

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

### Risk Scoring Matrix (Plotted October 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 -Economy</b> <b>RC3 - Commercial Assets</b> <b>RC5 -Treasury Management</b> <b>RC8- E,D,I</b> <b>RC9 – Across Local Govt</b>	<b>RC1a – Housing (Development Targets)</b> <b>RC1b – Housing (Affordable);RC4 - Finance &amp; Communities; RC6 – Climate Change; RC7 Resources</b>
	<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>			

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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.

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

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

Risk Descriptions
<p>1a (i) The adverse impact from past delay on development schemes and any further delay increased in the context of rising interest rates from the Public Works Loan Board (PWLB) and significant construction inflation. These factors continued to very significantly affect the financial viability of each project, leading to rising overall costs, and risk of adverse financial position of the Council. In responding to this threat, the Council decided to suspend direct delivery of the Housing development programme from mid-September 2023. Options are being explored which will determine when accumulated capitalised costs of £10m to £15M will need to be charged to Revenue. This will potentially mean that the earmarked reserves will need to be applied to offset this impact. In addition, holding costs of £1.6m per annum relating to the housing delivery schemes are continuing to be incurred until outcomes are delivered on the sites. This continues to have a significant financial impact on the Council's budgetary position.</p> <p>1a(ii) In identifying alternative Development Delivery Options for Council Owned Development Sites, there are new risks to assess to determine whether such arrangements (for example Joint Ventures) represent financially viable solutions in the long term and that they do not accelerate the Council's financial risk exposure to an unacceptable level, consequently presenting further uncertainty and strain on the Council's financial sustainability.</p> <p>1a (iii) Further to the Council's decision to suspend direct delivery of the Housing development programme from mid-September 2023, this will further impact timelines for delivery of housing schemes and development targets (both affordable and general housing). This could significantly impact on the achievement of Corporate Priorities in this area.</p>

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1a (iv) Any further 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. An Extraordinary Council Meeting on 6 June 2023 agreed to pause the Local Plan for three months to enable new Councillors to review the Plan and process. At the last review of the Corporate Risk Register it was reported that this further delay to the examination hearings and adoption of the Local Plan runs a number of significant risks including:

- 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.)

A further report was considered at an Extraordinary Council Meeting on 14 September 2023, when councillors agreed to 'extend the pause in the examination timetable until the proposed changes to the National Planning Policy Framework (NPPF) have been published (expected in the Autumn) before determining the next steps and take immediate legal advice to confirm the validity of the Minister's directive'. That directive prevented the Council from being able to make a decision to withdraw the Local Plan.

The risks associated with category 1a (iv) above continue due to further pausing of the Local Plan Examination Hearings (likely) until Spring 2024. In addition, a number of new risks and challenges are now presented or exacerbated as follows:

- The Council cannot now withdraw the Local Plan (even if it wanted to) unless the Ministerial Directive is withdrawn.
- Financial impact to the Council as a result of delays in adoption of the Local Plan (additional time and resource)
- An increased risk of Planning Inquiries on refused applications, as developers take advantage of the uncertainty around a further pause
- Potential increase in adverse publicity and reputational impact/damage for the Council if the Local Plan moves forward without considering the impact of the updated NPPF when it is published.

1a(v) If the Local Plan process is not subject to robust challenge, this may not provide adequate opportunity to shape and finalise a plan at key stages to ensure it meets the (a) optimal interests of Spelthorne (b) all regulatory, legislative and professional requirements.

1a (vi) Increased possibility of central government intervention to facilitate progression of the plan if the Council does not take active steps to move forward at an appropriate pace. This could have significant implications in terms of the sovereignty of decision making by the Council.

1a (vii) Current Environment Agency flood modelling (summer 2023) indicates a marginal increased level of flood risk across some parts of the borough of Spelthorne which could adversely impact property and land. These present important factors in pursuing delivery of Housing schemes/outcomes and impact decisions on how to proceed with Council owned sites.

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*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence) Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '1a' above. Therefore, the reference number should be clearly indicated.	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '1a' above. Therefore, the reference number should be clearly indicated.
<p><u>Governance and reporting 1a (i,ii,iii)</u></p> <p>Weekly progress reporting of Property Development projects to officer Development Investment Group (DIG)</p> <p>Bi-monthly Assets Portfolio Working Group (with Chair and Vice-Chair of both Corporate Policy and Resources Committee (CPRC) and Development Sub-Committee</p>	<p><u>1a (i,ii,iii) Holding Costs for Development Sites and Options</u></p> <p>The Group Head of Assets is moving forward a new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council.</p> <p>A report giving insight to mitigation of Holding Costs and Development Delivery Options for Council Owned Development Sites was presented to CPRC 16.10.2023. These set out how options have been assessed.</p> <p>Risk considerations relating to the Council's decision to suspend direct delivery of the Housing development programme from mid-September 2023 have been identified and these may continue to be refined as specific risks anticipated emerge and evolve.</p> <p>Reference to the Council's Reserves Strategy going to CPRC in January 2024 is referred to under risk category 4.</p>
<p><u>KGE 1a (i,ii,iii)</u></p> <p>KGE annual report to November Corporate Policy and Resources Committee (CPRC); established policies and framework. Having Non-Executive Directors enhances the ability of the KGE Board to scrutinise Board papers.</p>	
<p><u>Delay to Local Plan adoption – 1a (iv) (vi)</u></p> <p>Reiterating earlier reference under risk section. 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, and the decision on 14</p>	

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<p>September 2023 to 'extend the pause in the examination timetable until the proposed changes to the NPPF have been published (expected in the Autumn) before determining the next steps'.</p> <p>Work is already underway to consider whether/what impact the revised NPPF may have on the Local Plan which has been submitted for Examination (on the basis of the current draft NPPF), and to consider options around possible next steps.</p> <p>As a result of the Ministerial direction, monthly progress meetings are being held between senior officers from DLUHC and the Council.</p>	
<p><u>Due Diligence and Challenge 1a(v)</u></p> <p>Planning regulatory framework          Planning Committee, Officer presentations/professional advice and Member decision making          Local Planning inspectorate and independent examination/assessment .          Independent Critical Friend assessment</p> <p><u>Flood Risk Management 1a(viii)</u></p> <p>Strategic flood risk assessment (SFRA) as part of Local Plan process; planning policies; future review of the SFRA in light of the River Thames Scheme modelling as required.</p>	<p><u>Flood Risk Management 1a (vii)</u></p> <p>It is essential all schemes progressed on Council owned land are thoroughly considered against the flood risk to ensure appropriate mitigation is included within the scheme design.</p>
<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>	
<p>What is the indicative/additional indicative risk score after considering further mitigation measures set out in the Risk Action Plan?          (At October 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>12</p>	<p>Maintained risk score and RAG status</p>

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

### Risk Descriptions

The national Housing Crisis presents widespread ramifications at a local and regional level and specific risk considerations are set out below.

1b (i) Lack of affordable housing supply increases homelessness

1b (ii) Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation. Any delay in adopting the Local Plan does not assist in progressing a wide spread of units for differing needs.

1b (iii) The Domestic Abuse Act presents additional pressures and demand as there is a requirement for victims of domestic abuse to be prioritised and rehoused in secure accommodation (parameters of what constitutes domestic abuse expanded under latest legislation)

1b (iv) The ongoing conflict in Ukraine and refugee situation, particularly the Government decision to close Afghan Bridging hotels by end of August 2023, presented additional pressures in ensuring that fundamental needs are met in supporting new communities. Spelthorne participates in the Local Authority Housing Fund capital funding programme (Rounds 1 and 2) 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. Further to Spelthorne receiving an increased number of homeless approaches from the asylum hotel within the borough as well as other dispersed accommodation, there is very limited funding available for housing asylum seekers which could adversely impact the suitability of accommodation offered to these communities and where placements are out of the borough, Spelthorne has little control over accommodation standards. Increased rate of determination of asylum seekers claims is resulting in more residents at the Asylum Seekers initial accommodation hotel in the Borough presenting to the Council seeking housing support. These factors are exacerbating Housing demand and supply. The Council has written to the Minister about the impact of asylum seekers requiring housing support.

1b (v) There is also pressure from neighbouring and London authorities placing households in the borough, often without our knowledge, however the Council has no powers to prevent this. It further reduces supply.

1b (vi) Managing demand for social housing is extremely challenging given that anyone with a local connection can apply for housing to any Council.



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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.

1b (viii) Further to the Council's decision to suspend direct delivery of the Housing development programme from mid-September 2023, this could further impact timelines for delivery of affordable housing provision, and thereby impact the achievement of Corporate Priorities in this area.

1b (vix) Housing fraud occurrence (tenancy fraud/Housing register/Homelessness) leads to an increased number of cases on the Housing register as well as reduced availability of social housing for those individuals/families in genuine need. It also carries financial cost to the Council and taxpayer (fraud losses) where for example temporary B & B accommodation placements are not genuine.

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) Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '1b' above. Therefore, the reference number should be clearly indicated.	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '1b' above. Therefore, the reference number should be clearly indicated.
	<u>Affordable Housing Provision – Delivery Options</u>  1b(viii) A report on mitigation of Holding Costs and Development Delivery Options for Council Owned Development Sites in supporting affordable Housing Provision was reported to CPRC 16.10.2023. These will set out how new delivery options proposed have been assessed.
	<u>Financial support</u>  1b (vii) Government funding to assist vulnerable families in rent arrears and who are at threat of eviction.

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	<p>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.</p> <p>Council is lobbying for additional funding support in recognition of the resourcing and financial impact of more asylum seekers presenting in need of housing support.</p>
<p><u>1b (i) (ii) Collaborative working in pursuit of affordable housing delivery</u></p> <p>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</p> <p>S106 agreements with Developers. Strengthened the review process for s106 agreements to capture any potential additional affordable housing due to an uplift in value.</p>	
<p>1b (i) <u>Homelessness and Refugee Support</u></p> <p>In complying with Homelessness Reduction Act, proactive measures taken to address risk of homelessness.</p> <p>Measures to support Rough Sleepers, Afghan and Ukrainian refugee families under the government funded relocation and assistance scheme, including dedicated support workers.</p> <p>Applying Home Office funding to provide additional support to refugees. The Council has applied Home Office Afghan refugees funding to enable it to acquire Temporary Accommodation at Longford to enable it to temporarily house families impacted by the closure of the Bridging Hotel until they are able to move into resettlement properties funded by the Local Authority Housing Fund.</p>	<p>1b (i) <u>Homelessness and Refugee Support</u></p> <p>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.</p>
<p><u>1b (iv) Local Authority Housing Fund (LAHF)</u></p>	<p><u>1b (iv) LAHF</u></p>

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<p>1b (iv) 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</p>	<p>1b (iv) 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). Participation in Local Authority Housing Fund Round 2 to acquire a further 7 properties. Report going to CPRC in October 2023 to approve acquisitions.</p>
<p><u>Strategies, Monitoring Processes and Counter Fraud 1b(vix)</u></p> <p>Housing and Homelessness Strategies. Quarterly Strategic Action Plan monitoring. Regular review by officer Strategic Housing Group. Member approved tenancy strategy.</p> <p>Enhanced verification of all Homelessness applications takes place to sift out fraudulent applications before they can enter the system (Fraud Prevention strategy).</p>	<p><u>Strategies, Monitoring Processes and Counter Fraud 1b(vix)</u></p> <p>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. A risk approach is being applied to prioritise investigation of matches identified.</p> <p>Monitoring of Housing Register levels. Re-registration process took place this summer in accordance with the new terms of the revised Allocation Policy and resulted in circa 1700 re applications (significant reduction from the previous level of 3800 applicants).</p>
<p><u>1b(v) (vi) Housing Demand and Supply constraints</u></p> <p>Surrey reciprocal arrangement already defined to re-house applicants across boroughs where local connection confirmed. Therefore there are limitations to how this risk occurrence which impacts supply can be reduced.</p>	<p><u>1b(v) (vi) Housing Demand and Supply constraints</u></p> <p>The Housing Team have written to other councils reminding them of legal obligation to notify where placing households in the borough</p>
<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>	
<p>What is the indicative/additional risk score after considering further mitigation measures set out in the Risk Action Plan? (At October 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>12</p>	<p>Maintained risk score and RAG status.</p>

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

Risk and Impact 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> <p>2 (i) 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.</p> <p>2(ii) 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.</p> <p>2(iii) The potential for increased level of business failures amidst the growing 'Cost of doing business crisis' has led to closure of some retail and business units across the borough 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.</p> <p>2(iv) The current economic environment may increase occurrences of anti-social behaviour, theft and fraud</p>

<p><b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)</p> <p>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '2' above. Therefore, the reference number should be clearly indicated.</p>	<p><b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).</p> <p>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '2' above. Therefore, the reference number should be clearly indicated.</p>
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<p><u><i>Economic Prosperity Strategy</i></u></p> <p>2 (i) The Economic Development Committee as well as other groups provides a mechanism for the Council's Economic Prosperity strategy to be periodically refreshed and reported. 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><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>2(i) 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 wider externalities.</p>
	<p><u><i>Town Centre Strategy</i></u></p> <p>2(ii) On 12 January 2023, the Economic Development Committee agreed a Town Centres Strategy for 2023 which sets out a series of key actions for our smaller shopping areas and parades. These will provide targeted support and interventions, with timescales and measures of success clearly identified.</p> <p><a href="https://democracy.spelthorne.gov.uk/documents/s46628/TCM%20Strategy%20FINAL.pdf">https://democracy.spelthorne.gov.uk/documents/s46628/TCM%20Strategy%20FINAL.pdf</a></p>
<p><u><i>Schemes to support businesses and collection fund monitoring</i></u></p> <p>2(iii) Government assisted Energy Bills Support Scheme (EBSS) to support increased energy costs / bills.</p> <p>2(iii) 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><u><i>Schemes to support businesses</i></u></p> <p>2(iii) 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. A separate report went to ED committee in January 2023</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>

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<p>2(iii) 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 and macroeconomic climate on the collection fund. Regular reporting on collection rates to Corporate Debt Group and as part of KPI's to Councillors</p>	<p>A contract has been awarded to a company deliver business support training including 1-2-1 mentoring, developing a business plan, marketing and growing a sustainable business. Delivery of the programme is now underway,</p> <p>A contract has also been awarded for a company to go into local businesses to undertake an energy audit to assist with reducing energy bills, to raise awareness around more sustainable energy options and to provide baseline information for businesses to apply for grants and funding. Delivery of the programme will be shortly underway.</p> <p>2(iii). 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>2 (iii) 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><u>Counter Fraud</u></p> <p>2(iv) Counter Farud, Bribery and Corruption Strategy includes proactive measures to promote early identification of potential fraudulent activity/ attempts across high risk public fraud areas, which forms part of fraud preventative approaches.</p> <p>2(iv) Communications from the Council regarding evolving fraud scams to promote awareness amongst residents/businesses and protect the public from being targeted.</p>	<p><u>Counter Fraud</u></p> <p>2(iv)Counter Farud, Bribery and Corruption Strategy includes measures to promote reporting, detection and investigation of suspected fraud occurrence</p>

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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks (there are no further specific actions for this risk category 2 (Economy) in the Risk Action Plan)

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

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### 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) Group Head Assets (Coralie Holman)

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

Risk and Impact Descriptions
<p>3i. 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.</p>

<p><b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)</p> <p><b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '3' above. There is currently only one risk description for risk category 3 and therefore all control actions relate to risk description 3i .</b></p>	<p><b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur).</p> <p><b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '3' above. There is currently only one risk description for risk category 3 and therefore all mitigating actions relate to risk description 3i .</b></p>
<p><u>Overarching Asset Management Strategy, Performance Management and Assets Risk Register</u></p>	<p><u>Sinking Fund</u></p> <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>



## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>Public Interest Report Action Plan approved by Audit Committee in July 2023.</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. A progress report regarding the overarching strategy and core elements was verbally presented to Development Sub-Committee on 2<sup>nd</sup> October 2023.</li> <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 91% of overall Investment Portfolio let. Rent collection rates remain at 99+%.</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>
<p><u>Tenancy and Void Management</u></p>	<p><u>Tenancy and Void Management</u></p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<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>Ongoing management of voids with a view to reducing the portfolio void rate. Assets team proactively working to fill voids quickly using external lettings agents, understanding market demand and the size of accommodation needed.</p>
<p><u>Governance and reporting arrangements</u></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.</p> <p>Asset Management plan reviewed annually.</p> <p>Development Sub Committee of Corporate Policy and Resources receives regular monitoring reports for scrutiny. Most of the investment assets have had their Business Plans approved by the Development Sub-Committee.</p> <p>All Councillor Budget Briefing (3 times a year) set out financial risks in context of budgetary position, informing budgetary process.</p>	<p><u>Review of Business Plans for investment assets</u></p> <p>Group Head for Assets developing new Investment Asset Strategy (as part of the overarching Asset Management Strategy) which will incorporate business planning to be reviewed annually. See earlier reference re progress report regarding the overarching Asset Management strategy.</p>
	<p><u>External review of arrangements</u></p> <p>SBC has participated in a review of capital risk mitigation with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and is in the process of taking on board any improvement suggestions.</p> <p>The Council is currently external advisers to critically review the Investment Assets portfolio</p>
<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>	
<p>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 October 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 score with no change to RAG status</li> <li>- Reduced score with no change to RAG status</li> <li>- Reduced score and RAG status</li> </ul>
<p>9</p>	<p>Maintained score with no change to RAG status</p>

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

#### Risk and Impact - Descriptions

4(i) Increased financial pressures faced by the Council arising from the continued inflationary pressures on fuel, gas and electricity, staff pay pressures, significantly increased PWLB loan rates presenting higher borrowing costs and other external factors are collectively causing a significant increase in revenue costs and capital expenditure. As a result of the Council's decision to suspend direct delivery of the Housing development programme from mid-September 2023, options are being explored for how to handle £10m to £15m of accumulated capitalized costs which will potentially need to be charged to the Revenue budget. In addition, holding costs of £1.6m per annum relating to the housing delivery schemes continue to be incurred until outcomes are achieved on the sites held by the Council. This is creating considerable financial pressure.

4(ii) Combined with reduced fee income and potential for lower collection rates of Business Rates and Council Tax (exacerbated further by the continued 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). This coincides with increased service demands, leading to further growth bids for resourcing which are not financially sustainable or affordable unless these can be offset by savings. Ongoing financial pressures, in worst case scenario, could lead to the Council becoming financially unsustainable. (To note, in terms of the Cost of Living impact at October 2023 Council Tax collection rate is 57% compared to 64% a year ago. This could be attributed to a much higher take up this year of 12 monthly instalments rather than 10 in supporting customers during challenging financial times. Business Rates collection rate at October 2023 is 60% and consistent with a year ago).

4(iii) As the Council's borrowing levels have necessarily become restricted in the context of wider financial and externality risk, 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)

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*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><b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '4' above.</b></p>	<p><b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '4' above.</b></p>
<p><u>Financial and budgetary management, reporting and modelling</u></p> <p>4(i) Financial impact assessment modelling undertaken as proactive measure. Finance have accelerated the timing of when initial budget modelling is completed compared to previous years, and this has provided more time to now explore options for closing budget gaps. Councillors were updated at a Budget Briefing on 10<sup>th</sup> October.</p> <p>Budget gaps remain at present for 2024-25 through to 2027-28. Management Team, Group Heads and Finance are robustly scrutinising budget growth bids to remove those which cannot be justified, and seeking additional savings.</p> <p>4(i, ii,) Outline Budget report to be approved by December 2023 CPRC provides updated medium term budget projections and set out options for refreshed medium term financial strategy. This will be considered alongside the refreshed Reserves Strategy.</p> <p>4(i) (ii) All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.</p>	<p><u>Financial and budgetary management, reporting and modelling</u></p> <p>4 (i) Inflationary pressure contingency reserve to assist with the predicted budget deficit.</p> <p>4(i, ii, iii) Fully refreshed Reserves Strategy approved by February 2023 CPRC and updated again going to January 2024</p> <p>4 (i) (ii) Governance reporting including financial impact of current pressures on the Council's budget to support perusal of further mitigating actions. Revenue outturn report presented to CPRC 26 June 2023 recommended that the £479,929 surplus on Outturn is transferred to the General Fund in the context of economic uncertainty to strengthen the Council's contingency funds.</p>
<p><u>Savings and VFM</u></p>	<p><u>Growth, Savings and VFM</u></p> <p>4(i) (ii) 2023-24 Budget put forward for making efficiency savings over the next 4 years to further safeguard the authority in addressing the budget</p>

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<p>4 (ii) Cashable savings working group set up to target efficiencies and savings. In future progress against cashable savings will be incorporated into the quarterly budget monitoring reports.</p> <p>4 (ii) Procurement Projects Board set up to ensure focus on delivering value for money from procurement.</p>	<p>deficit. Target was £200k per annum for four years. Progress against this target is currently being re-assessed, and additional measures put in place to maintain clear focus on cashable savings</p> <p>4 (ii) Service Planning for 2024/25 to feed into the Budget process (annual processes). This process provides an opportunity for Managers to put forward any savings to offset growth bids submitted and support the Council's budgetary position. Service Plans to be considered by Committees in November</p>
	<p><u>External Review</u></p> <p>4(iii) SBC has participated in a review of capital risk mitigation with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and is in the process of taking on board any improvement suggestions.</p> <p>4(iii) Participation in Surrey wide financial resilience review with commissioning of independent consultants to consider financial metrics as part of this assessment.</p>
	<p><u>Holding Costs for Development Sites</u></p> <p>4 (i) (iii) A report on mitigation of Holding Costs and Development Delivery Options for Council Owned Development Sites was reported to CPRC 16.10.2023.</p>
<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>	
<p>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 October 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>12</p>	<p>Maintained risk score and RAG Status</p>

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

Risk and Impact - Descriptions
<p>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.</p> <p>5(ii) Stock market volatility due to uncertainty may lead to adverse investment returns, although this is mitigated by investing in a balanced mix of unit funds that will spread the risk of such a situation (linked to assets, bonds and equities).</p> <p>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.</p> <p>5(iv) Significantly increasing pressure on the Council's cash flow.</p>

<p><b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)</p> <p>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '5' above.</p>	<p><b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). <b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '5' above. Therefore, the reference number should be clearly indicated.</b></p>
<p><i>Treasury Management Strategy 5 (i) (i) (iii) (iv)</i></p>	<p><i>Borrowing Strategy Review 5 (iii)</i></p>

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<p>Treasury Management Strategy for 2023-24 approved by Members at February Council. Following on from approval at CPRC on 11.9.2023 for the Council to step away from seeking to directly deliver and finance from borrowing the housing delivery programme, the Council's Treasury Management Strategy has changed significantly with amendments to the prudential indicators approved at October CPRC and Council. Leading up to these an informal budget briefing has taken place for all Councillors to explain the change of approach.</p>	<p>5 (iii) 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. The borrowing strategy will be further impacted by suspending direct delivery of the housing delivery programme which was funded by finance from borrowing.</p> <p>Fixed interest rate on most debt and for investment assets an interest equalization reserve is in place. Refer also to mitigating actions under section 4 above.</p>
<p><u>Treasury Management Practices 5 (i) (i) (iii) (iv)</u></p> <p>Application of CIPFA Code of Practice and Prudential and Treasury Management Codes</p>	
<p><u>Performance Management 5(i) (ii) (iii)</u></p> <ul style="list-style-type: none"> <li>➤ Performance measurement and outturn reporting.</li> <li>➤ Investment Benchmarking undertaken by Arlingclose, the Council's Treasury advisor.</li> </ul>	
<p><u>Cash Flow 5(iv)</u></p> <p>Daily cash flow position produced and monitored. Internal control process reviewed and strengthened in 2023.</p>	
<p><u>Investments 5(i) (ii) (iii)</u></p> <ul style="list-style-type: none"> <li>➤ Council's investments are managed internally in consultation with specialist advisors Arlingclose. Explore options for diversifying the portfolio.</li> <li>➤ Aim to select counter parties of the highest credit quality.</li> <li>➤ Credit ratings monitored.</li> <li>➤ Investments with approved institutions as per policy and strategy</li> </ul>	<p><u>Investments 5(i) (ii) (iii)</u></p> <p>By investing in a balanced mix of unit funds linked to assets, bonds and equities this is intended to spread the risk and minimize the impact of occurrence of any adverse investment returns.</p>
<p><u>Training to support informed decisions. 5 (i) (ii) (iii) (iv)</u></p>	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>Quarterly meetings are held with Arlingclose of which the Chief Finance Officer, Chief Accountant, Treasury &amp; Capital Accountant and Assistant Accountant along with Administration Group Leaders attending. From September 2023 the presence of Administration Group Leaders at the quarterly sessions with Arlingclose provides additional insight and further supports Councillors in making informed decisions and approving the Treasury Management Strategy.</p> <p>Treasury Management training (Member briefing) provided for all Councillors in September 2022 and another one is planned to be delivered between November 2023 and January 2024.</p> <p>Arlingclose have been asked to arrange training for all councillors on Treasury Management issues</p>	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

<p>What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At October 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 score</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>



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### 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 (June 2023)	Current RAG Status (October 2023)	Previous Risk Score (June 2023)	Current Risk Score (October 2023)
		9	12 (Explanation for this change in direction of travel has been provided in the risk description 6(i), as well as main cover report at paragraph 2.7(f) – see separate document with reference to instances of greater extremes of weather and temperatures on the increase, presenting major adverse impact)

Risk and Impact Descriptions
<p>6(i) 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. The last 8 years have been the world’s hottest and in the last summer there were 72,000 excess deaths in Europe due to the extreme heat. The UK is equally likely to see weather extremes going forward hence the proposed change in RAG rating to red as extreme weather impacts on the economy and actions required by the Council e.g in times of severe flooding seriously draining the Council’s resources.</p> <p>6(ii) Where integration into wider Council decision-making is not evident this reduces the effectiveness of holistic approaches in delivering Spelthorne’s strategy</p>

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6(iii) Inadequate mechanisms for monitoring and reporting on status provides limited insight regarding keeping on track in pursuing net zero carbon emissions and wider government reporting requirements.

*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). <b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '6' above. Therefore, the reference number should be clearly indicated.</b>
<p><b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '6' above.</b></p>	
<p><u>Targets 6 (i)</u></p> <p>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 (aiming to get to Net Zero for Scope 1 and 2 emissions by 2030, developed an action plan to move the Council towards net zero carbon emissions, agreed at Environment and Sustainability Committee September 2022) and to 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>	<p><u>Application of Green Initiatives Fund 6 (i)</u></p> <p>On 13 June 2023, the Group Head Commissioning &amp; Transformation presented a report to MAT on the allocations of the Green Initiatives Fund of £747k that included bids for Hubbub comms package, electric mopeds, and solar panels. In addition, a portion of the Shared Prosperity Fund will be allocated to Climate Change Business audits. Going forward it is appropriate this fund is targeted at measures to reduce the carbon footprint of the Council to help ensure we are net zero by 2030. This will ensure the Council mitigates its own impacts in terms of climate change as far as possible.</p> <p>Also we need to ensure that within the legal constraints we implement the proposed supplementary planning guidance to assist in future properties being better adapted to both heat and cold.</p>

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p><u>Strategy 6 (i)</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. Member and Officer representation at the Greener Futures Partnership meetings and the River Thames Scheme to support a coordinated approach to strategy implementation.</p>	<p><u>Strategy 6 (i) (ii)</u></p> <p><i>Through carbon literacy training of staff and the climate change and sustainability officers working with services across the Council, climate change is becoming embedded in service delivery.</i></p>
<p><u>Monitoring and Performance Reporting 6(iii)</u></p> <ul style="list-style-type: none"> <li>➤ A Climate Change Working group made up of a cross party group of elected Members to focus on monitoring of actions towards carbon neutrality and initial assessment of ideas.</li> <li>➤ Officer updates to Members on the progress of the Climate Change Action Plan.</li> <li>➤ Annual Reporting of Carbon Emissions to SCC</li> <li>➤ Quarterly KPI reporting - the Performance Indicator outlines the reduction in CO2 emissions of energy use across SBC</li> <li>➤ Monitoring of energy savings achieved across Surrey Borough's and Districts to provide comparative stats .</li> <li>➤ ESG assessment underway to develop future strategies for reporting requirements on climate change</li> </ul>	
<p><u>Initiatives taken 6 (i)</u></p> <p>There are numerous examples of measures taken so far: Sustainability Strategy / Energy &amp; Water Efficiency Policy / 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 installed solar panels at the Nursery as a renewable source of energy. Exploring options for improving energy efficiency of Nursery (including more solar panels) and Council offices. The</p>	

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<p>Passivhaus Leisure Centre under construction is designed to save 600 to 700 tonnes of carbon saving per annum.</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 has 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 conclude, developed incredible edibles community gardening project as participants keen to take forward.</p> <p><u>Training</u> – 6(i) 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/ has been provided for Councillors in June 2023 as part of the 2023 Induction Programme.</p>	
<p><u>External Funding for pursuing measures (to support strategy) 6(i)</u></p> <p>Proposal for funding from GIF submitted for ESG study.</p> <p>Spelthorne secured funding from the Local Government Association (LGA) Net Zero programme to engage with local residents on the Council's climate action.</p> <p>Spelthorne has been successful in an application to the Low Carbon Skills Fund for £99,600 to be spent by 28th March 2024.</p> <p>The Salix funding will be used to carry out energy audits of Council buildings.</p> <p><u>Integration into wider Council decision-making and corporate processes 6(ii)</u></p> <ul style="list-style-type: none"> <li>➤ All Committee reports include a section on Sustainability and Climate Change considerations which should be reflected upon by report authors to identify both positive and adverse impact of</li> </ul>	

## APPENDIX A Corporate Risk Register - Spelthorne Borough Council

<p>proposals being put forward by Officers requiring a Member decision.</p> <p>Carbon Footprint section on Service Plans for 2024/25 which provides an opportunity for departments to support the Council's commitment to reducing carbon emissions and explain how they intend to adapt elements of their service delivery to achieve this.</p>	
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Please now refer to the Risk Action Plan at Appendix B. This sets out how the authority is working towards further addressing and mitigating the risks.

<p>What is the additional risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At October 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> </ul>
<p>9</p>	<p>Reduced score and RAG status</p>

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### 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 (June 2023)	Current RAG Status (October 2023)	Previous Risk Score (June 2023)	Current Risk Score (October 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: #00ffff;">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>

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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.

7(vi) The Council has an ageing workforce (not uncommon in the LG sector), and this increases the risks associated with a significant loss of corporate knowledge due to the possibility of a high level of Officers taking retirement over the next decade.

*Current Control Actions (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence) <b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '7' above.</b>	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). <b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '7' above. Therefore, the reference number should be clearly indicated.</b>
<p><u>Performance Management</u></p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ Benchmarking of some KPI'S across Surrey is in place to ascertain performance levels.</li> <li>➤ 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.</li> </ul>	<p><u>Performance Management</u></p> <ul style="list-style-type: none"> <li>➤ Reports can be produced to monitor remote activity across the workforce if required.</li> <li>➤ 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.</li> <li>➤ 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).</li> <li>➤ Corporate establishment Review completed in July 2023 with report noted by CPRC, incorporated aspects of service delivery and hybrid models of working.</li> <li>➤ In measuring and monitoring the effectiveness of Hybrid Working some considerations include kpi's monitoring, general performance management and complaints monitoring</li> </ul>

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<ul style="list-style-type: none"> <li>➤ Group Head of Commissioning and Transformation issued a Briefing Paper to the March 2023 Audit Committee setting out some of the ways in which Hybrid working that took effect from 2021/2022 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 some of the wider benefits that have made this working approach a necessity in the modern world post-pandemic).</li> </ul>	<ul style="list-style-type: none"> <li>➤ GH Commissioning and Transformation reported no adverse impact of kpi's performance (for corporate kpi's reported) as a result of hybrid.</li> <li>➤ KPIs are reviewed annually to ensure they are relevant to service delivery</li> <li>➤ 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.</li> <li>➤ Report went to October 2023 CPRC on use of contractors</li> </ul>
<p><u>Resource Planning &amp; Capacity management</u></p> <p>Management to address workload issues across teams, with continued prioritisation of tasks</p> <p>Growth bids for additional resourcing where a need has been identified forms part of annual Service Planning and budget process .</p>	
<p><u>Stress Management</u></p> <p>Responsibility to remain alert to stress related risks of demanding workload. The need to treat colleagues respectfully has been recognized and communicated and remains the responsibility of everyone in creating a conducive work environment.</p>	<p><u>Stress Management</u></p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ Monitoring of sickness absence provides a corporate view of stress issues.</li> <li>➤ LGA Peer review presentation/recommendations of November 2022 included references to working culture/working relationships/workload pressures/organizational style.</li> </ul>
<p><u>Embedding of Corporate values</u></p>	



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<p>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).</p>	
<p><u>Staff and Member feedback to promote continuous improvement.</u></p> <p>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.</p>	
<p><u>Recruitment and retention</u></p> <p>Several 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> <li>iii) An Employee Assistance Programme scheme and Mental First Aider scheme to assist with staff wellbeing. Positive feedback received from staff using these services.</li> <li>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.</li> <li>v) Flexi time working arrangements.</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 completed July 2023.</p>

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<p>vi) An exit interview scheme routinely offered / undertaken that encourages leavers to engage, providing an opportunity for SBC to learn, improve and apply where appropriate for the future.</p> <p>vii) £1,925 fixed sum agreed across all grades for 2023-24 – proportionally worth more for lower paid staff</p> <p>viii) Members of South East Employers newly formed Reward and Recognition Network to share best practice and to learn from any initiatives taking place elsewhere (this is a work in progress). This highlights that all local authorities are continuing to experience recruitment issues.</p> <p>ix) Market supplements policy reviewed and refreshed</p> <p>x) A Collaborative Working Group is in place. 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.</p> <p>To ensure these policies related to recruitment and retention continue to be fit for purpose they have recently been reviewed.</p>	
<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>	
<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 October 2023)</p>	<p>Direction of Travel (Either) after considering further mitigation set out in the Risk Action Plan?</p> <ul style="list-style-type: none"> <li>- Maintained risk score and RAG (Red/Amber or Green)</li> <li>- Reduced risk score with no change to RAG status</li> <li>- Reduced risk score and RAG status</li> </ul>
<p>9</p>	<p>Reduced score and RAG status (to Amber)</p>

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

Risk and Impact Descriptions
<p>8(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>8(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 and coordinated 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) <b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '8' above.</b>	**Current Mitigating Actions (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). <b>Each mitigating action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '8' above. Therefore, the reference number should be clearly indicated.</b>
<p><u>Training and Awareness 8 (i)</u></p> <ul style="list-style-type: none"> <li>➤ Training mechanisms to raise awareness and understanding such as the online Workrite module.</li> </ul>	<p><u>Equality Impact Assessments 8 (i)</u></p> <ul style="list-style-type: none"> <li>➤ Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.</li> </ul>
<p><u>E,D,I measures 8(ii)</u> Some examples of how the Council demonstrates its commitment to E, D &amp; I principles include:</p>	

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<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ Champions (Staff reps) to explore further positive approaches relating to E, D &amp; I. Inclusivity Working Group meets regularly.</li> <li>➤ Corporate Values – (PROVIDE) are incorporated into the Council's equality and diversity objectives together with an internal equality and diversity policy.</li> <li>➤ An Equality, Diversity and Inclusivity 'Statement of Intent' document has been reported.</li> <li>➤ Internal and external websites have been updated with Equality and Diversity policy and statement published.</li> </ul>	
<p><u>Integration into wider Council decision-making and corporate processes 8(i)(ii)</u></p> <p>All Committee reports include a section on Equality, Diversity and Inclusivity considerations which should be reflected upon by report authors to identify any implications and whether there is any specific impact for proposals being put forward requiring a Member decision.</p>	

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

<p>What is the additional /indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once these are fully implemented) (At October 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>

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

### Risk Descriptions

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 for service delivery and decision making across local authority tiers.

9(ii) If there is a lack of clarity or unified understanding around the wide-reaching implications of a County Deal this could make the task of planning, managing, communicating and implementing change challenging (Change Management).

9 (iii) The current governance structure may present limited opportunities for Spelthorne to influence future shaping and direction within the wider Surrey landscape. This could lead to strategic decisions being made that may not be in the best interests of Spelthorne's residents and local communities.

9 (iv) In the context of wider financial / funding challenges being experienced across local government, there is a greater risk that pressures faced at County Council level may be diverted to districts and boroughs. This could lead to increased workload for smaller authorities like Spelthorne as well as extended complexity and risk in delivering high profile services / operations for which skills and expertise may not be held. (One example relates to Family Support where the volume of County referrals for high need cases have increased significantly, as well as the caseload category exceeding 'level 3').

9 (v) Since Surrey County Council drew 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.

<b>*Current Control Actions</b> (See Key. These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence)	<b>**Current Mitigating Actions</b> (See Key. These are specific actions to reduce the <u>impact</u> of a risk event should it occur). <b>Each mitigating action</b>
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<p><b>Each control action (current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '9' above.</b></p>	<p><b>(current) should correspond specifically to one or more of the risk descriptions set out in the risk category section '9' above. Therefore, the reference number should be clearly indicated.</b></p>
<p><u>Strategic Decision Making</u></p> <p>9 (iii) Spelthorne is a member of the Surrey Delivery Board which implements the decisions of other boards that are more influential in terms of setting the overall strategic direction and priorities for the County. SBC is not currently a member of any of these.</p>	
<p><u>Managing new pressures</u></p> <p>9 (iv) Liaison at senior executive level across tiers to discuss future management of high levels and changing complexity of referrals/ caseload.</p>	<p><u>Partnerships</u></p> <p>Spelthorne is committed to working in partnership with a significant number of such arrangements already in place across Surrey, with a view to promoting greater alignment of strategic responsibilities and resources to achieve greater effectiveness and optimising best value.</p>
<p><u>Roles and Responsibilities</u></p> <p>9 (iv) Service Level Agreements to clarify roles and responsibilities of respective parties</p>	
<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 (there are no specific actions raised for this risk category).</p>	
<p>What is the additional/indicative risk score after considering further mitigation measures set out in the Risk Action Plan? (Once fully implemented) (At October 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>