertaken the assessment are there any changes necessary to the existing service, policy, function or procedure? What changes or mitigating actions are proposed?

There are multiple business models available for Committee to choose, and each carry specific risks in the assurance of provision of the spaces for blue badge holders.

### Step 5 – Monitoring

How are you going to monitor the existing service, function, policy or procedure ?

Depending on the business model chosen by the Committee, appropriate control measures will be implemented to ensure there is no reduction in the existing provision for blue badge holders.

### Part C - Action Plan

Barrier/s or improvement/s identified	Action Required	Lead Officer	Timescale

### Equality Analysis approved by:

Group Head:	Date:
-------------	-------



## Corporate Policy and Resources

Date of meeting **Monday 11 September 2023**

<b>Title</b>	<i>Laleham Nursery improvements</i>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	<i>Jackie Taylor Group Head Neighbourhood Services</i>
<b>Ward(s) Affected</b>	Laleham and Shepperton Green
<b>Exempt</b>	No
<b>Exemption Reason</b>	<i>n/a</i>
<b>Corporate Priority</b>	Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> <b>Agree that the funding allocated for replacement porta cabins used as office space by the Joint Enforcement Team (JET) is reallocated to be used to create new permanent office and meeting space within the existing nursery building and provide improved facilities for Surrey Choices.</b>
<b>Reason for Recommendation</b>	<i>A full tender exercise for replacement portacabins to be situated in the nursery as offices was conducted and came in over budget. The exercise also highlighted that the power supply into the nursery would not be sufficient to power three new portacabins. Options for office accommodation were then reviewed which showed that it is possible to use an open void in the existing nursery building to create new office and meeting space for JET and improve facilities for Surrey Choices, thereby removing the need to purchase new temporary buildings.</i>

### 1. Summary of the report

- 1.1 Capital funding to replace the dilapidated temporary office space (portacabins) at the nursery which are used by the Joint Enforcement Team was agreed as a growth bid.
- 1.2 This report seeks to review existing provision of Capital funding for portacabins and reallocate the same pot of funding to create more permanent office accommodation and meeting space at the Laleham Nursery as well as improve facilities for Surrey Choices.

### 2. Key issues

- 2.1 Laleham Nursery which is situated on the outskirts of Laleham Park has had a variety of uses since the 1940s as can be seen in the table at 2.2.

## 2.2 Laleham Nursery Site timeline of use

1940-1953	Farm fields
1953-1961	Tree nursery developed
1961-1971	Tree nursery and greenhouses/potting sheds developed
1971-1981	Floral displays including Spelthorne in Bloom and tree nursery
1981-1992	Floral displays including Spelthorne in Bloom and tree nursery
1992-1998	Floral displays including Spelthorne in Bloom and tree nursery
1998-2003	Old greenhouses demolished & new green house built
2003-2009	Floral displays including Spelthorne in Bloom
2009-2017	Grounds maintenance was contracted out in 2009 & old portacabins installed 2010
2017 to date	Grounds maintenance activities all undertaken from the nursery by in house teams

- 2.3 In 1998 the Head of Direct Services Steve Connor, developed the opportunity for greater use of the nursery site and an agreement was put in place for what was then known as Fairways Day Centre (now Surrey Choices) to use part of the nursery site for people with learning disabilities living in Spelthorne. The main purpose of this use was to teach students horticulture skills in preparation for employment and for high dependency students as a leisure/education activity.
- 2.4 This project also involved the horticultural therapy charity who were also involved in collaborating with people who have disabilities at the nursery.
- 2.5 Overtime the project has gone from strength to strength and increased its activities which includes assisting the grounds maintenance team with preparation for Spelthorne in Bloom.
- 2.6 In 2016 as part of the Council's Towards a Sustainable Future programme there was a need for the Council depot to make space for the sustainability & parking teams and to facilitate this the JET were moved from the depot to the portacabins in the Nursery site which were at that time being used as kitchen and storage areas.
- 2.7 The team have been working in the old portacabins since 2016. Between then and now the portacabins have been in a period of rapid decline with roof leaks and holes in the floor. The portacabins are also extremely poor at retaining heat and keeping cool and the working environment is no longer acceptable for this team. Please see a sample of pictures at **Appendix A**.
- 2.8 In 2022 a procurement exercise was undertaken by the Group Head Neighbourhood Services for replacement of all the portacabins. The exercise exposed several issues in replacing the cabins most importantly that the power supply into the nursery would not be sufficient to accommodate new portacabins. Added to this the tendered price came in way over budget.
- 2.9 Due to other work pressures and the wait time experienced in looking at options and costs to increase the power supply at the nursery this project lost some traction.
- 2.10 The wait time and at a minimum cost of over £100k to increase the power supply into the nursery required officers to change their thought process and work out how best to deliver this much needed new workspace without the need to increase the power supply and within budget.



- 2.11 Officers then looked at best use of all the space across the entire fixed building and with the help of officers in Spelthorne's facilities management team came up with a proposal to use an open space which had little purpose to create a new building which would then become office and meeting space and accommodate the JET officers as well as the existing grounds maintenance officers. The proposal will not affect the operational staff.
- 2.12 The proposal also enables better use of the facilities used by Surrey Choices and created a new shared area for meetings.
- 2.13 The proposal was put out to tender with three bidders providing costings, the most cost effective of which came in within budget.

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

#### **3.1 Option 1 preferred option**

Agree that the growth bid for the procurement of new porta cabins be reallocated within this budget year to enable new and permanent workspaces to be created within the nursery building. This will enable the JET officers to continue working from the nursery and provide new meeting facilities which will be shared between the grounds team and Surrey Choices.

#### **Option 2**

Do nothing which will mean that the current budget allocation will go back into reserves and the JET officers will have no operating base to work out of.

#### **Option 3**

Seek alternative accommodation within the Council offices for five staff members and office capacity to store CCTV monitoring equipment, evidence collected from fly tipping offences and confidential data related to enforcement activities undertaken by JET.

### **4. Financial implications**

- 4.1 Existing budget of £116k has already been allocated to the original project of replacing the portacabins. The tender exercise which was conducted to create a permanent building rather than supply portacabins has come back within budget.
- 4.2 If reasonable office accommodation is not provided within a reasonable timescale for the JET officers, they will have nowhere to work from as the old portacabins are unlikely to last beyond this winter.
- 4.3 If it is agreed the portacabin funding can be repurposed to create permanent workspace, the team will work with the nursery team and ourselves to temporarily share workspace working around other officers hybrid working days.
- 4.4 The old portacabins are made up of board and metal, the depot team will dismantle them, and the recyclable elements will be taken for scrap.

### **5. Risk considerations**

- 5.1 The costs related to the proposed alterations to the fixed nursery building have already been costed and it is unlikely there will be any additional unforeseen costs.

5.2 The risk is that if we do nothing the JET officers will have no place of work which will impact their daily routines and working practices and their ability to manage deployable CCTV images and store evidence related to anti-social behaviour.

## **6. Procurement considerations**

6.1 A compliant tender exercise has been conducted by facilities management. The Building Services team have worked with Corporate Procurement to procure the contractor for the works. A compliant tender exercise was carried out, with two tenders received on time and a third outside of the advised timeframes and over budget.

6.2 The successful tenderers bid was received in the required timeframe and within budget.

## **7. Legal considerations**

7.1 The legal team have been consulted and have no further comments.

## **8. Other considerations**

8.1 The planning team have been consulted on this proposal and have confirmed that as we are not altering or enlarging the structure of the building planning consent is not required.

8.2 The building control team have also been consulted on the proposals and have no issues to report.

8.3 Once the portacabins are removed the grounds maintenance staff will start to create a new tree nursery within the space to facilitate the growing on and planting out of borough trees. Funding has already been sourced for a tree irrigation system and we are seeking grants for suitable trees to nurture within the nursery until they are ready for planting out.

8.4 The green initiatives fund is providing the funding for solar panels to be placed on the Surrey Choices side of the nursery building which will tie in with the existing panels.

8.5 An additional application for funding was put before the CIL board to enhance the area used by Surrey Choices but this was not forthcoming.

8.6 Due to the unsociable hours worked by the JET officers which can include very early mornings, late evening, and weekends it is challenging to find suitable alternative accommodation, parking & storage space for them outside of the depot or Laleham nursery.

## **9. Equality and Diversity**

9.1 Providing a new meeting space for Spelthorne and Surrey Choices to share ensures that we are including them within our proposals to provide a better environment for all.

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

10.1 The portacabins do not hold any heat in the winter and retain heat during the summer. To provide some heat and cool air the heaters and air con units are constantly running. If we create new workspaces within the current building that run on the existing oil heating system, we will reduce use of electricity related to heating and cooling the three old portacabins.

**11. Timetable for implementation**

11.1 If this proposal to repurpose the budget is agreed, we will contact the preferred bidder and make arrangements for the work to commence asap.

**12. Contact**

Jackie Taylor Group Head Neighbourhood Services

[j.taylor@spelthorne.gov.uk](mailto:j.taylor@spelthorne.gov.uk)

01784446418

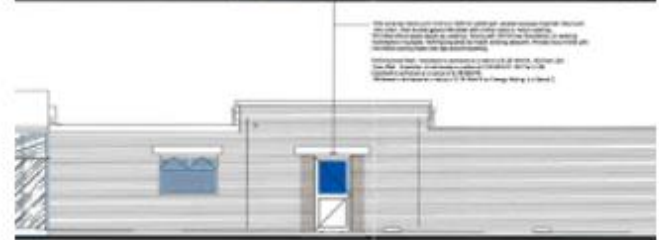
**There are none.**

**Appendices:**

**Appendix A pictures for reference**



## Appendix A Laleham Nursery





This page is intentionally left blank

# Audit Committee

27th July 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>	The Corporate Risk Register outlines significant strategic risks impacting the effective delivery of all corporate priorities (CARES). Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<b>The Audit Committee is asked to:</b> <b>1. Consider the significant strategic risks and issues highlighted in this report and present these to the Corporate Policy and Resources Committee, ensuring continued wider reporting of the Corporate Risk Register and Risk Action Plan across other Committees.</b>
<b>Reason for Recommendation</b>	<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> <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>

## 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. In addition, Management Team and Group Heads have an opportunity to input on emerging risk areas as part of the periodical register review/reporting process.
- 1.3 As part of ongoing development work, the format and presentation of the Corporate Risk Register continues to be explored. This was reported previously in March and generated some discussion at Audit Committee and CPRC. An update is provided under the Key Issues section of this report.

## **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 March 2023. From assessment undertaken there are no changes to report in terms of direction of travel as part of the June review. 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 with Management Team as necessary).
- 2.4 Several risks on the corporate risk register across a range of risk categories continue to be significantly influenced by wider external factors, due to the economic crisis and macroeconomic environment (elevated inflationary pressures, increased rates of borrowing, continued Cost-of-Living strain) as well as the ongoing geopolitical uncertainty with the Ukraine war. Those risks and their implications 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 and local measures continue to be taken to alleviate some of these challenges and pressures which remain ongoing.
- 2.5 The 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 four new actions (pink) across three risk categories as follows:

Risk Category 1a Housing – Development Targets - application process for KGE to become a registered social housing provider (NEW ACTION)

Risk Category 1b Housing – Affordable – Acquisition of properties as part of the Local Authority Housing Fund (LAHF) to support refugees (NEW ACTION)



Risk Category 3 - Financial Resilience and Commercial Assets – full refresh of sinking fund modelling during 2023/24 and development of a Public Interest Report (PIR) Action Plan for approval by the Audit Committee in July. (NEW ACTIONS x 2)

2.6 Given that the register at Appendix A provides insight around envisaged risks and current controls/mitigations in managing these risks, for the purposes of this cover report the more pivotal matters or updates are being drawn to your attention at 2.6 (a) to (e):

(a) **Wider Externalities, Financial risk and supporting communities.**

Wider externalities and other factors continue to present increased financial risk to the Council considering the significance of increased borrowing costs and inflationary pressures in delivering a range of strategies and schemes (which may lead to a detrimental impact on the communities served if delivery of corporate priorities is impacted). The extent to which such variables - interest rates and construction inflation may eventually fall remains uncertain, potentially presenting new options for slowing down development scheme delivery and construction in seeking the optimal financial outcome for the Council.

The Council's budgetary and financial position continues to be monitored with anticipated budget deficits from 2024/25 to 2026/27 to be addressed. The Council is participating in a wider CIPFA and DLUHC review of Capital risk mitigation. If the Council's future access to borrowing becomes restricted, this will affect the Council's long-term approach and therefore its financial resilience in responding to uncertainty or unexpected situations/scenarios. Finance and Assets are already considering alternative approaches as to how schemes could be delivered with reduced borrowing.

Financial risk remains a strategic theme carrying high impact across several categories on the register. (***Links 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***)

The Council's financial challenges are exacerbated by the ongoing financial strain facing residents and communities during a continued Cost of Living Crisis, with a duty to support local and refugee communities from Ukraine and Afghanistan during competing crises. The risk register refers to government grant funding schemes in seeking to alleviate community pressures as well as general advisory services such as the Citizens Advice. Further to the decision by Central Government to close Afghan Bridging hotels by the end of August 2023, supporting asylum seekers presenting as homeless from this hotel and other dispersed accommodation across the borough is an emerging and evolving risk area for Spelthorne that requires planned management in the context of financial pressures and limited government funding.

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

The risk implications and associated adverse ramifications arising from the pausing of the Local Plan examination hearings and adoption of the Local Plan are highly significant which have already been set out in a separate report to an Extraordinary Council Meeting (ECM) on 6 June 2023, where Members agreed “Spelthorne Borough Council formally request the Planning Inspector to pause the Examination Hearings into the Local Plan for a period of three months to allow time for the new council to understand and review the policies and implications of the Local Plan, and after the three month pause the Council will decide what actions may be necessary before the Local Plan examination may proceed”. In summary, this includes the prospect of additional pressure on our Local Plan to meet the housing need of other boroughs (in particular those neighboring authorities who have not built on greenbelt), uncertainty around housing delivery (5-year supply) and delivering targets to meet need (affordable and general housing provision), legal challenge, the prospect of unsuitable development coming forward either on green belt sites or within town centres such as Staines, further exposing the Council to greater risk of supporting such developments in the absence of a sound or up to date Local Plan to rely on. Any delay to adopting the Local Plan does not assist in progressing a wide spread of units for differing needs which adversely impacts quality of affordable housing provision – note risk category 1B Housing – Affordable.

Taking this update into account, the indicative RAG status and risk score are not currently assessed as moving in a more favorable direction over time against risk category 1A. The RAG status remains at Red.

Knowle Green Estates (KGE's) application to become a Registered Provider (RP) will place the authority in a better position to secure grant funding from Homes England to support progression of affordable and keyworker schemes. There are however stringent external scrutiny reviews and verification measures involved prior to securing approval of Registered status. The process of acquiring RP status is expected to take 12 to 18 months.

### **(c) Risk Category 1b – Affordable housing**

As a result of the national Government decision to give residents in Afghan Bridging hotels three months notice to quit, potentially a large proportion of the families in the Staines Bridging hotel may present to the Council as homeless. There are 27 families who live in the hotel, all of whom have been served eviction notices to vacate the premises by mid-August. The Council is actively using the Local Authority Housing Fund capital grant funding to acquire properties to enable it to house a significant proportion of these families. A risk does however remain that even if all 15 target properties were to be purchased, presentation of homelessness may still occur over time which Spelthorne have a duty to manage as the Local Housing authority. It is acknowledged that there will be a gap period (before purchase completion) during which time the Council will be required to provide temporary accommodation to homeless households. Whilst there is Government funding for temporary placements, the borough lacks sufficient temporary accommodation available for the placements and this could be exacerbated if central government decide to place further refugee families into the vacant hotel (s). As a result, the Council is at risk of placing households in properties

which are not in the borough and/or unsuitable in other ways. Not only is this disruptive for the households themselves, but the Council potentially faces legal challenge and complaints to the Ombudsman.

**(d) Risk category 3 – Financial Resilience – Commercial Assets**

The Council's ongoing management of voids remains pivotal in the context of departed tenancies. Currently 87.1% of the overall Investment Portfolio is let, albeit this is expected to rise back to 91% in the summer of 2023 once a significant new tenant takes occupancy. The Council is continuing to increase its sinking funds as part of risk mitigation strategies, reported as approximately £37.8m at the end of 2022-23.

The Group Head of Assets is developing an overarching five-year Asset Management Strategy for approval by Corporate Policy and Resources Committee (CPRC) in Autumn 2023, intended to provide a holistic approach covering each strand of the Assets service and how they dovetail in delivering overall corporate priorities, service objectives and outcomes. Of course, a significant component of this overarching strategy will be focussed on Commercial assets and related tenancy management and rental income collection with a view to establishing where these processes can be made more robust in managing risk. The register provides further detail on the new approach.

The two new actions for this risk category on the Risk Action Plan at Appendix B reinforce measures that have already been highlighted in prior reporting to the Audit Committee and CPRC i.e., fully refresh sinking fund modelling during 2023/24 and development of an action plan in response to the Public Interest Report recommendations of December 2022 for approval by the Audit Committee in July 2023. It is acknowledged that the Public Interest Report Action Plan being put in place includes developing Key Performance Indicator's (KPIs), agreeing an investment portfolio risk register, and developing benchmarking exercises with linkages to Sinking Fund management. These fully completed actions will further support additional risk mitigation measures in continuing to strengthen financial and wider governance in managing the Council's commercial investment portfolio.

Taking this update into account, the RAG status and risk score for this category continues to be assessed as Amber.

**(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. The Corporate Establishment Review is underway and due to be finalised in July 2023. Future reporting to CPRC by the Service lead and Head of Paid Service will highlight any learning or improvement actions arising for the authority.

Further to extensive discussions at the March Audit Committee the content has been expanded for this broad risk category by introducing a new risk description relating to hybrid working, given this represents an important

change initiative in the Council's service model. It has already been acknowledged that this is in line with modern working practices post-pandemic across local government and many sectors of the economy. The risk description sets out some of the perceived risk implications as well as wider opportunities and benefits that hybrid and flexible working patterns present. A range of internal control actions have been included to demonstrate how any perceived risks are being managed, including corporate performance management systems and mechanisms for ensuring working relations are positively maintained under a Hybrid pattern. Regardless of where services are delivered from (remote vs office), there is a valid argument that the focus should be on the efficiency and effectiveness of outputs and outcomes in delivering Council services and priorities, ensuring these are provided in a way that supports Council values.

2.7 With regards exploring a risk management system for the authority it has been established that there is not necessarily a common system in use across local authorities for presenting risk management information, although there are clearly many risk management software products on the market. These software products promote common principles and deliverables such as :

- A system to support the management and prioritisation of risk
- Stakeholder engagement and ownership of risk
- Eliminates the use of spreadsheets and word documents that may become cumbersome to maintain
- Enables a more automated and cohesive system with automated workflows and reminder prompts
- Improved visibility regarding updates made
- Reporting functionality including summary dashboards

The Internal Audit Manager is pursuing with ICT the conversion of data contained in the Corporate Risk Register to a formal central system with a view to this facilitating the recording, collation, analysis and reporting of information and building upon the strong foundations developed over the years by reinforcing some core principles and improvements set out above. In particular, risk ownership as a fundamental principle of effective risk management. This will be supported through a combination of systems and software already in use by the Council such as Granicus (forms), SharePoint, SQL and Power Bi. Subject to progress in building the form and database, a high-level process flow and mock up for the new system may be presented to the July Audit Committee meeting. The anticipated build time for this system (phase 1) is around 4 to 6 months with an anticipated completion date based on current capacity levels of 30<sup>th</sup> November 2023. Once phase 1 is completed we will review whether any further refinement work is required taking on board user feedback.

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

- 3.1 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.
- 3.2 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
- 3.3 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 2.6.

#### **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.

#### **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 and it is noted that progress on the action plan forms part of separate reporting. If the Council does not effectively address the Peer Review recommendations this could impact further on some 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 and sets out current controls and current mitigation measures in place, as well as 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 score.**

**Appendix B – Risk Action Plan**

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Scoring Matrix (Plotted June 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. This is also referred to on the matrix for ease of reference.

<b>IMPACT</b>	<b>4 (Catastrophic)</b>				
	<b>3 (Major)</b>			<b>RC2</b> -Economy <b>RC3</b> - Commercial Assets <b>RC5</b> -Treasury Management <b>RC6</b> –Climate Change <b>RC8</b> - E,D,I <b>RC9</b> – Across Local Govt	<b>RC1a</b> – Housing (Development Targets) <b>RC1b</b> – Housing (Affordable) <b>RC4</b> -Finance & Communities <b>RC7</b> Resources
	<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

## 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 Group Head Place, Protection and Prosperity (Heather Morgan) Deputy Chief Executive (Terry Collier)

Previous RAG Status (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		12	12

Risk Descriptions
<p>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. <span style="background-color: yellow;">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. The extent to which such variables - interest rates and construction inflation may eventually fall remains uncertain, presenting new options for slowing down scheme delivery and construction in seeking the optimal financial outcome for the Council.</span></p> <p>1a (ii) <span style="background-color: yellow;">Significantly increased interest rates from the Public Works Loan Board (PWLB) and rising inflationary pressures continue to very 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).</span></p> <p>1a (iii) <span style="background-color: yellow;">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.</span></p> <p>1a (iv) Any delays in the examination and adoption of the Local Plan are likely to continue to impact on the ability to bring forward the appropriate quantum of housing development. The publication version of the Local Plan started undergoing an external independent Examination by the Planning Inspectorate in May 2023, and has been deferred following the Extraordinary Council Meeting on 6 June 2023 where it was agreed to pause the Local Plan for three months to enable new Councillor’s to review the Plan and process. This further delay to the examination hearings and adoption of the Local Plan runs a number of significant risks including:</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- The prospect of additional pressure on our Local Plan to meet the housing need of other boroughs (in particular those neighboring authorities who have not built on greenbelt);
- A lack of certainty around housing delivery (5-year supply);
- Risk of legal challenge;
- The prospect of unsuitable developments coming forward either on green belt sites or within town centres such as Staines, exposing the Council to greater risk of supporting such developments in the absence of a sound plan to rely on. Subsequent increased levels of overall build across Spelthorne carry far reaching implications (environment, infrastructure etc.)

1a (v) Risk of potential uncertainty over future NHS Capital settlement to fund major development.

*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).
Original approved timetable for adoption of the Local Plan will be impacted by a three month pause to Local Plan agreed at ECM on 6 June 2023.	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. Robust viability assessment of schemes undertaken by independent experts appointed by the LPA.
Exploring alternative options and funding opportunities in supporting delivery of development schemes (such as Grant funding) and joint venture opportunities	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, implementing the strategy agreed by February 2023 ECM, as set out below.
Weekly progress reporting of Property Development projects to officer Development Investment Group (DIG)	Exploring and reviewing options for reducing amount of borrowing required to fund the Housing Delivery programme. Options being explored set out below: <ol style="list-style-type: none"> <li>i) Exploring grant funding options to fund part of the residential developments –meetings with Homes England. 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 – this represents an ongoing process</li> </ol>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

	<p>iv) Bringing forward 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.</p> <p>v) Undertaking Value re-engineering</p> <p>Above covered at Extraordinary Council Meeting on 02 February 2023.</p>
	<p>Initiating application process of Knowle Green Estates becoming a Registered Provider which will enable it to benefit from Homes England grant funding. Process involves detailed external scrutiny of governance, policies and procedures and review of a 30 year Business Plan.</p>
Bi-monthly Assets Portfolio Working Group (with Chair and Vice-Chair of both Corporate Policy and Resources Committee (CPRC) and Development Sub-Committee	
Regular advisory reports to relevant Committee/Sub-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. 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.

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 June 2023)	<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>
12	Maintained risk 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		12	12

Risk Descriptions
<p>1b (i) Lack of affordable housing supply increases homelessness</p> <p>1b (ii) Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation. Any delay in adopting the Local Plan does not assist in progressing a wide spread of units for differing needs.</p> <p>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)</p> <p>1b (iv) The ongoing conflict in Ukraine and refugee situation, particularly the Government decision to close Afghan Bridging hotels by end of August 2023, presents additional pressures in ensuring that fundamental needs are met in supporting new communities. Spelthorne participates in the Local Authority Housing Fund programme to acquire properties to house homeless refugees. The funding is insufficient to be able to acquire the total number of properties required and the Council has to contribute financially to each purchase. The delivery of the programme will be completed after the closure of the Bridging Hotels, thus there will be a gap period during which time the Council will be required to provide temporary accommodation to homeless households. There is Government funding for temporary placements, however the borough lacks the number of temporary accommodation available for the placements. As a result, the Council is at risk of placing households in properties which are not in the borough and/or unsuitable in other ways. Not only is this disruptive for the households themselves, but the Council potentially faces legal challenge and complaints to the Ombudsman. Spelthorne expects an increased number of homeless approaches from the asylum hotel within the borough as well as other dispersed accommodation, however there is very limited funding available for housing asylum seekers which could adversely impact these communities.</p> <p>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.</p> <p>1b (vi) Managing demand for social housing is extremely challenging given that anyone with a local connection can apply for housing to any Council.</p> <p>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 causes landlords to increase rental charges presenting more homelessness cases (if rents cannot be afforded) with increased demand for social housing.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

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. Legal challenge is likely and an increase in complaints and referrals to the Ombudsman. Furthermore, there is a risk to the health safety and welfare of staff dealing with families in housing crisis as they become frustrated and at times abusive.

*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).
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. Additional support is being provided to vulnerable residents to assist with tenancy sustainment through floating support funded by the government's Rough Sleeping Initiative. Capacity for quality advice provision has been extended for the Citizen's Advice to support the community.
Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need. Some new developments with affordable housing units are expected later this year through Registered Providers. 22 units are expected later this year from A2D and further 48 units from PA Housing	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. 3,800 households on the register). Re-registration process will take place this summer 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.	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. Discussions underway with the Spelthorne hotel currently housing Afghan refugees in planning future arrangements for housing homeless clients.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Purchasing properties to accommodate Ukrainian and Afghan families initially (longer term available for general housing needs) part funded by the Government Local Authority Housing Fund capital funding	Participation in Local Authority Housing Fund Round 1 approved by Corporate Policy and Resources Committee (CPRC). Currently on track already to secure all 11 target properties, including the one 4 bed property specifically for larger Afghan families (which attracts higher level of grant funding). 26 <sup>th</sup> June CPRC to consider participation in Round 2 to acquire a further 4 properties.
Housing and Homelessness Strategies. Quarterly Strategic Action Plan monitoring. Regular review by officer Strategic Housing Group. Member approved tenancy strategy	Counter Fraud bulk data matching initiative is underway with A2D, 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 incorporates due diligence at key stages	The street property acquisition project is to be partially funded by Homes England to assist with viability in context of the higher cost of borrowing.
S106 agreements with Developers	Strengthened the review process for s106 agreements to capture any potential additional affordable housing due to an uplift in value.

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 score with no change to RAG status - Reduced score and RAG status
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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		9	9

Risk Descriptions
<p>Evolving national economic strategy and policy and ongoing recovery from previous pandemic lockdowns continue to impact economic well-being locally, nationally and globally. This is now being compounded by continued impact of the Cost-of-Living crisis. The risk implications and threats to the Council are:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 the economic prosperity of the borough and affects collections rates for business rate income, with reduced levels impacting finances and services available.</li> <li>The current economic environment may increase occurrences of anti-social behaviour, theft and fraud</li> </ul>

*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>An Economic Prosperity Strategy has been developed (2023 – 2028) which addresses the key actions which face the borough. It incorporates a detailed strategy action plan detailing performance management measures in anticipating outcomes. This was agreed by the Economic Development Committee on 12 January 2023.</p>	<p>Government assisted Energy Bills Support Scheme (EBSS) to support increased energy costs / bills.</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</p>



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<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>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 were received in February 2023.</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. 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 has become an Employment &amp; Skills Hub focusing on both younger and older age groups.</p>
<p>Monthly 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. For first two months of 2023-24 Council Tax collection reported as up by 0.3% on same period in 2022-23.</p>	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

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 (there are no further specific actions for this risk category 2 (Economy) in the Risk Action Plan)

<p>What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (At June 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 risk score with no change to RAG status</li> <li>- Reduced risk score and RAG status</li> </ul>
<p>9</p>	<p>Maintained risk score and RAG status</p>

## 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 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. This may impact on the financial position, and our ability to deliver discretionary services, leading in the worst-case scenario to the Council becoming financially unsustainable with associated reputational damage.

*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>Public Interest Report Action Plan being put in place.</p> <p>A new approach to ensuring the certainty of the Council's rental income is being developed. This is also referred to on the Risk Action Plan (Appendix B) and includes:</p> <ul style="list-style-type: none"> <li>an overarching Asset Management Strategy around the proactive way the Council manages and monitors tenants and their ability to pay rental income, minimize void costs via early identification of space coming back through tenant failure or the termination of leases via surrender, expiry or break options, resulting in the need for space to be re-let.</li> </ul>	<p>The Council is continuing to increase its sinking funds which increased from £26m to £34m at the end of 2021-22 and £37.8m at the end of 2022-23.</p> <p>Ten-year worst and expected case sinking fund scenario projections are reviewed fortnightly 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 and linked to refreshed risk management and performance management measures underway as part of the Public Interest Report Action Plan.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<ul style="list-style-type: none"> <li>• Asset Investment Strategies for all assets focused on the coming 12 month period</li> <li>• Medium term business plans that consider the assets over a 5 year period</li> </ul> <p>This focused approach is supplemented by performance management measures – developing KPIs which are reviewed annually and benchmarked against external, regional property indicators i.e., vacancy rates, market rentals, occupier demand and so on.</p> <p>The KPIs are linked to an Assets specific risk register that identifies the level of risk without mitigation, the proposed mitigation and reduced resultant risk.</p> <p>In addition, investment performance is monitored bi-monthly at weekly Councillor Assets Portfolio Working Group, and a six-monthly performance report is taken to Full Council for the Investment Portfolio.</p> <p>Currently 87.1% of overall Investment Portfolio let but expected to rise back to 91% in the summer of 2023 once a significant new tenant takes occupancy. Rent collection rates remain at 99+%.</p>	
<p>The Assets team continue to use letting agents to secure new tenants on market terms. Financial checks are carried out on prospective new tenants and credit positions are reviewed bi-annually for all tenants.</p>	<p>Periodical financial health check of tenants and continued close liaison and building strong relationships allows accurate forecast when tenants are struggling or intend to move on, which are the main factors that would result in late or non-payment of rent.</p>
<p>Most of the investment assets have had their Business Plans approved by the Development Sub-Committee.</p>	<p>Ongoing management of voids with a view to reducing the portfolio void rate.</p> <p>Group Head for Assets developing new Investment Asset Strategy which will incorporate business planning and be reviewed regularly.</p>
<p>Capital Strategy (updated Strategy approved by CPRC February 2023) includes key performance indicators (being developed further) with a particular focus on the investment portfolio. Asset Management plan reviewed annually.</p>	<p>Assets team proactively working to fill voids quickly using external lettings agents, understanding market demand and the size of accommodation needed.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Development Sub Committee of Corporate Policy and Resources receives regular monitoring reports for scrutiny.	
All Councillor Budget Briefing (3 times a year) set out financial risks in context of budgetary position, informing budgetary process. July 24 <sup>th</sup> will be the next all Councillors budget briefing.	
External review on arrangements	SBC is 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 June 2023)	Direction of Travel After Considering further mitigation set out in the Risk Action Plan? (Either) - Maintained score with no change to RAG status - Reduced score with no change to RAG status - Reduced score and RAG status
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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		12	12

Risk Descriptions
<p>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 had a significant impact on the Council's balanced budget for 2023/24 and the anticipated budget deficits from 2024/25 to 2026/27.</p> <p>4(ii) Combined with reduced fee income and potential for lower collection rates of 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, in worst case scenario, could lead to the Council becoming financially unsustainable.</p> <p>4(iii) If the Council's borrowing levels were to become restricted, this could impact how the Council responds to unexpected events or factors presenting uncertainty and therefore its financial resilience. (This risk may also apply to risk category 5)</p>

*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. Revenue outturn report going to CPRC 26 June 2023 recommends that the £479,929 surplus on Outturn is transferred to the

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

	General Fund in the context of economic uncertainty to strengthen the Council's contingency funds.
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 progress 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.
All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.	Next Budget Briefing in July. Service Planning by managers commenced in June to feed into the Budget process (annual processes).
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.
External review on arrangements	SBC is 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 June 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
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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 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 in interest rates and increased cost of borrowing / loans influence the Council's treasury activities. This also presents positive opportunities in enabling great returns to be earned on the Council's surplus cash supporting the Revenue Budget.

5(iv) Increasing pressure on the Council's cash flow.

*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 investment assets 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	Ongoing review with Treasury Management advisors regarding 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.



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Performance measurement and reporting	
Aim to select counter parties of the highest credit quality	
Credit ratings monitored	
Council's investments are managed internally in consultation with specialist advisors Arlingclose. Explore options for diversifying the portfolio.	
Treasury Management training provided for all Councillors in September 2022 and financial awareness training part of new Member induction programme - 2023.	

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 June 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		9	9

Risk Descriptions
<p>Climate change represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability. Climate change and extreme weather events impact health and safety, food systems, supply chains &amp; 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.</p>

*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><u>Targets</u> - 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.</p>	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>Continue development of a list of projects to bring forward for Green Initiatives Funding including ones on biodiversity.</p>	
<p><u>Monitoring</u> - A report is going to E &amp; S Committee in June 2023 recommending the continuation of a climate change working group to focus on monitoring of actions towards carbon neutrality and initial assessment of ideas.</p>	
<p><u>Strategy</u> - Surrey County Council have developed a strategy on Climate Change referred to as Greener Futures Delivery Plan which the Environment and Sustainability Committee have supported. Linked Spelthorne's Climate Change strategy where appropriate to Greener Futures Delivery Plan.</p>	
<p><u>Initiatives taken</u>                  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. Recently 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.</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>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. As study concludes, looking to develop community gardening projects as participants keen to take forward.</p>	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p><b>Training</b> - Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges. Training days will continue for other officers to target as many staff as possible. Training will be provided for Councillors in June 2023 as part of the 2023 Induction Programme.</p>	
<p><b>Funding</b> - Proposal for funding from GIF submitted for ESG study.</p>	

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>
<p>9</p>	<p>Maintained risk score and RAG status.</p>

## 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		12	12

Risk Descriptions
<p>7(i) Overstretched capacity exacerbated by the additional workload, 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.</p> <p>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.</p> <p style="background-color: #e0ffff;">7(iii) Unsuccessful recruitment and ongoing unfilled vacancies in a challenging and competitive labour market leads to reduced availability of technical skills and relevant expertise is spread more thinly across Services. Staff shortages further exacerbate workload pressures across teams. The consequences of this risk are set out earlier at 7(i).</p> <p>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 and/or periods of ongoing vacancies.</p> <p>7(v) Alternative patterns of working such as hybrid models may present both risks and opportunities. Some of the perceived risks could include reduced output and productivity, increased fraud, cultural considerations such as silo working resulting in loss of corporate memory/knowledge with less effective outcomes and/or a misalignment with corporate priorities. Positive opportunities associated with hybrid and flexible working include supporting the retention</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

and recruitment of staff in a highly competitive labour market, greater work-life balance for employees with reduced travel time and consequently a more positive impact on the environment over time (lowering carbon emissions) where road traffic is reduced.

*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><u>Performance Management</u> – Continuous performance management (CPM) system includes regular 1-1's with line Managers as well as more formal quarterly performance clinics. Central recording system to summarise discussions with reference to key output areas, effectiveness of outcomes, targets, training and development and any wellbeing matters. Enables HR to keep an oversight track of CPM implementation.</p> <p>Corporate performance management top-down approach incorporates the overarching Corporate Plan priorities and objectives, service plans with kpi's and personal targets. These processes should be closely aligned in supporting delivery of the Council's priorities, objectives, and long-term vision.</p> <p>Benchmarking of some KPI'S across Surrey is in place to ascertain performance levels.</p> <p>With communication platforms like MS Teams and supported systems and technology, staff are fully equipped to work in the office and remotely. Automated internal control processes are important to support modern working practices.</p> <p>Group Head of Commissioning and Transformation issued a Briefing Paper to the March 2023 Audit Committee setting out some of the ways in which this change initiative - Hybrid working is managed at Spelthorne (Hybrid working policy of minimum 2 days required in the office to maintain working relationships, performance management, extent of application dependent on business needs/frontline, individual officer requests etc.) and reinforcing</p>	<p>Reports can be produced to monitor remote activity across the workforce if required.</p> <p>Implementing adequate mechanisms for performance management, monitoring productivity and following through on performance issues are the responsibility of managers across services/teams. Corporate policies to support.</p> <p>Regardless of where services are delivered from (remote vs office), the focus should be on the efficiency and effectiveness of outputs and outcomes in delivering Council services and priorities, ensuring these are provided in a way that supports Council values (PROVIDE).</p> <p>Corporate establishment Review underway incorporates aspects of service delivery and hybrid models of working.</p> <p>In measuring and monitoring the effectiveness of Hybrid Working some considerations include kpi's monitoring, general performance management and complaints monitoring:</p> <p>GH Commissioning and Transformation reported no adverse impact of kpi's performance (for corporate kpi's reported) as a result of hybrid.</p> <p>KPIs are reviewed annually to ensure they are relevant to service delivery.</p> <p>Complaints process to measure any dissatisfaction of customer/public experience, however this mechanism alone may be limited as if there were any increased level of complaints this could also indicate a general societal trend of becoming more comfortable to formally report concerns.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

some of the wider benefits that have made this working approach a necessity in the modern world post-pandemic).	
<u>Capacity management</u> – Management to address workload issues across teams, with continued prioritisation of tasks	Staff can access welfare information on the 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 provides a corporate view of stress issues. LGA Peer review presentation/recommendations included references to working culture/workload pressures/organizational style.
The need to treat colleagues respectfully has been recognized and communicated.	Addressed in the LGA Peer review in relation to Councillors and staff.
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 in 2022 designed to ascertain employee and member views on several themes including workplace culture, values, recruitment and retention. Key matters arising from these surveys including organizational behaviours have been highlighted and communicated further as part of the LGA Corporate Peer review.	
Growth bids for additional resourcing form part of annual budget process (moratorium restrictions remain likely going forward).	No net increase in FTE's approved as part of the 2023-24 Budget approved by February Council. Only existing posts to be filled as likely moratorium on new FTE posts will remain.
<p>Several recruitment and retention measures have been underway for some time with examples below and developments in some areas:</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.</li> <li>ii) An apprenticeship training programme to upskill existing staff and offer development opportunities to new hirers. As part of the Finance restructure, two apprentice posts have been created. Apprenticeships continue to be encouraged and there may be possibilities for new apprenticeships in customer services.</li> </ul>	<p>February Council approved pay uplift for 2023-24 – a fixed £1,925 per FTE equivalent to an average increase of 3.5%.</p> <p>Corporate Establishment Review underway.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

- iii) An Employee Assistance Programme scheme and Mental First Aider scheme to assist with staff wellbeing. Positive feedback received from staff using these services.
- iv) Implementation of hybrid working in response to staff feedback and ensuring that staff are fully equipped to work from home. This working pattern continues to be well received and assists with retaining and recruiting staff - important in a competitive market as something to offer potential applicants.
- v) Flexi time working arrangements.
- 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.
- vii) £1,925 fixed sum agreed across all grades for 2023-24 – proportionally worth more for lower paid staff
- 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.
- ix) Market supplements policy reviewed and refreshed
- x) Collaborative working and Partnerships being explored with a view to enhancing organisational and service resilience, promoting career opportunities and staff retention measures. It is important to be mindful that staff may fear for their roles/job security, so this is also a contributory factor leading to skilled staff leaving the Council. Reassurance for staff will be provided where appropriate.

To ensure these policies related to recruitment and retention continue to be fit for purpose they have recently been reviewed.

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.



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At June 2023)	Direction of Travel (Either) after considering further mitigation set out in the Risk Action Plan? - Maintained risk score and RAG (Red/Amber or Green) - Reduced risk score with no change to RAG status - Reduced risk score and RAG status
9	Reduced score and RAG status <b>(to Amber)</b>

## 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		9	9

Risk Descriptions
<p>(i) 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.</p> <p>(ii) If there is insufficient resource, skills or expertise to develop, promote and support implementation of E, D &amp; I standards, progress in driving change and positive impact through a structured approach may be limited.</p>

*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>Training mechanisms to raise awareness and understanding such as the online Workrite module.</p> <p>Some examples of how the Council demonstrates its commitment to E, D &amp; I principles include:</p> <p>(i) Recognising and celebrating diversity through communications and engagement amongst staff and local communities such as Black History Month, GBLT Pride month of June, religious festivals.</p> <p>(ii) Champions (Staff reps) to explore further positive approaches relating to E, D &amp; I. Inclusivity Working Group meets regularly.</p>	<p>Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>(iii) Corporate Values – (PROVIDE) are incorporated into the Council's equality and diversity objectives together with an internal equality and diversity policy.</p> <p>(iv) An Equality, Diversity and Inclusivity 'Statement of Intent' document has been reported.</p> <p>(v) Internal and external websites have been updated with Equality and Diversity policy and statement published.</p>	
---	--

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 /indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At June 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</li> <li>- Reduced risk score with no change to RAG status</li> <li>- Reduced risk score and RAG status</li> </ul>
<p>6</p>	<p>Reduced risk score with no change to RAG status (Amber)</p>

## 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 (March 2023)	Current RAG Status (June 2023)	Previous Risk Score (March 2023)	Current Risk Score (June 2023)
		9	9

Risk Descriptions
<p>9 (i) The Surrey County Deal presents potential implications for collaborative and partnership working approaches across Surrey Districts and Boroughs in serving local communities, and this continues to be monitored in terms of progress and likely impact across local authority tiers.</p> <p>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').</p> <p>9 (iii) As Surrey County Council draw to an end a number of devolved 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. Any transitional arrangements may continue to encroach on Spelthorne Borough Council.</p>

*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.

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

Strategic boards such as Surrey Delivery Board established in making broader decisions	
Liaison at senior executive level across tiers to discuss future management of high levels and changing complexity of referrals/ caseload.	

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 (there are no specific actions raised for this risk category).

What is the additional/indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once fully implemented) (At June 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	Maintained risk score and RAG status

This page is intentionally left blank

**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 JUNE 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, 20.02.23,31.5.23,13.6.23</i>	(i) March 2022 (ii) Revised – June 2023 (iii) Revised January 2024 (TBC)	<b>IN PROGRESS</b> The Local Plan Examination Hearings started on 23 May. At the ECM on 6 June councillors agreed “Spelthorne Borough Council formally request the Planning Inspector to pause the Examination Hearings into the Local Plan for a period of three months to allow time for the new council to understand and review the policies and implications of the Local Plan, and after the three month pause the Council will decide

**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**

					<p>what actions may be necessary before the Local Plan examination may proceed”.</p> <p>This will impact/delay adoption of New Local Plan.</p>
1a. HOUSING – Development & Targets	1a (ii) Continue to pursue rigorous application process of Knowle Green Estates becoming a Registered Provider which will enable it to benefit from Homes England grant funding. Without Homes England grant funding, the Council’s affordable rental and keyworker schemes will not be viable.	June 2023	Chief Finance Officer, Group Head for Assets, Chief Accountant, and KGE Board	(i)December 2024	<p><b>NEW ACTION &amp; IN PROGRESS</b></p> <p>Following the steer set by 2<sup>nd</sup> February Council; KGE Board has approved an action plan for achieving Registered Provider (expected to take 12-18 months) and has identified potential advisers to assist with the application process- procurement to be undertaken. Report to come to July CPRC.</p>
1b HOUSING – Affordable	1b (i). Service Level Agreement to be put in place with registered providers to	March 2020	Lead - Housing Strategy Manager (Marta Imig)	(i)October 2021	<p><b>IN PROGRESS</b></p> <p>Agreement in place with Registered</p>



**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**

	establish and take forward cases of any alleged tenancy fraud with a view to freeing up social housing.		<i>Action reviewed by Housing Strategy Manager on 3.10.2021,28.1.22,28.6.22, February 2023, 24.5.23</i>	(ii) Revised March 2022 (iii) Revised July 2022 (iv) Revised October 2022 (v) Revised January 2023 (vi) Revised May 2023 (vii) Revised October 2023	Provider and project to undertake a targeted bulk data matching exercise has commenced. The work has now started on this project with first results of the matching exercise expected soon.
1b HOUSING _ Affordable	With Afghan residents in Bridging Hotel in Staines being given until 16th August to quit, this presents a risk that substantial number will present as homeless to the Council. Currently 26 families live in the hotel, all of whom have been served eviction notices to vacate the premisses. Acquisition of properties to support refugees forms an important strategy that the Council is pursuing.	June 2023	Group Head Community Well Being Group Head Assets Deputy Chief Executive	August 2023	<b>NEW ACTION &amp; IN PROGRESS</b> Council participated in LAFG Round 1 committing to purchasing 11 properties – 1 already acquired (SBC first Council in Surrey to complete a purchase) a further 3 about to be purchased and balance of 11 identified and being brought to Development Sub-Committee for

**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**

					<p>approval. Council potentially participating in Round 2 of LAHF to acquire a further 4 properties. Community Wellbeing and Housing Committee 13th June approved in principle and report will be considered by CPRC on 26th June.</p> <p>Refugee support coordinators providing support to residents in the hotel and assisting families to look for accommodation</p>
3i FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3i. Developing a long-term relationship management strategy with existing tenants as part of a new Investment Asset strategy.	March 2023	Group Head Assets	(i). July 2023 (ii) Revised October 2023	<b>IN PROGRESS.</b> This action will form part of the new overarching Asset Management Strategy being developed and due to be reported to Corporate Policy & Resources Committee in Autumn 2023.

**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**

3i FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3ii.Develop and implement a Public Interest Report Action Plan for approval by Audit Committee	June 2023	Chief Finance Officer, Group Head for Assets, Chief Accountant	July 2023	<b>NEW ACTION &amp; IN PROGRESS</b> - Draft Action Plan coming to Development Sub-Committee on 3 <sup>rd</sup> July and Audit Committee on 27 <sup>th</sup> July for approval by Councillors.
3i FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3iii. A full review and refresh of the sinking funds modelling will be undertaken in 2023-24	June 2023	Chief Finance Officer & Chief Accountant	December 2023	<b>NEW ACTION &amp; IN PROGRESS</b> As previously agreed with CPRC and as part of PIR Action Plan, 50-year refresh of the modelling will be undertaken by autumn and will feed into 2024-25 Outline Budget process.
3ii. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3iv.Consider and pursue any forthcoming recommendations from CIPFA and DLUHC review of Capital risk mitigation. Risk is that could result in restrictions as to how much borrowing the Council can	March 2023	Group Head Assets / Deputy Chief Executive/ Chief Finance Officer	(i)TBC	<b>PENDING</b> outcome of DLUHC review. Linked to emerging Asset Management Strategy referred to at 3i. Finance and Assets are looking at other approaches as to how

**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**

	access in the future which could in turn impact financial resilience.				schemes could be delivered with reduced borrowing (maximising grants, joint ventures, sales of individual residential units etc)
4.FINANCIAL RESILIENCE AND COMMUNITIES	4i. Progressing medium term financial strategy and efficiency savings plan in addressing budget deficit	March 2023	All Senior Management & Chief Finance Officer/Chief Accountant	(i)TBC	<b>IN PROGRESS</b> Following completion of close of accounts on time, services are currently completing Service Plans which will then feed into the refresh of the Outline Budget projections this summer and the detailed budget. Update on Budget position being shared at all councillors Budget Briefing
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 &amp; 2.6.23</i>	(i)December 2022 (ii) Revised June 2023	<b>ONGOING</b> . This exercise is completed and continues to coincide with the relevant period / financial year. The status will therefore remain as ongoing.

**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**

<p>6. SUSTAINABILITY &amp; CLIMATE CHANGE</p>	<p>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.</p>	<p>March 2021</p>	<p>Lead Officer - Group Head Commissioning &amp; Transformation (Sandy Muirhead)</p> <p><i>Action reviewed by Group Head Commissioning &amp; Transformation 10.2.22, 26.10.22, 27.2.23, 1.6.23</i></p>	<p>(i)June 2021 (ii)Revised October 2022 (iii)Revised March 2023 (iv)Revised June 2023</p>	<p><b>IN PROGRESS</b></p> <p>Bids for the Green Initiatives fund submitted to date cover a range of topics and more will be brought forward to Environment and Sustainability Committee over the next year including solar panels, wildflower meadows, development of biodiversity and mitigation of flood risk for Sweeps Ditch in Staines Park.</p>
<p>6. SUSTAINABILITY &amp; CLIMATE CHANGE</p>	<p>6ii. Training is being arranged to raise awareness and enhance understanding of Climate Change issues across the Council (staff and Councillors).</p>	<p>June 2022</p>	<p>Lead Officer - Group Head Commissioning &amp; Transformation (Sandy Muirhead) reviewed 26.10.22, 27.2.23, 1.6.23.</p>	<p>(i)September 2022 (ii) Revised June 2023 (iii) Revised December 2023</p>	<p><b>IN PROGRESS</b></p> <p>Training delivered to initial group of staff September 2022 and being rolled out in 2023 to all staff. As of May 2023, 55 staff have undertaken the training with positive feedback.</p>

**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**

					As part of the induction process Councillors will be provided with training on Climate Change in June 2023.
7. CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7i. Monitoring impact of departure of experienced officers and managing associated loss of organisational knowledge and talent. Review of staff retention measures to reduce and mitigate the risk of staff departures.	March 2021	ALL / Group Head Commissioning & Transformation (Sandy Muirhead)  <i>Action reviewed by Group Head Commissioning &amp; Transformation 10.2.22/26.10.22 /February 2023, 1.6.23</i>	Continuous action	<b>ONGOING</b> Spelthorne are Members of Southeast Employers newly formed Reward and Recognition Network to share best practice and learn from new initiatives. Recruitment and retention are a widespread problem within local authorities in the south east.  Establishment Review of the Council is nearing completion in July 2023.
7.CORPORATE CAPACITY, RESOURCES,	7ii. The continuation of excessive workload pressures generated by strategic political steers (including	February 2022	Management Team  <i>Group Head Commissioning &amp;</i>	Continuous action	<b>ONGOING &amp; IN PROGRESS</b>

**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**

RECRUITMENT AND RETENTION	strategic planning, finance and assets), 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).		<i>Transformation (Sandy Muirhead) reviewed action in February 2023 and 1.6.23</i>		CPRC agreed for an Establishment Review of the Council to be undertaken. This is nearing completion in July 2023. Recommendations of the LGA Corporate Peer Review need to be addressed. Report on action plan going to Corporate Policy and Resources Committee on 26 <sup>th</sup> June.
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)</i>	(i)June 2022 (ii)Revised October 2022 (iii)Revised February 2023 (iv)Revised July 2023 (v)Revised September 2023	<b>IN PROGRESS</b> Collaborative working with professional groups such as Southeast Employers to explore options and strategies. This is a 'work in progress.'

**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**

			<i>24.6.22/26.10.22/February 2023 and 1.6.23.</i>		
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>Action reviewed by Group Head Commissioning &amp; Transformation (Sandy Muirhead) - February 2023 and 1.6.23</i>	(i)March 2023 (ii)July 2023 (iii) October 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 SINCE LAST REVIEW OF THE CORPORATE RISK REGISTER**

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 JUNE 2023)
---	-----------------	--------------------	---	---	---



**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**

<p>1a. HOUSING – Development &amp; Targets</p>	<p>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).</p>	<p>October 2021</p>	<p>Lead - Management Team  <i>Action reviewed by Chief Finance Officer, 14.10.22, February 2023, 2.6.23</i></p>	<p>(i)March 2022 (ii)Revised – September 2022 (iii)Revised January 2023</p>	<p><b>COMPLETED</b>  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.  At June 2023, a process is underway for KGE to become a Registered Provider.</p>
--	---	---------------------	---	---	--

This page is intentionally left blank

# Corporate Policy & Resources Committee



**11 September 2023**

<b>Title</b>	<i>Letter of Support for Knowle Green Estates Ltd., (KGE) as part of the 2022/23 audit process</i>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	<i>Paul Taylor Chief Accountant</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Community Affordable housing Service delivery
<b>Recommendations</b>	<p><b>In respect of the KGE annual audit for the year ended 31 March 2023, as the sole shareholder's representative, the Committee is asked to:</b></p> <ol style="list-style-type: none"> <li>1. <i>Formally minute the Council's ongoing support for KGE, in accordance with the wording provided by the Company's external auditors in appendix A below and financial support.</i></li> <li>2. <i>Delegate authority to the Chief Executive to sign a letter on behalf of the Council advising the auditors of KGE, that this has been agreed by the Committee and duly minuted.</i></li> </ol>
<b>Reason for Recommendation</b>	<i>The requirement by the auditors of KGE, for a letter from the Council to confirm its ongoing financial support for KGE, which is highly dependent on decisions made by the Council, is a standard request from auditors, in order to deliver an unqualified audit report.</i>

## 1. Summary of the report

- 1.1 This report seeks to obtain confirmation that the Council will continue to support KGE, for the 12 months period after the 2022/23 audited accounts are signed by the auditors, which is anticipated to be at the end of September 2023.
- 1.2 The request for a letter of support from KGE's external auditors is a standard request and is part of the annual audit process and is effective from the twelve months following the date the audit report is signed.

## 2. Key issues

- 2.1 At the Extraordinary Council Meeting on 2<sup>nd</sup> February 2023, Council approved the financial support and a cash flow facility of up to £4.5m over the next 5 years, while the Council finalises its plans for the affordable housing projects that have been delayed since June 2021.
- 2.2 As part of the annual audit process for the KGE accounts for year ending 31 March 2023, the auditors for KGE have requested a letter from the Council to confirm its the continued financial support for KGE, covering the 12 months from the date the audit report is signed off.
- 2.3 The draft KGE annual accounts for the year ended 31 March 2023 have been prepared on a going concern basis and show a total equity of £4.366m.If the letter of financial support is not forthcoming the auditors will review the basis of preparation and it could lead to the accounts being prepared on a breakup value, which has adverse financial implications for both KGE and the Council's group accounts.
- 2.4 This request is a standard request from KGE auditors.
- 3. Financial implications**
  - 3.1 Please refer to 2.3.
- 4. Risk considerations**
  - 4.1 Please refer to 2.3 above, noting that there would also be some reputation risk if the letter was not forthcoming, due to the change in the basis of accounts preparation.
- 5. Procurement considerations**
  - 5.1 None.
- 6. Legal considerations**
  - 6.1 As a wholly owned company of the Council, there is no legal risk in issuing the letter in the form at Appendix A.
  - 6.2 To date the loans to KGE have been subject to a loan facility agreement dated 29 March 2019.
- 7. Equality and Diversity**
  - 7.1 There are none.
- 8. Sustainability/Climate Change Implications**
  - 8.1 There are none.
- 9. Timetable for implementation**
  - 9.1 The audit is due to complete by 30 September and the audited Statement of Accounts will be incorporated into the KGE Annual Report for 2022-23 which will be brought to this committee in November.
- 10. Contact**
  - 10.1 Paul Taylor [p.taylor@spelthorne.gov.uk](mailto:p.taylor@spelthorne.gov.uk)

**Background papers:** There are none.

**Appendix A – template for the letter of support from MGI Midgley Snelling**

*MGI Midgley Snelling,*

Ibex House  
Baker Street  
Weybridge  
KT13 8AH

Xx August 2023

Dear Sirs

The Board of Spelthorne Borough Council wish it to be known to the Board of Knowle Green Estates Limited that the following resolution has been minuted by ourselves.

We hereby confirm that Spelthorne Borough Council will continue to provide financial support to Knowle Green Estates Limited to enable it to trade and meet its liabilities as and when they fall due. This support is provided for a period of at least twelve months from the date of signing the audited accounts of Knowle Green Estates Limited for 31 March 2023.

We confirm that as at close of business on 31 March 2023, an amount in the sum of £29,574,290 was receivable from Knowle Green Estates Limited.

We further confirm that the loan is unsecured.

Signed on behalf of the Board of Spelthorne Borough Council by

-----

*INSERT NAME*

INSERT TITLE

Spelthorne Borough Council

This page is intentionally left blank

# Corporate Policy & Resources Committee



11 September 2023

<b>Title</b>	Membership of the Collaborative Working Group
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Lee O'Neil, Deputy Chief Executive
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	Not applicable
<b>Corporate Priority</b>	Service delivery
<b>Recommendations</b>	<p><b>Committee is asked to:</b></p> <p>Agree a revised membership structure for the Council's Collaborative Working Group</p>
<b>Reason for Recommendation</b>	The Collaborative Working Group is to be reconvened to explore joint working opportunities and in order to facilitate a cross-party approach to collaboration the membership structure needs to be amended.

## 1. Summary of the report

1.1 This report seeks a decision to amend the Terms of Reference for the Collaborative Working Group to allow a change in the membership structure.

## 2. Key issues

2.1 Member representation on this Working Group previously consisted of the Chair of the Corporate Policy & Resources Committee and three other Members appointed by the Committee. Membership of the Working Group is in need of updating to reflect the comprehensive approach to cross-party collaboration.

2.2 In view of the need to re-commence exploring joint working opportunities, the proposal is to invite each Group Leader to nominate a representative to sit on this Working Group going forward. This requires a decision by the Corporate Policy & Resources Committee to amend the previous Terms of Reference (**as at Appendix A**) and to invite Group Leaders to put forward their respective nominations.

2.3 Previous meetings of the Collaborative Working Group were held during the day to make it easier to request relevant officers from services under discussion to attend and assist Members. Group Leaders may therefore wish to consider this issue in deciding who would be best to put forward as their representatives on the Collaborative Working Group

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

3.1 Option 1 (preferred option) – to amend the Terms of Reference for the Working Group to allow cross-party collaboration

Option 2 – to retain the current membership structure **(as per Appendix A)**

### **4. Financial implications**

4.1 There are no financial implications relating to the membership of this Working Group.

### **5. Risk considerations**

5.1 There are no risks.

### **6. Procurement considerations**

6.1 There are none.

### **7. Legal considerations**

7.1 There are none.

### **8. Other considerations**

8.1 There are none.

### **9. Equality and Diversity**

9.1 There are no direct equality and diversity considerations relating to this.

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

10.1 There are no direct sustainability considerations relating to this.

### **11. Timetable for implementation**

11.1 Any changes to the Terms of Reference for the Working Group will take effect immediately.

### **12. Contact**

12.1 Lee O'Neil, Deputy Chief Executive: l.o'neil@spelthorne.gov.uk.

**Background papers:** There are none.

**Appendices:**

**Appendix 1 – Current Terms of Reference of the Collaborative Working Group as agreed by Corporate Policy & Resources Committee on 20 April 2022.**



## **COLLABORATIVE WORKING REVIEW GROUP**

### **REVISED DRAFT TERMS OF REFERENCE**

#### **Membership**

Four members, with at least two from Corporate Policy & Resources

**Members:** - The Chair of Corporate Policy & Resources and three other members appointed by the Corporate Policy and Resources Committee to be drawn from any committees.

**Attendance:** - Members are not obliged to attend in person and may attend the meeting by electronic means via conference call or similar.

**Officers in attendance:** - Deputy Chief Executive, Group Head of Corporate Governance, and any other officer from any other service or legal team by invitation.

#### **Responsibilities**

This working group will:

- (a) Consider and appraise any initial approaches or proposals for any possible options for future collaboration/joint working with other Councils or partners and consider whether there is merit in considering such initial approach or proposal further,
- (b) Consider and appraise any proposals for any possible options for future collaboration/joint working coming from the Surrey Delivery Board and consider whether there is merit in considering such initial approach or proposal further,
- (c) Set the parameters and fully consider the objectives for future discussions with other Councils or partners,
- (d) Set the process for engaging in discussions with potential partners, and
- (e) Make recommendations to the relevant Committee and/or Council (as applicable) on any such opportunities that may arise which merit further consideration, or which should be proactively pursued, to deliver the identified objectives.

In undertaking the initial consideration and in making recommendations to the relevant Committee/Council the working group will focus on the key drivers for pursuing collaboration/joint working options:

- (a) To deliver financial savings,
- (b) The need to address resilience/capacity issues,
- (c) Opportunities to deliver better services for residents.

### **Frequency**

Monthly day time meetings. Where meetings are not necessary for lack of business they will be cancelled.

### **Decisions**

This Working Group has **no** formal decision-making powers.

Any matters which require a Councillor decision will require a report to relevant Committee and/or Council.

DRAFT



## 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 for 01 April 2023 to 31 March 2024

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
Corporate Policy and Resources Committee 11 09 2023  Council 19 10 2023	Parking Services - Business Model	Non-Key Decision	Public	Bruno Barbosa, Parking Services Manager
Corporate Policy and Resources Committee 11 09 2023	Verbal Update - External Audit To receive a verbal update on the external audit delay from the Vice Chair of Audit Committee	Non-Key Decision	Public	
Corporate Policy and Resources Committee 11 09 2023	Laleham Nursery improvements	Non-Key Decision	Public	Jackie Taylor, Group Head - Neighbourhood Services
Corporate Policy and Resources Committee 11 09 2023	Electric Vehicle Infrastructure Strategy	Non-Key Decision	Public	Timothy Snook, Sustainability Officer
Corporate Policy and Resources Committee 11 09 2023	Letter to Knowle Green Estates	Non-Key Decision	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 11 09 2023	Revised Housing Delivery Policy 2023/24	Non-Key Decision	Private	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 16 10 2023	Consultant Review	Non-Key Decision	Private	
Corporate Policy and Resources Committee 16 10 2023	Asset Management Strategy Update	Non-Key Decision	Public	Coralie Holman, Group Head Assets
Corporate Policy and Resources Committee 16 10 2023	Emerging Mixed Use Place Making Strategy	Non-Key Decision	Private	Coralie Holman, Group Head Assets
Corporate Policy and Resources Committee 16 10 2023	Renovation and Repurposing of the Historic, Grade II Listed, Oast House, Staines-upon-Thames	Non-Key Decision	Part public/part private	Heather Morgan, Group Head - Place, Protection and Prosperity, Kamal Mehmood, Strategic Lead for Leisure and Community Development
Corporate Policy and Resources Committee 16 10 2023	Update on County Deal	Non-Key Decision	Public	Daniel Mouawad, Chief Executive
Council 19 10 2023	Updated Capital Programme	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 27 11 2023	Treasury Management Mid-Year Report	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 27 11 2023	Annual Commercial Property Report 2022/23 Annual Commercial Property Report 2022/23	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Katherine McIlroy, Asset Manager
Corporate Policy and Resources Committee 27 11 2023	Determination of 2024/25 Council Tax Base for Tax Setting Determination of 2024/25 Council Tax Base for Tax Setting	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 22 01 2024	Assets Investment & Regeneration Portfolio Strategy 2024/25 to 2028/29 Assets Investment & Regeneration Portfolio Strategy 2024/25 to 2028/29	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Coralie Holman, Group Head Assets
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Calendar of Meetings 2024/25 Calendar of Meetings 2024/25	Non-Key Decision	Public	Karen Wyeth, Principal Committee Manager

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Detailed Budget 2024/25 Detailed Budget 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Fees & Charges 2024/25 Fees & Charges 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Capital Programme 2024/25 to 2027/28 Capital Programme 2024/25 to 2027/28	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Capital Strategy 2024 to 2025 Capital Strategy 2024 to 2025	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Treasury Management Strategy 2024/25 Treasury Management Strategy 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Pay Policy Statement 2024/25 Pay Policy Statement 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Debbie O'Sullivan, HR Manager
Corporate Policy and Resources Committee 22 01 2024  Council 22 02 2024	Pay Award 2024/25 Pay Award 2024/25	Key Decision It is significant in terms of its effect on communities living or working in an area comprising two or more wards	Public	Angela Tooth, Human Resources Officer



## Urgent actions

### Corporate Policy and Resources 11 September 2023

These are the urgent actions which have been taken since the last Corporate Policy and Resources Committee on 17 July 2023.

The following urgent actions were agreed by the Chief Executive in consultation with the Leader, on the following dates and for the reasons stated. These are not Key Decisions.

<b>DATE</b>	<b>ACTION</b>	<b>REASON FOR URGENCY</b>
<b>21.07.23</b>	Authorise the settlement of costs (£61k) to be paid to Future High Street Living Ltd (Debenhams site) in respect of the decision of the Judge's ruling on the High Court case. Agreement was reached on the amount to be paid between both parties on 19 July 2023.	The matter could not wait until the next Corporate Policy and Resources Committee

This page is intentionally left blank