

Risk description

• In identifying, as part of the new Delivery Strategy, 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. Updated 14/6/24

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

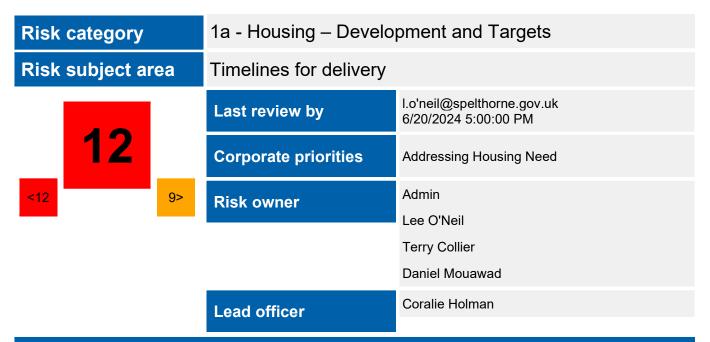
- Governance and reporting arrangements.
- Professional advice, expertise and input from officers across the Council, to guide and support on the implications of any proposed routes put forward.
- Scrutinty of decisions is embedded within the Committee system of governance, and a 'call in' procedure can be invoked if required.

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

• Progressing new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council.

Future	actions Type	Timeline	Description	Status	Comments
•	Mitigation	April 2024	Identification and rigorous assessment of alternative Development Delivery Options for Council Owned Development Sites, to ensure they represent financially viable and sustainable solutions in delivering development targets.	In Progress	



Risk description

• 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).

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

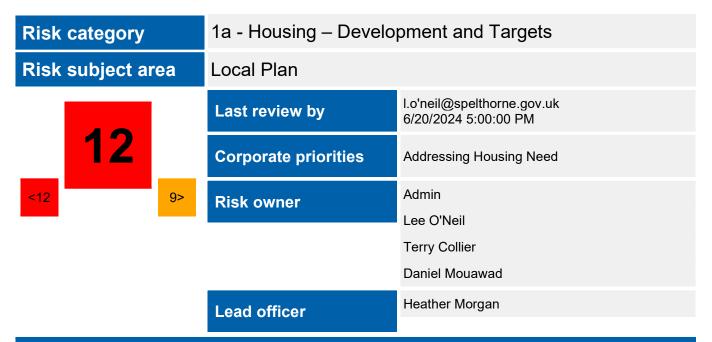
Residual risk that may have to be accepted given the risk event occurrence and impact.

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

Residual risk that may have to be accepted given the risk event occurrence and impact.

Future	actions Type	Timeline	Description	Status	Comments
•	Mitigation	September 2024	Once strategy routes have been confirmed, monitoring mechanisms to be pursued of revised timelines for delivery of targets Reviewed 14/6/24	Outstanding	



Risk description

- 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.
- 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.
- Due to further pausing of the Local Plan Examination Hearings until Spring 2024, as a result of the
 decisions made at the extraordinary E&S committee meeting on 29 February 2024, a number of specific
 risks and challenges include: (i) additional pressure on SBC Local Plan to meet the housing need of other
 boroughs (ii) a lack of certainty around Housing Delivery (iii) legal challenge (iv) prospect of unsuitable
 developments (v) financial impact to the Council from delays in adoption of the plan (vi) adverse publicity
 and reputational damage
- 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.
- On 2 May 2024, the EA advised they had some key concerns around flooding issues, and the soundness of the Local Plan unless further changes were made. However the EA believe these issues can be overcome and addressed. There is an on-going dialogue between SBC and the EA. There is a risk that if the matter is unresolved, the number and deliverability of a number site allocations may be at risk. This could potentially impact on the ability to deliver the required 5 and 10 year housing land supply (when combined with removing the green belt sites that the Council no longer wishes to pursue agreed by E&S committee on 29 February 2024)

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Impact assessment of the revised NPPF on the Local Plan submitted for Examination (on the basis of the current draft NPPF), with options around possible next steps.
- Planning regulatory framework

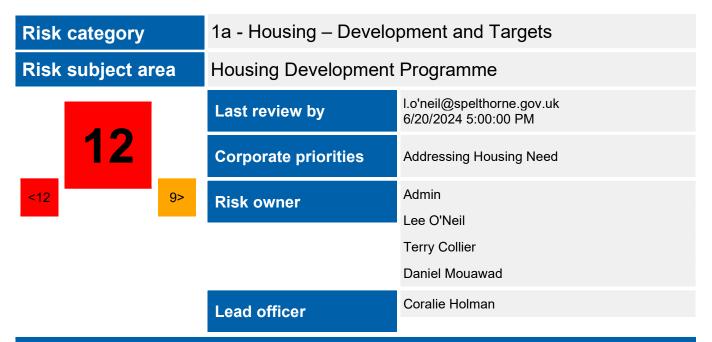
- Planning Committee, Officer presentations/professional advice and Member decision making
- Local Plan inspectorate and independent examination/assessment. Once the views of the EA have been received on the revised SFRA and the Councils proposed amendments to site allocations (removals, moving back later in the plan period, development subject to the implementation of the River Thames scheme) these will be provided to the Planning Inspector for him to each a view on whether the Council is able to re-start the Examination process or not
- As a result of the Ministerial Direction (September 2023), monthly progress meetings
 continue to be held between senior officers from DLUHC and the Council. This ensures
 that all sides are aware of progress on key milestones. Announcement of general election
 for 4 July may curtail this activity in the short term
- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making. A revised SFRA based on up to date EA modelling for the Thames and the River Ash has been completed and sent to the EA on 20 March 2024. The EA responded on 2 May and asked for further clarification on a number of matters (largely around site allocations and matters of technical detail). Further information will be provided to the EA by early June, with a final response from the EA expected towards the end of June
- Planning policies and guidelines
- Future review of the Strategic Flood Risk Assessment (SFRA) in light of the River Thames Scheme modelling as required.

Current mitigating actions

- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making. A
 revised SFRA based on up to date EA modelling for the Thames and the River Ash has been completed
 and was sent to the EA on 20 March 2024. The EA responded on 2 May and asked for further
 clarification on a number of matters (largely around site allocations and matters of technical detail).
 Further information will be provided to the EA by early June, with a final response from the EA expected
 towards the end of June.
- Impact assessment of the revised NPPF on the Local Plan submitted for Examination (on the basis of the current draft NPPF), with options around possible next steps.
- Future review of the Strategic Flood Risk Assessment (SFRA) in light of the River Thames Scheme modelling as required

Future	actions Type	Timeline	Description	Status	Comments
•	Control	TBD	Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	In Progress	Awaiting decision of Planning Inspector on whether the Council can go back to Examination on not (once he has received the EA's comments on revised SFRA modelling)
•	Mitigation	TBD	Preparation and adoption of	In Progress	See action on Control

			New Local Plan to meet future need and strengthen affordable Housing Policy		section
•	Mitigation	Dec 2024	All schemes progressed on Council owned land considered against the flood risk to ensure appropriate mitigation is included within the scheme design.	In Progress	flood risk mitigation will be integral to all decisions by councillors on joint ventures/partnerships on sites within Staines-upon- Thames



Risk description

• A number of factors have continued to very significantly affect the financial viability of each project (as previously reported) 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-October 2023. Options are being explored which will determine the extent to which accumulated capitalised costs of £10m to £15M will need to be charged to Revenue. 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.

Updated 26/6/24

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Governance and reporting arrangements. Examples include progress reporting of Property Development projects to officer and Member groups.
- · Established policies and framework

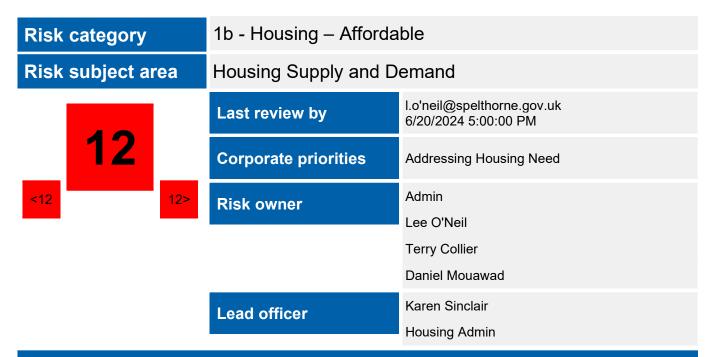
Current mitigating actions

- Progressing new Member driven strategy in consultation with residents for delivering housing outcomes across the sites currently owned by the Council.
- Reserves strategy. Application of earmarked financial reserves to the Council's budget.
- Assessment of options incorporating mitigation of holding costs on development sites.

Future actions				
Туре	Timeline	Description	Status	Comments

Finalisation and implementations Outstanding Mitigation

of Member driven strategy for delivering housing outcomes across sites owned by the Council



Risk description

- Lack of affordable housing supply increases homelessness with increased demand for temporary or social housing.
 - The demand for temporary housing increased significantly over the last year and is expected to increase further. The cost of temporary accommodation sourced on the private market, grows as the demand increases. At present the average annual cost of a placement in temporary accommodation is £20,000 per annum. The increased demand is caused by the shrinking private rented sector, affordability of rent and the wider cost of living crisis.
 - Long term prospect for increase in supply of housing appears bleak due to lack of interest from RPs to take s.106 units, the Council suspending its development and wider viability challenges for developers.
- 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.
- Geopolitical factors continue to present increased demand in supporting refugee communities and consequently managing the provision of suitable and secure housing.
- 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. If fundamental housing needs are not met / maintained this may have a negative
 impact on the health and wellbeing of individuals / families.
- If information relating to housing need becomes out of date or is significantly inaccurate this could have implications for the effectiveness and implementation of housing and homelessness strategies
- This is an external pressure based on asylum seekers coming to the UK
- Cost of living crisis, shrinking private rented sector, insufficient number of affordable housing, migration refugees and Asylum seekers.

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- The review process for S106 agreements with Developers aims to capture additional affordable housing.
- · Quarterly Strategic Action Plan monitoring and review relating to Housing and

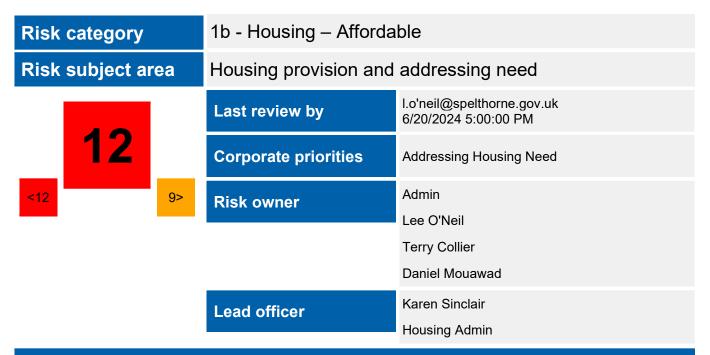
Homelessness Strategies. Member approved tenancy strategy.

- More robust eligibility criteria now applied in determining applicants for the Social Housing register, to reflect allocation policy.
- Homelessness Reduction Act incorporates proactive and preventative measures to support those at higher risk of homelessness
- Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need and manage pipleline of units.

Current mitigating actions

- 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.
- Spelthorne participates in the Local Authority Housing Fund (LAHF) capital funding programme (Rounds 1, 2 and 3) to acquire properties to house homeless refugees, as well as delivery of temporary accommodation. Spelthorne successfully delivered in the first 2 rounds of the LAHF programme and secured funding for the extension of Rounds 1 and 2, to deliver further 52 units (50 of which are temporary accommodation). In addition, Spelthorne was allocated further funding for a minimum of 8 units in Round 3 and applied for additional allocation of funding. The delivery of both the extension to Round 1 and 2 as well as Round 3 programmes is progressing well, with all purchases scheduled to complete this summer.
- Applying Home Office funding and implementing wider schemes to provide additional support to refugees.

Future	actions Type	Timeline	Description	Status	Comments
•	Mitigation		Targeted exercise to identify potential tenancy fraud , with a view to freeing up social housing	In Progress	
•	Mitigation		Acquisition of properties to support refugees forms an important strategy that the Council is pursuing. (Partly funded from the LAHF grant rounds 1 & 2).	In Progress	



Risk description

- 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. If fundamental housing needs are not met / maintained this may have a negative
 impact on the health and wellbeing of individuals / families.
- If information relating to housing need becomes out of date or is significantly inaccurate this could have implications for the effectiveness and implementation of housing and homelessness strategies

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

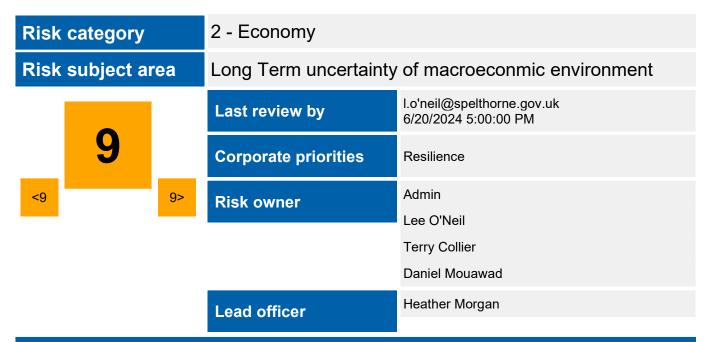
- Collaborative working with Registered Social Landlords and Partners to pursue delivery of affordable housing need and manage pipeline of units.
- The review process for S106 agreements with Developers aims to capture additional affordable housing.
- Quarterly Strategic Action Plan monitoring and review relating to Housing and Homelessness Strategies. Member approved tenancy strategy.
- More robust eligibility criteria now applied in determining applicants for the Social Housing register, to reflect allocation policy.

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

Administration and Group Leaders had a productive session with Professor Morphet who generated a
number of suggestions as to strategies which could be explored to help address provision of affordable
housing. Many of the suggestions have already been explored/considered but all the suggestion are
being evaluated

Future actions					
Туре	Timeline	Description	Status	Comments	



Risk description

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.

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

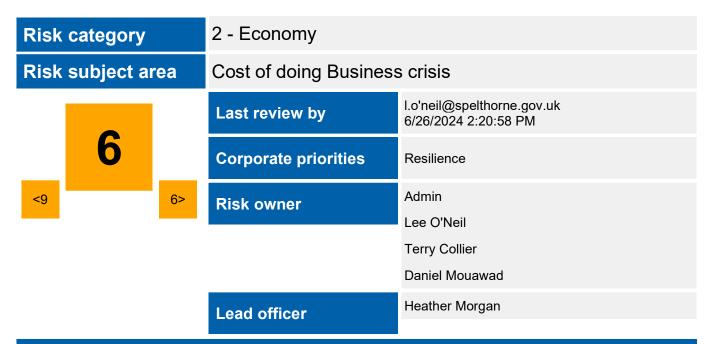
- The Business, Infrastructure and Growth (BIG) Committee provides a mechanism for the Council's Economic Prosperity strategy to be periodically refreshed and reported. The new committee gives the opportunity to ensure economic development considerations are integral to investment, development and place shaping decisions
- 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. An internal review is being
 undertaken (Spring 2024) to determine if the strategy is still fit for purpose or needs refining
 it will consider skills/employment, our hub and incubator, inward investment and whether
 more business engagement is required at a strategic level. A report will go to BIG
 committee in autumn 2024.

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

• 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.

Future actions					
Туре	Timeline	Description	Status	Comments	



Risk description

• 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.

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Government assisted Energy Bills Support Scheme (EBSS) to support increased energy costs / bills.
- Monthly monitoring of Collection fund Business Rates and Council Tax collection rates.
 Regular reporting of these to Corporate Debt Group and as part of KPI's to Councillors
- Shared Prosperity Fund Investment Plan to support economic regeneration. From a business perspective the Council secured funding for (1) climate change audits (2) consultancy support to ensure businesses can be sustained (3) funding for employment and skills hub (termed youth hub at point of bid submission)

Current mitigating actions

- Approved Town Centres Strategy for 2023 set out key actions for smaller shopping areas and parades.
 These have been implemented and provided targeted support and interventions, with timescales and measures of success identified. The work of this strategy has now been completed
- Local mitigating measures taken by the Economic Development team (to influence areas where a degree
 of local control can be applied). These include several measures to strengthen the resilience of local
 businesses in the face of future challenges e.g. website design and increasing social media presence,
 energy efficiency measures, business networking and business to business support

Future actions					
Туре	Timeline	Description	Status	Comments	

Risk category			3 - Financial Resilience and Commercial Assets		
Risk subject area		rea	Commercial investment portfolio		
			Last review by	I.o'neil@spelthorne.gov.uk 6/20/2024 5:00:00 PM	
	9		Corporate priorities	Resilience	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Coralie Holman	

Risk description

- Evolving externalities arising since the aftermath of the pandemic now compounded by the Cost-of-Living
 crisis and inflation, both continue to increase the Council's exposure to financial risk, with possible
 implications for the investment portfolio, including loss of anticipated rental income and increased costs
 from vacant space within the 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.
- If key commercial asset leases are not maintained or renewed this may have implications for maintaining flow of rental income. Where asset holdings are aligned to a specific sector or location this could be impacted by wider externality factors and potentially present limitations in deriving optimal value

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Overarching Asset Management Strategy & Asset Management Plan
- Individual Business Plans for all assets, with a summary portfolio level AIS focused on the coming 12 month period
- Capital Strategy includes key performance indicators (being developed further) with a
 particular focus on the investment portfolio. The investment portfolio has it's own bespoke
 KPIs and Risk Register.
- Performance management measures developing KPIs which are reviewed annually and benchmarked against external, regional property indicators i.e., vacancy rates, market rentals, occupier demand.
- Governance reporting Investment performance reported regularly to Councillors

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

Sinking fund reserves strategy to support periods of tenancy voids and offset dips in rental income.

Monitoring of contributions and overall amount of sinking fund balance held.

- Ten-year worst and expected case sinking fund scenario projections are reviewed fortnightly and will be shortly extended to a 20-year time frame.
- Periodical financial health check of tenants to support accurate forecasts
- 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.
- 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. On 8th May DLUHC announced a Best Value Inspection process to review how the Council mitigates risk.
 Updated 14/6/24
- Proactive monitoring of key lease renewals to secure ongoing rental income, or pursue options for alternative use. Assets team engage with tenants ahead of lease ends/breaks coming up Updated 14/6/24
- Public Interest Report Action Plan implemented. Review against PIR Action Plan coming to July Audit Committee.
 Updated 14/6/24
- Invite external consultants with specialist expertise to critique approaches and share any learning points.
 For example JLL's report to Development Sub-Committee in February 20024 and March 2024 Audit Committee.
 Updated 14/6/24

Future	actions Type	Timeline	Description	Status	Comments
•	Mitigation	Ongoing	To explore and assess opportunities for further diversification of the Council's asset holdings	In Progress	
•	Mitigation	End of August 2024	The Council will actively and openly engage with the Best Value Inspection team to assist in an independent review of risk management and governance.	In Progress	

Risk	Risk category		4 - Financial Resilence and Supporting Communities		
Risk subject area		rea	Financial Pressures - increased costs		
			Last review by	I.o'neil@spelthorne.gov.uk 6/26/2024 2:39:39 PM	
	9		Corporate priorities	Resilience	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Terry Collier	

Risk description

Significantly increased financial pressures faced by the Council, similar to other councils arising from the
recent inflationary pressures on fuel, gas and electricity, staff pay pressures, significantly increased PWLB
loan rates presenting higher borrowing costs, managing accumulated capitalized costs and annual holding
costs relating to housing delivery schemes, and other external factors are collectively causing a significant
increase in revenue costs and capital expenditure. Equally the housing crisis is increasing the need to
spend on temporary accommodation to support residents

Potential risk as housing and cost of living crises continue to impact on households more of them will struggle to pay council tax bills

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Financial impact assessment modelling undertaken as proactive measure.
- Annual budget process incorporates review and scrutiny at several stages.

Under Committee system process has been made more transparent

For 2025-26 Budget process we will be implementing Zero Based Budgeting Updated 14/6/24

 All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.

Current mitigating actions

- Inflationary pressure contingency reserve to assist with any anticpated budget deficit.
- Earmarked revenue reserves with forecast for the next four years. Financial Reserves strategy subject to regular review, with annual review and approval of the Reserves Strategy by Corporate Policy and Resources Committeee

- Monitoring levels of reserves used at SBC and key financial performance indicators. Benchmarking and analysis of other Surrey Boroughs and districts use of reserves. Also benchmarking through LG Improve Updated 14/6/24
- Medium term financial strategy providing a framework for managing financial resources, in a planned and pro-active way. Enables measures to be implemented which may take time to deliver results ahead of when required. For example the Council is expecting additional pressures in 2026-27 if a Fair Funding Review and Business Rates reset happens then.
- Budget put forward for making efficiency savings over the next 4 years to further safeguard the authority. New targets have been incorporated into the 2024-25 Budget. Progress against savings targets will be reported on a quarterly basis to MATplus and councillors

Future	actions				
	Туре	Timeline	Description	Status	Comments
•	Mitigation	September 2024	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. DLUHC has notified the Council that it has commissioned a Best Value Inspection to be undertaken by end of August 2024. The Council is positively engaging with the Best Value Inspection Process. Updated 14/6/24	In Progress	The Council will positively engage with the Best Value Inspection process and address any recommendations.
•	Mitigation		Progressing medium term financial strategy and efficiency savings plan.	In Progress	
•	Mitigation		Monitoring and periodically reporting on outcomes of 4 year efficiency savings plan	In Progress	

Risk category			4 - Financial Resilence and Supporting Communities		
Risk subject area		rea	Restricted borrowing levels		
			Last review by	I.o'neil@spelthorne.gov.uk 6/26/2024 2:55:55 PM	
	9	3	Corporate priorities	Resilience	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Paul Taylor	

Risk description

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. Moving forwards it is exploring options both for
generating capital receipts and drawing down some of its medium term financial investments which will
reduce need for future borrowing.

Whilst the Best Value Inspection process continues the Council remains able to borrow from the Public Works Loan Board.

Updated 14/6/24

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

Revised Treasury Management Strategy approved with amendments to the prudential indicators

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

 Participated in a Capital Assurance review with DLUHC and Chartered Institute of Public Finance and Accountancy (CIPFA) and in the process of taking on board any improvement suggestions. Coinciding with the publication of the final Best Value Guidance, DLUHC notified the Council of a Best Value Inspection process to be completed by end of August 2024. This will review risk mitigation arrangements around level of borrowing and reliance on investment assets income.

Updated 14/6/24

 Participated in Surrey wide financial resilience review with commissioning of independent consultants to consider financial metrics as part of this assessment

Future actions					
Туре	Timeline	Description	Status	Comments	

Any outcomes or further learning In Progress Mitigation

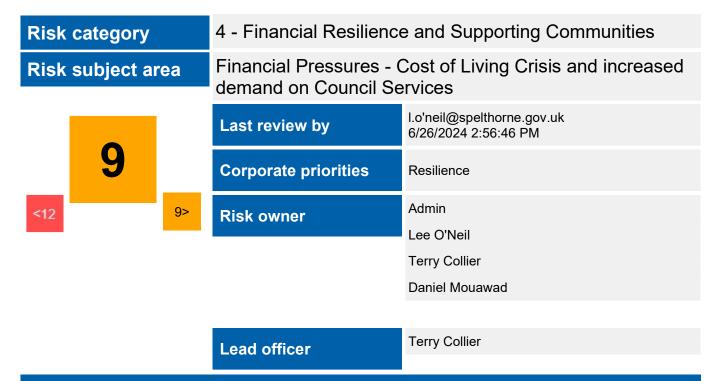
arising from the Surrey wide financial review will continue to

be considered.

End of Council will positively engage In Progress Control August 2024

with the Best Value Inspection process and will address any recommendations which emerge.

Updated 14/6/24



Risk description

• 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

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

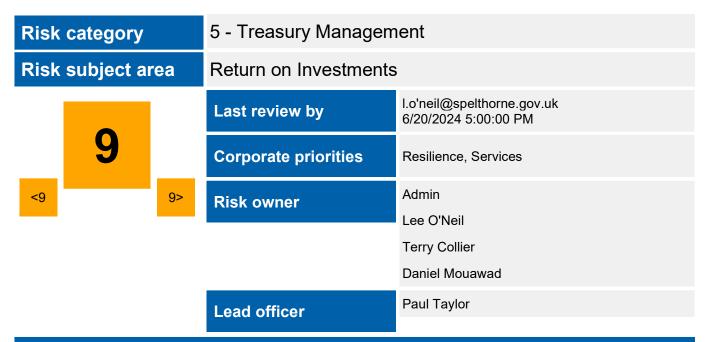
- Annual budget process incorporates Officer and Member review and scrutiny at several stages with measures to support production of balanced budget. Service planning process integrates with annual budget process.
- Medium term financial strategy providing a framework for managing financial resources.
- All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process.

Current mitigating actions

- Budget put forward for making efficiency savings over the next 4 years to further safeguard the authority.
 Progress against this target is currently being re-assessed, and additional measures put in place to maintain clear focus on cashable savings.
- Cashable savings working group set up to target efficiencies and savings.
- Procurement Projects Board set up to ensure focus on delivering value for money from procurement.

Use of Local Authority Housing Fund is enabling purchase of approximately 60 Temporary
Accommodation with near 50% grant funding and transferring the units to the Council's Housing
Company. Having direct control of such units will save the Council approximately £3m per annum
compared to the alternative of placing in private bed and breakfast. This is significantly mitigating the
housing pressures on the Council's Revenue Budget.

Future action	ons Type Timeline	Description	Status	Comments
• Miti	gation	Progress against cashable savings will be incorporated into the quarterly budget monitoring reports.	In Progress	



Risk description

• 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. Currently interest rates are relatively high which has boosted returns, but it is expected that the Bank of England will start to reduce base rate later in 2024 proably in June or Augus, when this happens rates we can achieve are likely to start to reduce.

A risk of missing opportunity to lock in good return rates in investments such as supranational bonds. However, need to be weighed up against need to maximise ability to internally borrow and reduce need to externally borrow.

Updated 12/6/24

• Risk of not aligning investments with the Council's Environmental, Social and Governance (ESG) Objectives

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Council's investments are managed internally in consultation with specialist advisors Arlingclose.
- · Investments with approved institutions as per policy and strategy
- Aim to select counter parties of the highest credit quality. Credit ratings monitored. Credit Default Swaps (SDS) are monitored
- Approved Treasury Management Strategy for 2023-24. February 2024 Council has approved Strategy for 2024-25. Officers are in ongoing discussions with our Treasury management advisers and will be bringing forwards options for evolving the strategy which could involve drawing down medium term financial investments, thereby reducing the need for future borrowing, and or fixing some funds in supranational bonds (such as European Investment Bank) delivering good fixed rate interest returns

Officers in discussion with Treasury Management advisers who will be setting out options for councillors to evaluate in early autumn.

Updated 12/6/24

- Application of professional (CIPFA) Code of Practice and Prudential and Treasury Management Codes
- Performance measurement and outturn reporting, as well as Investment Benchmarking
- Regular engagement with the Council's specialist advisors at Officer and Member level to enhance knowledge, subsequently informing decisions.
- Arlingclose to provide training session for councillors

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

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.

Future actions					
Туре	Timeline	Description	Status	Comments	

Risk category			5 - Treasury Management		
Risk subject area		rea	Borrowing		
			Last review by	I.o'neil@spelthorne.gov.uk 6/20/2024 5:00:00 PM	
	9		Corporate priorities	Resilience, Services	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Paul Taylor	

Risk description

- 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.
- Risk that Council fixes borrowing required for existing capital programme too early and locks into a higher cost of borrowing.
 12/6/24

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

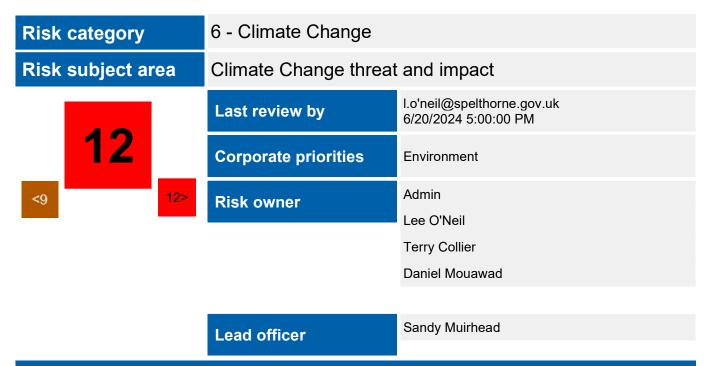
- Approved Treasury Management Strategy for 2023-24.
- Application of professional (CIPFA) Code of Practice and Prudential and Treasury Management Codes
- Regular engagement with the Council's specialist advisors at Officer and Member level to enhance knowledge, subsequently informing decisions.

Current mitigating actions

- Ongoing review and assessment of options with Treasury Management advisors regarding the Council's borrowing strategy in the context of interest rates rises and volatility.
 - Officers discussing options with TM advisers, options could include reducing medium term pools to facilitate short term internal borrowing to reduce need for external borrowing. 12/6/24
- Fixed interest rate on most debt and for investment assets an interest equalization reserve is in place.

Future actions					
Туре	Timeline	Description	Status	Comments	

• Control Jan 2024 Arlingclose to provide training Outstanding session for councillors.



Risk description

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 & 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. As climate change is happening updated the RAG status to 12 as the changing climate
will have impacts on the Borough.

Current control actions

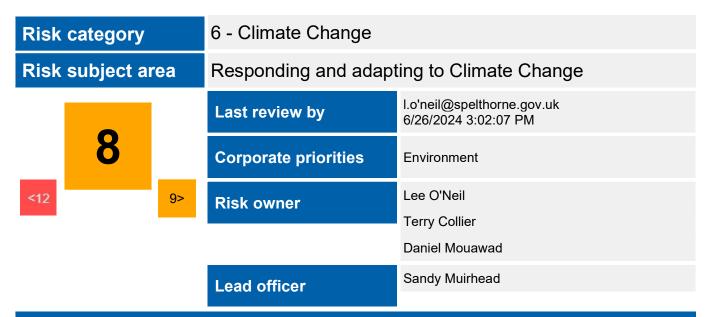
These are specific actions to reduce the likelihood of a risk event or occurrence

- Environment and Sustainability Committee developed an action plan to move the Council
 towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions
 by 2030. The strategy is currently being updated along with a clear action tracker which will
 go to Committee in September/October 2024
- Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target, and to promote climate change as an issue that needs to permeate all Council areas to ensure SBC reduce their carbon footprint and adapt to climate change.
- 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.
- Collaborative measures to support a coordinated approach to strategy implementation.
- Continuing to roll out Carbon Literacy training days and participating staff have committed
 to a range of carbon saving pledges. Member Induction training of June 2023 incorporated
 this area. Reached bronze level in the carbon literacy hierarchy and aiming for silver

Current mitigating actions

- Funding resources secured to support strategy implementation and are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030. Seeking alternative funding to continue to develop schemes to meet net zero targets.
- The corporate plan has key actions on climate change and is supported by the climate change strategy and associated actions which require services to address the net zero targets the Council has set.

Future	actions Type	Timeline	Description	Status	Comments
•	Control		Within the legal constraints to implement the proposed supplementary planning guidance (SPD) to assist in future properties being better adapted to both heat and cold. However, SPD moving beyond guidance to having more weight in the planning process is dependent on implementation of the Local Plan.	Outstanding	The guidance is helpful in demonstrating what can be done to improve the resilience of properties to climate change
•	Mitigation	2022 to 2028	Reviewing and updating climate change strategy and ensuring fully aligned with corporate plan actions but includes mitigation options for Council assets, enhancement of biodiversity and adaptation.	In Progress	



Risk description

• 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 impacting on the economy and actions required by the Council e.g in times of severe flooding seriously draining the Council's resources.

Current control actions

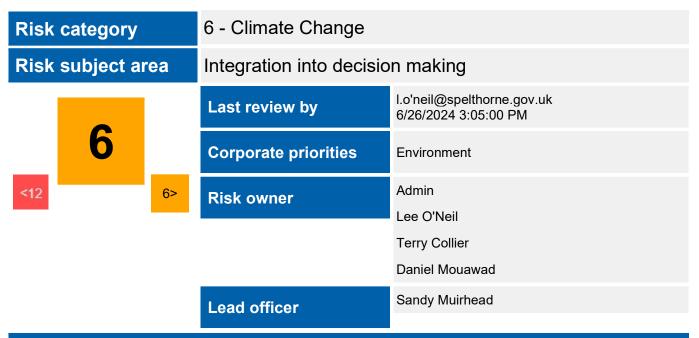
These are specific actions to reduce the likelihood of a risk event or occurrence

- Environment and Sustainability Committee developed an action plan to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030.
- Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target, and to promote climate change as an issue that needs to permeate all Council areas to ensure SBC reduce their carbon footprint and adapt to climate change.
- 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.
- Collaborative measures to support a coordinated approach to strategy implementation.
- Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges. Member Induction training of June 2023 incorporated this area.
- Carbon Footprint section on Service Plans 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.

Current mitigating actions

- Funding resources secured to support strategy implementation and are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030
- Seeking further funding for all projects from external sources e.g seeking grants to plant mini-forests, grants for insulation in homes in the Borough. All such actions contribute to reducing the carbon footprint of the Borough as a whole

Future	actions Type	Timeline	Description	Status	Comments
	Турс	Timeline	Везоприон	Status	Comments
•	Control	August 2024	Cllrs were given training to raise awareness and enhance understanding of Climate Change issues across the Council. Cllrs have recently agreed that encouragement needs to be given for Cllrs that have not completed the training to do so. Relevant information to be given to Group Leaders	In Progress	
•	Mitigation	December 2024 but will ongoing	Training is underway to raise awareness and enhance understanding of Climate Change issues across the Council (staff and Councillors).	In Progress	
•	Control	December 2024	To build on Greener Futures climate adaptation strategy and incorporate actions into our climate change strategy.	In Progress	



Risk description

 Where integration into wider Council decision-making is not evident this reduces the effectiveness of holistic approaches in delivering Spelthorne's strategy

Current control actions

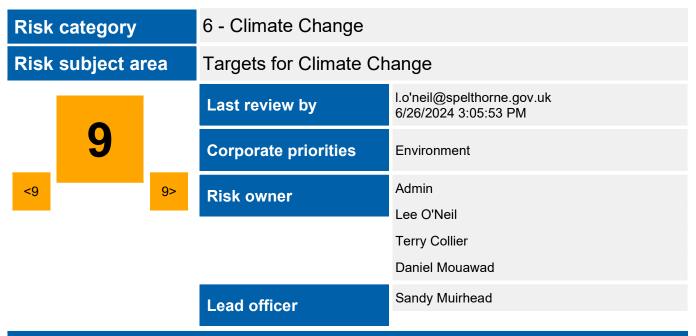
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- 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 proposals being put forward by Officers requiring a Member decision.
- 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.

Current mitigating actions

- Through Carbon literacy training in the organisation achieved bronze level and by autumn 2024 should have achieved silver.
- Through ongoing monitoring of climate change strategy and corporate plan actions can ensure climate change mitigation and adaptation is incorporated into day to day Council projects/activities.

Future actions Type	Timeline	Description	Status	Comments
 Mitigation 	December 2024	Mandatory Carbon literacy training programme underway across the Council	In Progress	



Risk description

 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

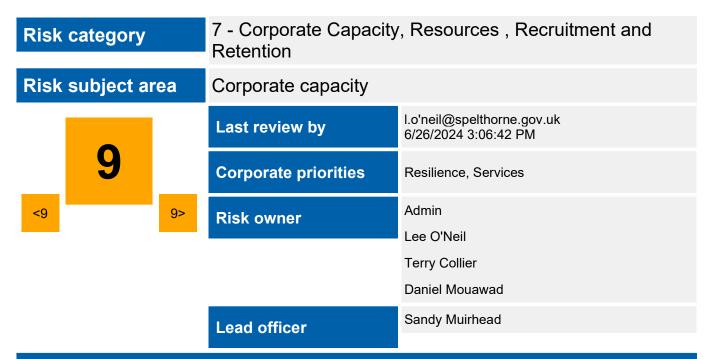
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- 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.
- Officer updates to Members on the progress of the Climate Change Action Plan.
- Annual Reporting of Carbon Emissions to Surrey County Council
- · Quarterly KPI reporting

Current mitigating actions

- Benchmarking and/or analysis of comparative energy savings achieved across Surrey Districts and boroughs
- Ensure delivery of corporate plan actions to assist in mitigating climate change and reducing the Council's carbon emissions

Future	actions Type	Timeline	Description	Status	Comments
•	Control	March 2025	Environmental Social Governance (ESG) assessment underway to develop future strategies for reporting requirements on climate change	In Progress	



Risk description

Overstretched capacity 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.

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Management to address workload issues across teams, with continued prioritisation of tasks
- Corporate performance management systems operating across various levels, intended to promote golden thread and support delivery of corporate priorities and objectives.
- Annual Service Planning should refer to capacity pressures being experienced/foreseen by Service Managers/Group Heads (under risks section), so that any remedial action can be proposed and discussed
- Collaborative Working Group promoting partnerships and alternative service models with a view to supporting organisational resilience measures

Current mitigating actions

- Various support systems operating in promoting and supporting staff wellbeing
- Corporate performance management systems operating across various levels, intended to promote golden thread and support delivery of corporate priorities and objectives.
- Management and HR monitoring of sickness absence levels related to stress or overstretched capacity provides corporate insight that could indicate any further remedial action required

- Participated in an LGA review of 2022 which raised findings regarding working Culture
- Corporate Establishment Review undertaken with some further actions identified/ pursued. This also overlaps with the other risks in this category relating to recruitment and retention

Future	actions Type	Timeline	Description	Status	Comments
	Турс	Tittletitle	Bescription	Status	Comments
٠	Control	Ongoing	Demand Management and developing approaches to measure and monitor demand levels across the Council but need to recognise that demand management is not always easy due to for example extra people presenting as homeless putting more demand on housing staff or extra Government requirements e.g productivity plans	Outstanding	All managers try to provide some balance in terms of staff workload but there often demand factors which arise from external sources and may be difficult to predict

Risk category			7 - Corporate Capacity, Resources , Recruitment and Retention		
Risk subject area		ea	Recruitment and retention		
			Last review by	I.o'neil@spelthorne.gov.uk 6/26/2024 3:07:20 PM	
	8	8	Corporate priorities	Community, Addressing Housing Need, Resilience, Environment, Services	
<8		9>	Risk owner	Admin Lee O'Neil Terry Collier	
			Lead officer	Daniel Mouawad Sandy Muirhead	

Risk description

- 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 under corporate capacity.
- 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.

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Several measures have been underway for some time and previously reported. These
 relate to HR policies, financial enhancements for hard to fill posts, development and
 upskilling opportunities, schemes to support staff wellbeing, hybrid working patterns and
 felxible working arrangements to attract and incentivise staff to modern working practices,
 staff pay reviews, HR professional networking forums with a view to applying best practice
 learnt.
- Staff and member feedback including commissioniong annual surveys to ascertain key concerns, issues and promote continuous improvement measures

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

 Where recruitment into posts is not possible appointed interims or agency staff to ensure continuity in the services and enable continued delivery of the service concerned.

Future actions						
	Туре	Timeline	Description	Status	Comments	
•	Mitigation	Ongoing	To continue to advertise in all service relevant journals to	In Progress		

ensure maximise opportunities for those seeking roles to see them.

Ongoing Mitigation

Continue to explore new and innovative recruitment and retention strategies in a competitive market. This includes workplace flexibility

In Progress

Mitigation Ongoing Continue to draw optimal value from all relevant hubs of expertise including externally conducted research in continuing to facilitate and promote a holistic approach to responding to recruitment and retention challenges and futureproofing the Council's

In Progress

Recruitment team and officers are looking at al options for advertising roles but also including opportunities to appoint apprentices and train from

within

workforce.

Risk category			8 - Equality, Diversity and Inclusivity		
Risk subject area		rea	Legislative requirements		
	6		Last review by	I.o'neil@spelthorne.gov.uk 6/26/2024 3:08:03 PM	
			Corporate priorities	Addressing Housing Need, Resilience, Environment, Services	
<6		6>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Sandy Muirhead	

Risk description

• If there is a failure to effectively adhere to the Equality Act (2010), this could lead to workplace practices and delivery of services that fail to incorporate necessary principles, standards and requirements in promoting equal opportunities, diversity and inclusivity. This may increase risks of discriminatory practices and consequentially, the Council could be subject to complaints or even claims resulting in reputational damage.

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Training mechanisms to raise awareness and understanding such as the online Workrite module.
- All Committee reports include a section on Equality, Diversity and Inclusivity considerations
 to ensure this area is embedded into Council decision making. It should be carefully
 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.

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

• Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.

Future	actions Type	Timeline	Description	Status	Comments
•	Control	March 2025	This action is subject to resource allocation. Assign a lead Officer to support production of an Equality, Diversity, and Inclusivity Strategy for the Council. This will provide a more robust structured approach in delivering and embedding essential, principles, standards, and requirements in	In Progress	Due to constrained resources a long lead time is required

promoting equal opportunities, diversity, and inclusivity. To develop further internal activities and strategy/policy development an officer has been assigned to undertake this task in human resources.

Risk category			8 - Equality, Diversity and Inclusivity		
Risk subject area		rea	Coordinated approach		
	6		Last review by	I.o'neil@spelthorne.gov.uk 6/26/2024 3:09:17 PM	
			Corporate priorities	Community, Addressing Housing Need, Resilience, Environment	
<6		6>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Sandy Muirhead	

Risk description

If there is insufficient resource, skills or expertise to develop, promote and support implementation of E, D
 & I standards, progress in driving change and positive impact through a structured and coordinated approach may be limited.

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Communications and engagement with staff, Members and the public to recognize and celebrate diversity
- Champions (Staff reps) to explore further positive approaches relating to E, D & I.
 Inclusivity Working Group meets regularly
- Corporate Values (PROVIDE) are incorporated into the Council's equality and diversity objectives together with an internal equality and diversity policy.
- An Equality, Diversity and Inclusivity 'Statement of Intent' document has been reported.
- Internal and external websites have been updated with Equality and Diversity policy and statement published.

Current mitigating actions

- Participated in Race Equality Week (Feb 2024) and promoted important messages to all staff
- Ensure "celebrate" key events for example PRIDE month and ensure raised at staff meetings (including relevant presentations on relevant subjects) and flag raised along with further communications.

Future actions						
Туре	Timeline	Description	Status	Comments		

Control

December 2024 (This action is subject to resource allocation). Assign a lead Officer to support production of an Equality, Diversity, and Inclusivity Strategy for the Council. This will provide a more robust structured approach in delivering and embedding essential, principles, standards, and requirements in promoting equal opportunities, diversity, and inclusivity.

In Progress

Risk category			9 - Working arrangements across LG tiers		
Risk subject area		rea	Change Management		
	9		Last review by	I.o'neil@spelthorne.gov.uk 6/20/2024 5:00:00 PM	
			Corporate priorities	Community, Addressing Housing Need, Resilience, Environment, Services	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Heather Morgan	

Risk description

- 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.
- Need to consider how to prioritise work on the County Deal/possible collaborative working opportunities
 alongside need to deliver efficiency savings for the MTFS to ensure the organisation is very clear on
 focusing on where most benefits can be obtained

Current control actions

These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- Ensure the appropriate level of resource is put in place and time is freed up from other
 parts of the organisation involved in the change management process if no additional
 financial or staff resources are available (this will require decision on what else not to
 do/deliver in another way on a temporary basis/apply a risk based approach to work)
- Ensure there is capacity and appropriately skilled staff are available, or skills are
 developed, to work effectively where the strategy of engagement and collaborative working
 has been agreed to ensure that we are equal partners on any joint service delivery

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

To ensure that any decisions made on engagement/joint service delivery/moving services up to County
meets our priorities they need to align with the Corporate Plan 2024 - 2028, our values and priorities

Future	actions Type	Timeline	Description	Status	Comments
•	Mitigation	July 2024	Planning for potential change and ascertaining transitional and future arrangements for service delivery, decision making and strategic direction.	In Progress	work has bene undertaken to look at a number of areas identified within the KPMG report from a few years ago which identified a number of opportunities

for closer collaboration to deliver savings, joined up services, or greater resilience. These include parking services, building control, waste and recycling. Initial options analysis has been undertaken at officer level for consideration at the Collaborative Working Task Group

Risk category			9 - Working arrangements across LG tiers		
Risk subject area		rea	Strategic decisions		
	9		Last review by	I.o'neil@spelthorne.gov.uk 6/20/2024 5:00:00 PM	
			Corporate priorities	Community, Addressing Housing Need, Resilience, Environment, Services	
<9		9>	Risk owner	Admin	
				Lee O'Neil	
				Terry Collier	
				Daniel Mouawad	
			Lead officer	Heather Morgan	

Risk description

• The current governance structure at Surrey presents 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. Surrey are not currently looking to change the governance structure (May 2024)

Current control actions

These are specific actions to reduce the likelihood of a risk event or occurrence

- Look to influence the governance structure of the Growth Board by increasing Local Authority representation (currently one Leader and one Chief Executive) to sit at the decision making table, and ensure that our views are clearly understood by those represented and clearly relayed (via our Leader and Chief Executive)
- Look to influence the governance and representation at the Surrey Business Leadership
 Forum to ensure that our business voice is heard on future decision making around the
 economy (and the functions which Surrey will take over from the Enterprise M3 Local
 Economic Partnership)
- The Council needs to have a clear view on its priorities for collaboration (or not) so that business cases can be developed to help inform future service delivery and the resources which are required to deliver. This can then feed into the medium term financial strategy
- Ensure that there is early and wide engagement with all councillors in the autumn 2024 so
 there is a clear view from them in terms of 'red lines' e.g. what the Council needs to deliver
 locally and we do not engage with Surrey on, where we can work to deliver improved
 outcomes for our communities

Current mitigating actions

These are specific actions to reduce the impact of a risk event should it occur

 Leader and Chief Executive to actively engage with adjoining authorities to fully understand common approaches to levels of engagement with Surrey, and opportunities for sharign resources

Future actions						
Туре	Timeline	Description	Status	Comments		

•	Mitigation	July 2024	Planning for potential change and ascertaining transitional and future arrangements for service delivery, decision making and strategic direction.	In Progress	Leader is in active discussion with Leaders at nearby Councils where there could be collaboration opportunities - this will set the strategic direction of travel (May 2024)
•	Control	June 2024	Develop a terms of reference and set aside resources for a specific councillor/officer working group to work together to spearhead the Councils approach and response to the County Deal	In Progress	Collaborative Working Task Group is being refreshed (senior cllrs and officers). Officer leads working on individual areas are working with colleagues in other D&B's