

APPENDIX 1 - CORPORATE RISK REGISTER

RISK REFERENCE & OWNERSHIP	RISK DESCRIPTION	CORPORATE PRIORITY	RAG & RISK RATING SCORE	CURRENT KEY CONTROLS
<p>1. (a) Corporate Management Team (MAT) and Lead Committee</p>	<p>1.(a) HOUSING – DEVELOPMENT & TARGETS</p> <p>(i) Failing to deliver housing development targets could lead to a loss of Spelthorne’s overall control as the Local Planning Authority, resulting in key decision making undertaken by other organisations.</p> <p>(ii) The Council is not able to deliver the Local Plan by the required timeframes, increasing the risk of unsuitable planning applications being submitted. Where planning applications have been refused but subsequently approved on appeal, this also has financial implications arising from developer claims to the Council.</p>	<p>Supporting Communities</p> <p>Affordable Housing</p> <p>Service Delivery</p>	<p>RED Refer to the Risk Matrix</p>	<p>Housing Delivery Programme with Benwell Phase 1 completed and 100% occupied (September 2021), and West Wing Occupied (Jan 22). Exploring other development opportunities within the borough. Benwell Phase 2 planning application rejected on 13th October.</p> <p>Annual Housing Delivery Test Action Plan went to E&S committee on 9 November 2021 setting out how the Council is looking to increase housing delivery. It was also considered by Planning Committee on 5 January 2022.</p> <p>Strategy for the revised Local Plan agreed by the E&S committee on 13 July 2021 plus a revised timetable to adoption of summer 2023. This programme is still on track. An Annual Planning Performance report is going to E & S committee in March 2022 – highlighting the risk around the number of overturns of major applications which are then allowed on appeal. If the 10% figure is breached,</p>

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	<p>(iii)Delays in completing property development schemes, in particular the adverse impact of the self-imposed Staines moratorium, with significant repercussions for delivery of housing schemes and targets (both affordable housing and general housing). Key development schemes within Staines-upon-Thames have been held up by the Moratorium, presenting increased delivery costs because of construction inflation. Non-development costs (approx. 1.2m over last year) have resulted in significant adverse financial impact for the Council.</p> <p>(iv)Delays in political decision making have an adverse impact on both</p>			<p>then the Council would exceed the government 'designation' threshold. The Inland Homes application for several hundred units was allowed on appeal on 17 January 2022. The appellant did not go for an award of costs.</p> <p>Weekly progress reporting of Property Development projects to officer Development Investment Group (DIG). Bi-monthly Assets Portfolio Working Group (with Chair and Vice of both CPRC and Development Sub-Committee) meetings are being held.</p> <p>A Moratorium was originally imposed (by Cabinet) on Council schemes within Staines town centre on 21 January 2021. A further report was considered by the CPR committee on 19 January 2022 where it agreed that the Moratorium was no longer in effect (as the three requirements had been fulfilled). The one-year delay has cost £105k per month so £1.2m over the period the Moratorium has been in place.</p>

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	<p>timeliness and direction of Development schemes. Expanding the specification of properties generates more costs to Development schemes and consequently impacts the financial viability of schemes.</p> <p>(v) Inadequate strategic direction for Knowle Green Estates (KGE) in the provision of the Council's Housing delivery programme presents risks of failing to meet wider housing needs within the borough (beyond affordable housing), impacting effective delivery of housing development targets.</p>			<p>Viability assessments for a range of options completed for Whitehouse residential and Thameside House, Sub-Committee further considering the viability options following referral to Council.</p> <p>Regular advisory reports to Members/Committees to inform decision making, setting out development options and associated implications for the Council and local communities.</p> <p>Paper to go to March 2022 CPRC setting out options for repatriating surplus funds from KGE over the long term.</p>
1.(b) Corporate Management Team (MAT) and Lead Committee	1.(b) HOUSING – AFFORDABLE	Affordable Housing Supporting Communities	RED Refer to the Risk Matrix	Housing Delivery Programme. Affordable Housing provision extends beyond those development schemes acquired by Spelthorne Borough Council

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	<p>(i) Lack of affordable housing supply increases homelessness</p> <p>(ii) Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation</p> <p>(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>(iv) Managing demand for social housing is extremely challenging given that anyone with a local</p>	Service Delivery		<p>(direct delivery). Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need; S106 agreements with Developers.</p> <p>Homelessness Reduction Act – proactive measures taken to address risk of homelessness. Single person homeless facility with 27 beds and 4 move on units delivered in October with residents moved in January 2022. Facility managed by Thames Metropolitan Housing.</p> <p>Measures to support Rough Sleepers and Afghan refugee families under the relocation and assistance scheme (Home Office Funding of temporary accommodation for refugees) Under the ARAP scheme two Afghan families have been found accommodation (private sector landlords) on a medium-term basis and receiving support. Government funding to assist vulnerable families in rent</p>

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	<p>connection can apply for housing to any Council.</p> <p>(v) Government lifting of the temporary eviction ban and removal of the temporary uplift to Universal credit payments may lead to more homelessness cases and increased demand for social housing</p> <p>The above risks and evolving individual circumstances 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</p>			<p>arrears and who are at threat of eviction.</p> <p>Housing and Homelessness Strategies. Quarterly monitoring of Strategic Action Plan. Regular review by officer Strategic Housing Group.</p> <p>Surrey reciprocal arrangement to re-house applicants across boroughs where local connection confirmed. Collaborative initiatives with Surrey County Council (e.g., Drug and alcohol abuse)</p> <p>Monitoring of Housing Register levels (currently approx. 3,000 households on the register). Review of allocation policy is taking place with a view to adding greater efficiency to the housing register process.</p> <p>Counter Fraud data matching initiative being pursued with the objective of identifying potential social housing fraud, to free up social housing for those in genuine need.</p>

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	on the health and wellbeing of individuals/families.			Community Wellbeing approved a revised Tenancy Strategy and recommended to Corporate Policy & Resources Committee for consideration on 15 th November, moving the affordable rental percentage from 80% to 70%. After consideration CPRC on grounds of viability decided to retain affordable rental percentage at 80%. Approx. £35m proposed via Knowle Green Estates to purchase and manage readymade properties included as part of the revised draft Capital Programme.
2. Corporate Management Team (MAT) and Lead Committee	<p>2. ECONOMY</p> <p>Evolving national economic position, previous pandemic lockdowns and changes to travel rules (across global destinations as well as inbound) continue to have an impact on economic wellbeing locally (proximity to Heathrow airport which represents a key local</p>	<p>Supporting Communities</p> <p>Recovery from Covid</p>	Red Refer to the Risk Matrix	<p>Refer also to separate briefing report prepared by the Economic Development team reported to the March 2021 Audit Committee.</p> <p>Periodical review and reporting of the Economic Development strategy. ED strategy is due for a complete refresh by June 2022 (to cover 2022 - 2027).</p> <p>Economic Development elements of the Recovery Plan includes quick wins and</p>

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	<p>employer), nationally and globally. The risk implications and threats to the Council are:</p> <ul style="list-style-type: none"> • Residual risk to be accepted - whilst Council actions aim to support and influence sustained economic recovery, these alone cannot control outcomes due to the macroeconomic environment. • Significant longer term reduction in income (fees and charges, such as Parking and retail letting of the Elmsleigh Centre) with decreased footfall in the town centres and uncertainty around future consumer 			<p>longer-term actions to support local businesses, town centres, communities during and beyond the pandemic. Regular reporting on actions completed at each Economic Development Committee.</p> <p>COVID-19 overarching Recovery plan takes account of post-Brexit implications.</p> <p>Fortnightly monitoring of Business Rates and Council Tax collection rates as part of monitoring impacts of COVID-19.</p> <p>Government assisted scheme to support increased fuel and energy bills.</p> <p>Financial support for businesses through Government schemes, with restart grants issued up to July 2021.</p> <p>Additional Restriction Grant (ARG) available to facilitate and support businesses up to end of March 2022, with £770k remaining at 16.3.22. This will directly influence business activity and contribute positively to the recovery of the local economy. ARG Task Group set up to specifically consider how to best spend the</p>

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	<p>activity patterns. This will continue to impact the Council's finances.</p> <ul style="list-style-type: none"> • An increased level of business failures impacts economic prosperity of the borough and effects collection rates for business rate income. • Consumer led demand places increased pressure on supply chains, leading to inflation, rising prices and increased living costs (energy and fuel crisis is particularly significant) impacting businesses, Council services and residents. 			<p>remaining monies to ensure businesses benefit the most in terms of recovery and future growth. Councillors have provided some very valuable input on where the monies should be spent.</p> <p>Dedicated ED committee to consider Economic Development matters – role includes scrutiny of budgets and grant spend.</p> <p>Funding secured (£100,000) from DWP for a Youth Hub for 18 – 24-year-olds to assist with job employability. Hub began operating from Sunbury Business Incubator in January 2022. Officially launched 4 March 2022.</p>

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<p>3. Corporate Management Team (MAT) and Lead Committee</p>	<p>3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS</p> <p>The pandemic has increased the Council’s exposure to financial risk, with possible implications for the investment portfolio, including loss of anticipated rental income from commercial assets and poor investment returns. This may impact on the financial position, leading to the Council becoming financially unsustainable with associated reputational damage.</p>	<p>Recovery from Covid</p>	<p>Amber Refer to the Risk Matrix</p>	<p>Investment performance is monitored bi-monthly at weekly Assets Portfolio Working Group), and a quarterly performance report is produced for the Investment Portfolio. Fortnightly Asset Portfolio Working meetings are taking place to monitor income (investment portfolio doing very well - so far 99.6% of rental invoiced for 2020-21 collected, and 99.8% of rent for last four quarters collected including the most recent quarter day). 95% of overall investment portfolio let.</p> <p>Due Diligence measures continue for tenant management.</p> <p>Ten year worst and best case sinking fund scenario projections are reviewed on a weekly basis and will be shortly extended to a 20-year time frame. Development Sub-Committee approved a methodology for Business Plans for Investment Assets. Detailed business plans are under development for each investment asset.</p>

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				<p>Capital Strategy includes key performance indicators with a particular focus on the investment portfolio. Refreshed Capital Strategy considered at 7 February CPR Committee. The Asset Management plan (which is reviewed annually) sets out key control measures. Revised Asset Management Plan approved by Corporate Policy and Resources. Development Sub Committee of Corporate Policy and Resources receives regular monitoring reports for scrutiny. Annual Performance Report considered at Development Sub on 9 August 2021.</p> <p>CIPFA FM Code self-assessment and Member reporting. LGA Finance Peer Review undertaken in late 2020 with action plan put in place to address recommendations. Associated monitoring and review.</p>
4. Corporate Management Team (MAT) and Lead Committee	4. FINANCIAL RESILIENCE AND SUPPORTING COMMUNITIES	Supporting Communities Recovery from Covid	Amber Refer to the Risk Matrix	Medium term financial strategy refreshed as part of the Budget process for 2022-23. Outline Budget report approved by December CPRC meeting.

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	<p>(i) Increased financial pressures faced by the Council arising from the impact of the Covid-19 pandemic (reduced fee income and tax base) and increased costs including financial support to the Leisure Centres) could impact service delivery, leading to a negative impact on the Borough's residents and communities (economic, social, physical, and mental wellbeing). Ongoing financial pressures could lead to the Council becoming financially unsustainable.</p> <p>(ii) The risks referred to in section 4(i) above combined with impact of the Moratorium and slowing down of housing delivery programme, plus rising inflationary pressures, have</p>	Service Delivery		<p>CPRC put forward proposals for a balanced budget for 22-23 (and years 23-24 to 25-26 also balanced). Full Council approved budget on 24.2.22 . Fully refreshed Reserves Strategy (in line with Peer Review) approved by 7th February CPRC.</p> <p>Delta returns submitted to capture and reclaim costs of COVID-19 across the Authority.</p> <p>Financial impact assessment modelling. Independent peer led review of the Council's approach to finance undertaken in 2020/21. Update on Peer Review Action Plan and CIPFA Financial Management Self-Assessment is periodically reported to the Audit Committee.</p>

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	resulted in the Budget process being the most challenging one for more than half a decade.			
5. Corporate Management Team (MAT) and Lead Committee	<p>5. TREASURY MANAGEMENT</p> <p>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</p>	<p>Recovery from Covid</p> <p>Service Delivery</p>	Amber Refer to the Risk Matrix	<p>Treasury Management Strategy for 2022-23 approved by Members.</p> <p>Application of updated CIPFA Code of Practice and Prudential and Treasury Management Codes.</p> <p>Performance measurement and reporting, with mid-year report to Corporate Policy and Resources Committee on 29 November 2021. On track (at March 2022) with meeting Prudential indicators and fair favourably on investments compared to other Council's.</p> <p>Aim to select counter parties of the highest credit quality.</p> <p>Credit ratings monitored.</p> <p>Council's investments managed internally in consultation with advisors Arlingclose. Explore options for diversifying the portfolio.</p>

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				<p>Fixed interest rate on most debt and for investments an interest equalisation reserve is in place.</p> <p>Committee System of governance for decisions.</p> <p>Training delivered for new Financial Management Code.</p>
<p>6. Corporate Management Team (MAT) and Lead Committee</p>	<p>6. SUSTAINABILITY & CLIMATE CHANGE</p> <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 on health and safety, food systems, supply chains & procurement, economic productivity, and losses. Due to climate change, there is a specific risk to the Borough of Spelthorne in terms of more extreme heat and</p>	<p>Environment and Climate Change</p>	<p>Red</p> <p>Refer to the Risk Matrix</p>	<p>Council declared Climate Change Emergency in October 2020.</p> <p>Council's 2020-21 Budget includes £747k specifically ring-fenced for Green Initiatives. Environment and Sustainability Committee of January 2022 agreed framework for prioritising bids to the Green Initiatives provision. Better neighbourhood grants have been doubled for 21-22 to £2,000 to support grass-root green initiatives.</p> <p>Government targets for reducing carbon emissions / greenhouse gases to tackle climate change.</p> <p>It is expected the Environment and Sustainability Committee under the new governance model will continue to explore ways to meet a carbon neutral</p>

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	<p>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>			<p>target by 2050 or earlier and to make recommendations on how to apply the £747k fund and see 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> <p>Officers are working in the spirit of ethical and social responsibility to reduce the Council's carbon footprint. Sustainability Strategy; Energy & Water Efficiency Policy (2015 - 2020). Professional group membership such as Surrey Energy & Sustainability Partnership (SESP) and Association of Lead Energy Officers (ALEO). Implementing energy efficiency measures in Council owned buildings. Increasing renewables capacity. Officers working with relevant Committees and Treasury Management advisers on how we can align the Council's cash investments, so they focus on a more environmentally and socially sustainable basis. We have asked our advisers to bring forward by autumn 2022 a plan with timescales as</p>

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				to how we transition our portfolio to a more sustainable basis.
<p>7. Corporate Management Team (MAT) and Lead Committee</p>	<p>7. CORPORATE CAPACITY, RESOURCES , RECRUITMENT AND RETENTION</p> <p>(i)Overstretched capacity exacerbated by the additional workload, new Committee system of governance and demands arising from the pandemic and recovery (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>ALL PRIORITIES</p>	<p>Amber Refer to the Risk Matrix</p>	<p>Management to address workload issues and need to remain alert to stress related risks. With additional projects with tight deadlines such as Staines Health and Wellbeing Centre, Cultural Development Fund, supporting Afghan families, delivering Whitehouse Hostel and Harper House, producing viability proposals, implementing under tight timescales scheme to pay out Household Support Fund grants, applying the Budget process to the Committee system, undertaking work in connection with around 60 Motions agreed by Council, work to address the moratorium as just a few examples, workload pressures have been intense.</p> <p>Monitoring of sickness absence providing corporate view of stress issues.</p> <p>To assist staff can access welfare information on Intranet. Support is available for mental and emotional</p>

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	<p>(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 7i above 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:</p> <p>-Do nothing on the basis that the controls have proven effective enough to reduce the risk to an acceptable level, OR</p> <p>-Increase or modify controls to reduce the risk to a level that is regarded acceptable, OR</p> <p>-Evaluate the cost of revised control and</p>			<p>wellbeing including mental health first aiders and Care First. This scheme has been promoted through regular staff communications. The need to treat colleagues respectfully and look after each other has been recognised and communicated. New corporate values under the acronym PROVIDE form part of the refreshed Corporate Plan. Council 2021-22 Budget included small staff pay increase to maintain Council's competitiveness with other local Councils. A 2% pay increase approved for 22/23 (24.2.22) plus an extra 0.5% for staff on Grades 1 to 5. Growth bids for additional resourcing form part of annual budget process, with 17 FTE approved for 2022/23. Whilst recruitment is underway to address resource needs in certain areas, it is becoming more difficult to recruit into technical roles. For several posts recently advertised there are few or no suitable candidates applying. This could impact on resourcing and further stretch staff already under considerable workload pressures.</p>

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	<p>mitigation measures vs benefits and whether this is deemed necessary to bring the risk to an acceptable level</p> <p>(iii) Unsuccessful recruitment and unfilled vacancies lead to a reduced level of technical skills and relevant expertise operating across Services. Staff shortages further exacerbate workload pressures across teams. The consequences of this risk are set out earlier at 7i.</p> <p>(iv) Ineffective or inappropriate recruitment could result in appointments that fail to effectively meet business need leading to reduced service quality.</p>			<p>Collaborative working and Partnerships being explored with a view to enhancing organisational and service resilience, promoting career opportunities and staff retention measures. Working group in place.</p>

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Risk Scoring Matrix

This is the matrix that is used across the Council

Red risks require prompt, planned management action

Amber risks require planned management action

Green risks are accepted risks

Impact	4 (Catastrophic)			2, 6	
	3 (Major)			3; 4; 5	1 (a); 1 (b); 7
	2 (Medium)				
	1 (Trivial)				
		1 (Rare)	2 (Unlikely)	3 (Likely)	4 (Almost certain)
		Likelihood			

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How risks are scored:

We score risks, with their current controls 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.