

APPENDIX 1

CORPORATE RISK REGISTER

This register summarises the Council's most significant risks which align to one or more Corporate Priority. It sets out controls in place and identifies any further action needed to mitigate risks. Actions are assigned to appropriate officers with target dates for implementation. The relevant Portfolio Holder for each risk category is also highlighted.

Actions are assigned to appropriate officers with target dates for implementation.

Level of risk: Likelihood vs. Impact on a scale of 1 (lowest) to 4 (highest)

Content reviewed March 2020

PREVIOUS RAG	CURRENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK	CURRENT CONTROLS (RISK MITIGATION)	ACTIONS	RISK OWNERSHIP (ACCOUNTABILITY)	LEAD OFFICER	TARGET DATE	PROGRESS /REASONS WHERE RISK ACTIONS NOT IMPLEMENTED
		<p>1. Housing</p> <p>Lack of affordable housing (to rent) increases homelessness</p> <ul style="list-style-type: none"> Housing provision does not meet local resident needs (A full list of causes and consequences of this risk have been carefully considered and separately reported as part of current development work aimed at enhancing Corporate Risk Management) <p>(Corporate Priority- Housing - Delivering Housing that meets local needs)</p>	2	3	3	Local Plan; Local Development scheme; Annual monitoring reports outline number of affordable dwellings granted; Housing Delivery test resulted in production of Housing Delivery Action Plan; Housing Delivery Programme; Knowle Green Estates - business plan approved by Cabinet; Housing Strategy 2020 – 2025; Homelessness Strategy 2020 – 2025 (Subject to approval) ; Action plans arising from the Housing and Homelessness strategy encompass defined priorities for Housing ; Quarterly monitoring of strategic action plans by designated Officers, reporting red and amber actions to the Strategic Housing Group ;Strategic Housing Group meets monthly with clearly defined Terms of Reference (monitoring mechanism);Close working with Partners to support achievement of Housing aims ;Progress of property development projects reported weekly to Development and Improvement Group (DIG); Financial monitoring and management; Embedding of legislative requirements of the Homelessness Reduction Act 2017; Collaborative arrangements in place to support proactive and reactive counter fraud work, with quarterly reporting of fraud returns generated (cost savings/future losses prevented).	<p>1i. Member approval of the Housing Strategy (incorporates action plan) covering the period 2020 – 2025</p> <p>1ii. Approval of the Homelessness Strategy (incorporates action plan) covering the period 2020 – 2025</p> <p>1iii. Set up a homelessness strategy working group to support achievement of aims</p> <p>1iv. Establish and approve clearly defined Terms of Reference for the Homelessness Strategy working group to support achievement of aims</p> <p>1v. Service Level Agreement to be put in place with registered providers to take forward cases of alleged tenancy fraud. 1vi. Preparation and adoption of New Local Plan to meet future need and strengthen affordable housing policy</p>	<p>MAT Member & Joint Group Heads CW</p> <p>* Cllr Attewell</p>	<p>HSPM/SPM *</p>	<p>1i. April 2020</p> <p>1ii. May 2020</p> <p>1iii. August 2020</p> <p>1iv. December 2020</p> <p>1v. June 2020</p> <p>1vi. March 2022</p>	Date New Actions Added: Progress monitoring will take place at the next review of the Corporate Risk Register . RAG Rating recorded as blue as complete set of new actions identified and added
		<p>2. Economy/ Funding</p> <p>Technological and other factors may create uncertainty over economic growth and supplier failure, which could impact on:</p> <ul style="list-style-type: none"> Delivery of contracts and service provision Business Rate income collected/retained , thereby affecting the Council's overall finances. <p>(Corporate Priority areas- Economic Development & Financial Sustainability)</p>	2	3	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners. Enhanced Monitoring arrangements implemented as key suppliers now added to the S&P Watch list . Aim to maximise Business Rate collection/minimise losses for the Council. Additional quarterly monitoring of collection and projected outturn retention implemented. Additional counter fraud resource is available to identify and investigate potential tax avoidance and evasion cases, which can be translated into cashable savings for the authority.	<p>2. Impact of Business Rate arrangements on Council finances is under ongoing review.</p>	<p>DCX (TC)</p> <p>* Cllr Buttar</p>	<p>Deputy Group Head CR *</p>	<p>Completed/ Ongoing Monitoring</p>	<p>2. Implemented and ongoing.</p> <p>Officers have confirmed there are no further updates to report.</p>
		<p>3. Economic Development</p> <p>Absence of a robust Economic Development Strategy or ineffective plans to deliver, thereby impacting on levels of growth and development of the borough (including local employment , inward investments) with consequential effects on prosperity and economic wellbeing .</p> <p>(Corporate Priority area- Economic Development)</p>	2	3	3	Regular reporting to Members. A 5 year economic assessment & development strategy for 2017 - 2022. Periodical review and refreshing of the Economic Development strategy, enabling targets that have been achieved to be commented upon and removed; new targets that have emerged over the previous period are then included. Support to local businesses through key account management. Supporting the development of the Staines-upon-Thames Business Improvement District. Review of Local Plan. Regeneration Masterplan for Staines- Upon-Thames.Prioritisation of projects to benefit from the business rates retention has been completed.	<p>3i. Economic development is a Council priority and growth will impact on business rate income - this is under ongoing review.</p> <p>3ii. Regarding governance, through the EDEG 5 areas have been identified as the most important areas of delivery within the strategy and will be reported on every 6 months to the group to strengthen performance monitoring. The refreshed strategy needs to be approved by the EDEG.</p>	<p>EDM*Cllr Mitchell</p>	<p>EDM*</p>	<p>Completed/ Ongoing Monitoring</p>	<p>3i. Opportunities for economic development are sought to promote rejuvenation and wider benefits across the borough (various examples such as new Leisure centre and Knowle Green Estates developments).</p> <p>3ii. The latest refresh of the economic strategy was reported to the Economic Development Engagement Group on 20 February. This is the final refresh before a replacement strategy and economic assessment is prepared for 2022 onwards.</p>
		<p>4. Financial Resilience - Income Generation(Property)</p> <p>In light of ongoing reduction in Central Government funding, if opportunities for significant income generation and investments are missed, then this will impact on the Council's ability to close the budget gap and deliver vital services. If weak governance arrangements prevail, this may contribute to poor investment outcomes and increase exposure to financial</p>	3	4	4	Long term strategic/financial plan. Member engagement. The Councilis applying innovative ways to fund services and create new revenue streams through significant commecial asset acquisitions and investments.Ongoing annual net incomehas enabled a balanced budget for 2019-20 and to make revenueue contributionstowards capital to put capital programmeon a more sustainable basis. Prudential Indicators approved by Council in December 2017. Advice is sought from Arlingclose as necessary. Due diligence in respect of acquisitions and leases addresses strength of covenant of tenants, using S&P to evaluate financial strength. A robust governance framework supports property acquisitions including Property Investment Strategy; Development and Investment groupsto monitor performance; use of KPI's to assess total risk exposure; Treasury Management strategy approved by Council;weekly monitoring by MAT.	<p>4i. A robust governance framework continues to be developed to support property acquisitions and investment processes.</p>	<p>GH R & G* Cllr McIlroy</p>	<p>GH R&G DCX(TC)</p>	<p>4i. Completed /Ongoing Monitoring</p>	<p>4i. Implemented/ Ongoing . Performance is monitored regularly at weekly Development and Investment Group (DIG) and a quarterly performance report is produced for the Investment Portfolio. Meetings are scheduled for the newly established Property and Investment Committee (PIC). In addition, it will set out a suite of Key Performance Indicators against which the Portfolio will be evaluated. Council has approved Capital Strategy for 2020-21 which includes a set of Key Performance Indicators- these will be reported on as part of outturn reports. Sinking Funds combined balance on track to be approximately £18m as at end of March 2020, equivalent to covering 22 months of the net revenue surplus from the Council's commercial portfolio. Refreshed Asset Management Plan going to March Cabinet. Internal Audit completed audit on Commercial Assets acquisitions and investments. Officers had a very positive workshop session with Chartered Institute of Public Finance and Accountancy on the CIPFA new Financial Management Code (which</p>

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		risk including loss of anticipated rental income and poor investment returns, with associated reputational damage. (Corporate Priority area - Financial Sustainability)									will be subject of a report at a future Audit Committee) on the Council's approach to financial resilience and long term scenario planning. The Council has a balanced budget for the next three financial years.
		Risk Category 4 Continued (See above)				Further control measures relating to risk category 4 (Property Acquisitions) Governance Framework (Continued) : Formalised reporting of KPI's once the new Property Management System is operational; Council approved at its February 2020 meeting the Capital Strategy. Commercial asset acquisitions and investments will be subject to periodical audit review. Monitoring arrangements relating to property development work arising from asset acquisitions. Due Diligence measures for tenant management: the Council has subscribed to Standard & Poor's credit rating database and set up watch lists for its tenants to alert it to any deterioration in the health of its tenants. Where there is any deterioration the potential impact of this is reviewed by the internal team. Sensitivity analysis is undertaken with respect to variables such as rental growth.	<i>4ii. Robust and effective systems need to be in place to record and recover significant rental income due to SBC from it's increased property portfolio. 4iii. Effective implementation of Property Management Software 4iv. Application of CIPFA'S new Financial Management Code aimed at improving financial resilience across Councils (responsibility of whole organisation) *N</i>	4ii & iii GH R & G* Clr McIlroy 4iv. DCX/MAT/ ALL GROUP HEADS * All Portfolio Holders	GH R&G DCX(TC)	4.ii & 4iii. 30 April 2020 *R Requires monitoring 4iv. NEW ACTION ADDED FEB 2020 (Target - 31 March 2021) * O	4ii & iii. Progress underway - Work is underway to deliver a new Property Management System to effectively manage Spelthorne's £1 billion property portfolio (investment, community, commercial and residential properties).The property and tenancy data for the investment and residential portfolio has been uploaded on the new system. Subject to finalising the accounting procedures and robust testing it is anticipated that the System will 'go live' for rent collection and the payment of invoices for the residential portfolio on 1st April. The data load for the municipal portfolio is completed in part. The timeframe to 'go live' for both rent collection and invoicing is dependent on agreeing financial procedures and the system set-up. It is anticipated that the software will be used for billing tenants on the municipal and investment properties by end of June 2020. The Council uses expert external advisors (where required) for its investment portfolio to manage matters such as service charges. DIG receives timely updates on rental income collected on the Council's commercial investment assets. Cushman & Wakefield reported that 97.5% of the rent was collected within 7 days of the December quarter day, with only £4,500 outstanding at current date.
		5. Treasury Management If the Council receives a poor return on long term investments and/or investments become insecure in the current/future climate, then this will have an adverse impact on the Council's financial position. (Corporate Priority Area - Financial Sustainability)	2	3	3	Treasury Management Strategy approved annually by Members. Approved Capital Strategy (see risk category 4). Reporting of Treasury Management performance to Members. Aim to select counter parties of the highest credit quality; credit ratings monitored closely and apply criteria recommended by Arlingclose. Council's investments managed internally in consultation with Arlingclose. The team continues to explore options for diversifying the portfolio. Fixed interest rate on most debt and for investments an interest equalisation reserve is in place. Roles and responsibilities assigned within Accountancy. A review of the Accountancy structure took place in August 2019 and additional growth/resource approved which should also assist in further enhancing the control environment. Periodical Internal Audit Review.Deputy Chief Executive and Portfolio Holder are involved in key decisions. Regular monitoring ,reporting of investment portfolio and returns achieved.CIPFA Code of Practice and Prudential Code being applied with new recommended indicators for measuring investment performance.Training delivered for new Financial Management Code. Council commissioned an options paper from Arlingclose on financing being considered in the context of the recent uplift by 100 basis points in Public Works Loan Board (PWLB).	<i>There are no actions to report (February 2020).</i>	DCX (TC) * Clr Buttar	CA/DCA *	N/A	Overview and Scrutiny have received half yearly treasury monitoring reports which confirm medium term investments are performing well at an average rate for 12 months to end of September 2019 of 4.75%. Treasury Management Strategy and Capital Strategy approved by Council in February 2020.Officers continue to work closely with the Council's Treasury Management advisers who are advancing proposals to bring forward alternatives to PWLB loan finance (note in recent weeks PWLB rates have fallen back roughly 50 basis points).
		6. Economic Uncertainty/Political Landscape Brexit and transitional arrangements represent many potential uncertainties of a financial,economic, recruitment, regulatory and supply chain management nature arising from currency devaluation/volatility, trade barriers and tariffs, investments, relocation of Partners/Suppliers, changing access to EU funds, level of compliance with EU regulations , workers rights. ALL PRIORITIES	3	3	3	The Group Head for Commissioning and Transformation is the Corporate lead for Brexit. Previously participated in regular County wide Brexit Planning meetings and briefed MAT, Group Heads and Members and will participate once more when such meetings are resurrected. Briefing note presented to Audit Committee in March 2019 and Cabinet in Autumn 2019. A weekly report on preparedness for Brexit was undertaken by the Local resilience Forum for much of 2019 and fed through to Central Government. Weekly tactical and fortnightly strategic teleconferences with the Local Resilience Forum to ensure contingencies were undertaken occurred in 2019. Such meetings may be put in place again once know the likely outcome of trade negotiations. Services were addressing potential implications including staffing, environmental health and data protection. Guidance for Councils on Brexit secondary legislation has been circulated to Managers and relevant transitional information as well.	<i>6i. Management Team to regularly consider potential Brexit uncertainties for Spelthorne and have a plan in place to address when the implications of a trade deal or no deal become evident. Spelthorne will continue to work with the Local Resilience Forum on the implications when known. (REVISED ACTION FEBRUARY 2020) 6ii. Monitoring of transitional arrangements and implications for the Council in line with the Local Resilience Forum. (NEW ACTION - MARCH 2020) *N</i>	GH C & T (Lead) All Portfolio Holders	GH C & T (Lead)	6i December 2020 O * 6ii. December 2020 O* Requires monitoring	6i. Previously participated in regular County wide Brexit Planning meetings and briefed MAT, Group Heads and Members. This will continue when such meetings are resurrected. (The action at 6i has been revised given the UK has now entered into a transition period with the EU which lasts until 31 December 2020. A new trading relationship between the UK and EU is due to be agreed by the end of the transition period, but if no agreement is achieved a 'no deal' scenario will apply). 6ii. NEW ACTION ADDED General - Recommendations arising from an internal audit review of Brexit Readiness have been/are being addressed .

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		7. Heathrow expansion Whilst this offers economic benefits and opportunities, it also has the potential to significantly impact the borough/its residents on a wide number of fronts (e.g. increased noise, poorer air quality, roads being brought closer to properties, loss of green belt and open space - loss of 4.5% of borough, ongoing construction sites, increased traffic leading to greater congestion and pollution levels, indiscriminate parking etc.) (Ec Dev; Clean, safe and sustainable environment)	4	4	4	The Group Head for Regeneration and Growth is the Corporate lead for the Heathrow Expansion. The Council responded in detail to Heathrow's AEC on 13 September 2019. (Airport Expansion Consultation of summer 2019) The Council set out its issues in a 177 page document with 76 actions for Heathrow. 16 key strategic requirements were also set out which Heathrow are expected to meet.	<i>Actions added October 2019.</i> <i>(i) Bi-lateral meetings with Heathrow (where beneficial to do so) to ensure the requirements are met</i> <i>(ii) To continue to work as part of Heathrow Strategic Planning Group to ensure that Spelthorne's views are represented at a wider strategic level</i> <i>(iii) Work in preparation for the Development Consent Order (statement of common ground and areas/issues for challenge)</i>	GH R & G* Cllr McIlroy	GH R & G*	On-going * R Requires Monitoring	7i , 7ii & 7 iii. The outcome of the Court of Appeal is now known but this may be subject to further appeal to the Supreme Court. The Council will continue with ongoing work related to the airport.
		8. Climate Change Environmental breakdown represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability ; climate change and extreme weather events impact on food systems, supply chains & procurement, economic productivity and losses. If the Council is not seen to be taking action it could result in criticism/bad press/public demonstration (CLEAN, SAFE AND SUSTAINABLE ENVIRONMENT)	3	4	4	Consideration of Government targets for reducing carbon emissions/greenhouse gases to tackle climate change. A Leader's Climate change Working Group has been set up and will explore ways to meet a carbon neutral target by 2050 or earlier if possible. Officers are working in the spirit of ethical and social responsibility to address climate change concerns, reducing the Council's carbon footprint and meeting Government targets. Sustainability Strategy Energy & Water Efficiency policy (2015 - 2020) Active members of Surrey Energy & Sustainability Partnership (SESP) and Association of Lead Energy Officers (ALEO). Consideration as part of project implementation as follows : New developments - minimum renewable energy requirement Fuel Poverty - through administering energy grants and promoting energy efficiency measures. Increased renewables capacity with solar PV installations on 2 Day Centres and further plans to do so on other sites. Implementing energy efficiency measures in Council owned buildings. Increasing renewables capacity, including with solar PV installations EV charging provision.	<i>Actions 8i to 8iii added October 2019 :</i> <i>8i. The Sustainability Strategy and the Energy & Water Efficiency Policy are being reviewed.</i> <i>8ii. A new Sustainability Strategy is to be developed in 2020.</i> <i>8iii. A new Biodiversity Action Plan is being developed for 2020.</i> <i>8iv. A Climate Change strategy is to be developed for 2020 . (NEW ACTION ADDED FEBRUARY 2020) *N</i>	GH C&T GH NS Cllr Noble	SO - MR	August 2020 * R Requires Monitoring	8i & 8ii - There are no progress updates to report on these actions. 8iii. The Biodiversity Action plan is progressing and due for implementation in 2020. General Progress Underway - A cross party working group has been set up on Climate Change. A Climate Action Plan is being developed as part of the Climate Change Working Group. 8iv. NEW ACTION ADDED. Surrey County Council are developing a Climate Change Strategy and Strategic Framework (which will set out the joint ambition across the 12 authorities to address carbon emissions for eight major sectors).
Actions Overdue & Outstanding			Partially Actioned			Completed/Ongoing Monitoring					

Note that previous RAG ratings are included to illustrate the Direction of Travel for recommended actions. The future format for the Corporate Risk Register is currently under review.

***KEY TO TARGET DATES** * N = New Action *R = Revised target date for assigned action *O = Original target date for assigned action

***KEY TO OFFICERS**

MAT - Management Team
 CX, - Chief Executive, Daniel Mouawad
 HGC - Head of Corporate Governance -Victoria Statham
 DHIT - Deputy Head of ICT – Alistair Corkish
 Deputy Chief Executive (Chief Finance Officer)- DCX (TC) – Terry Collier
 HSIRM - Health and Safety, Insurance and Risk Manager – Stuart Mann
 GH C & T - Group Head - Commissioning and Transformation, Sandy Muirhead
 GH - NS - Group Head - Neighbourhood Services- Jackie Taylor
 Deputy Chief Executive - DCX (LO) – Lee O'Neil
 SEHM - Senior Environmental Health Manager, Tracey Wilmott-French
 IPS - Interim Principal Solicitor - Karen Limmer
 DGH CR - Deputy Group Head for Customer Relations, Roy Tilbury
 CS & RM - Customer Services and Revenue Manager, Martyn Forward
PORTFOLIO HOLDERS - recorded under risk ownership column

GH R & G - Group Head - Regeneration and Growth, Heather Morgan
 DPO - Data Protection Officer, Clare Williams
 HRM – Human Resources Manager, Debbie O'Sullivan
 CM- Contract Managers
 JGCW – Joint Group Heads for Community Wellbeing, Deborah Ashman and Karen Sinclair
 LSM - Leisure Services Manager, Lisa Stonehouse
 RRO – Risk and Resilience Officer, Nick Moon
 EDM – Economic Development Manager, Keith McGroary
 IAM - Internal Audit Manager, Punita Talwar
 SO- Sustainability Officer, Mark Rachwal
 HSPM - Housing Strategy and Policy Manager , David Birley
 SPM - Stratgic Planning Manager, Ann Biggs

