

### **Risk description**

In identifying, as part of the new Delivery Strategy, 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. The prioritisation of sites
within the Strategy was approved by Business, Infrastructure and Growth Committee on 12th September
2024, alternative Development Delivery Options for Council Owned Development Sites, Updated 16/9/24

#### **Current control actions**

These are specific actions to reduce the likelihood 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. Advice to provided with the parameters of the Development Delivery Strategy Updated 16/9/24
- Scrutiny of decisions is embedded within the Committee system of governance, and a 'call in'
  procedure can be invoked if required.

Reviewed 16/9/24

#### **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. This includes a site delivery priority list. the prioritisation of
sites within the Strategy was approved by Business, Infrastructure and Growth Committee on 12th
September 2024, alternative Development Delivery Options for Council Owned Development Sites.

Updated 16/9/24

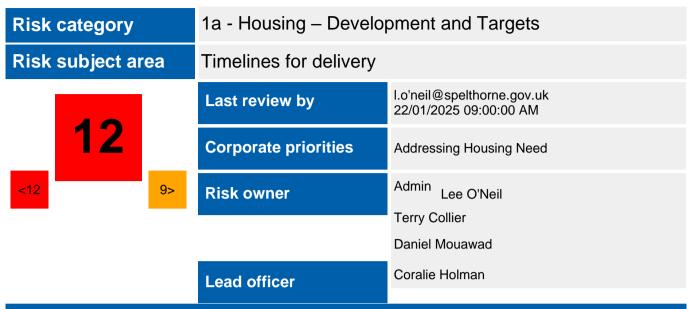
Future actions				
Type	Timeline	Description	Status	Comments

• Mitigation Apri

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-October 2023, this will further impact timelines for delivery of housing schemes and development
targets (both affordable and general housing). Ashford Victory Place site currently being marketed, with a
report to come back to Business Infrastructure and Growth Committee in December. Thameside House in
parallel being marketed and report coming to BIG in December. Updated 22/11/24
Update 16.01.25 - BIG Committee resolved not to recommend to Council the disposal of Ashford Victory
Place to preferred bidders outlined in report. Marketing exercise ongoing for Thameside House with report
to come to BIG early 2025.

#### **Current control actions**

These are specific actions to reduce the <u>likelihood</u> 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
<ul> <li>Mitigation</li> </ul>	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	



- 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.
   20.11.24 the level of risk has reduced as the Council is looking to move back to Examination in early 2025 (request currently being considered by the Inspector). Update 16.01.25 Inspector has agreed to go back to Examination Hearing Sessions scheduled for Jan & Feb 2025.
- The EA have for some time expressed concerns about flooding and on 2 May 2024, they advised that they
  still had some concerns around flooding issues regarding specific sites. 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. 20.11.24 this has now
  been satisfactorily addressed and will be removed as a risk in the next Risk Register update

#### **Current control actions**

These are specific actions to reduce the likelihood 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.
   Update 14.08.24 the revised NPPF issued at the end of July 2024 will not apply to the Local Plan as we are currently at Examination (and transitional arrangements apply). The Local Plan will be assessed under the July 2022 NPPF (with a lower housing target)
- · Planning regulatory framework
- Planning Committee, Officer presentations/professional advice and Member decision making
- Update 14.08.24 There has been considerable progress with the EA around their concerns on fluvial flooding (and that in their view this impacts on the soundness of the Local Plan). The decision of Council on 18 July 2024 to (1) remove further sites as site allocations,(2) move others further back in the Plan period, (3) make changes to the flood policy and (4) ensure that development does not come forward until suitable access and egress measures are in place has hopefully addressed all their outstanding concerns. The Chair of E&S wrote to the Inspector shortly afterwards to ask him to agree to go back to Examination. A draft Statement of Common Ground has been sent to the EA for their consideration. If agreed, this will mean there is agreement on all substantive matters, and that a key stakeholder is now satisfied that their concerns have been fully addressed.
  Update 20.11.24 a signed Statement of Common Ground on all flooding matters has been received from the EA which was Noted by Council when it considered a report on the Local Plan on 28.10.24. This risk has now been fully mitigated and will be removed at the next update of the Risk Register.
- As a result of the Ministerial Direction (September 2023), monthly progress meetings continue to be held between senior officers from DLUHC and the Council. Update 14.08.24 -these meetings were suspended during the pre-election period and will re-start in September. There has been considerable progress on a number of fronts since September 2023 which have all been reported. The Council has met a number of key milestones. On-going dialogue around the work we have done reduces the risk of further intervention. Update 20.11.24 -there have been no recent formal meetings but we are keeping MHCLG appraised of our positive progress back to Examination
- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making.
   Update 14.08.24 all revised and updated SFRA's have now been agreed by the EA. This will be formally covered and agreed in the Statement of Common Ground which has been sent to them. Once agreed, this risk will have been mitigated. Update 20.11.24 the SFRA's have now been formally agreed by the EA as part of their signed Statement of Common Ground. This risk has now been fully mitigated and will be removed at the next update of the Risk Register
- · Planning policies and guidelines
- Future review of the Strategic Flood Risk Assessment (SFRA) in light of the River Thames Scheme modelling as required. Update 20.11.24 - the SFRA modelling has been updated and the policy wording revised so that there is no reference to the River Thames Scheme (at the request of the EA). The SFRA and mapping that is used by the planning development management team will continue to be updated as required. There is no further action to be taken at this stage. This risk has been fully mitigated and will be removed at the next update of the Risk Register

- Strategic flood risk assessment (SFRA) as part of Local Plan process, informing decision making. Update 14.08.24 There has been considerable progress with the EA around their concerns on fluvial flooding (and that in their view this impacts on the soundness of the Local Plan). The decision of Council on 18 July to remove further sites as site allocations, to move others further back in the Plan period, changes to the flood policy and ensuring that development does not come forward until suitable access and egress measures are in place has hopefully addressed all their outstanding concerns. A draft Statement of Common Ground has been sent to the EA for their consideration. Update 20.11.24 the EA have now agreed this as part of their signed Statement of Common Ground. This risk has now been fully mitigated and will be removed at the next update of the Risk Register
- 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 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	Update 13.09.24 - Awaiting decision of Planning Inspector on whether the Council can go back to Examination or not. Update 20.11.24 - formal decision still awaited but the team are preparing so they are on the front foot if a positive response is received. Update 16.01.25 - Planning Inspector has agreed that the Council can go back to Examination, with the Draft Programme of Hearing Sessions published (these are due to take place in January & February 2025).
<ul> <li>Mitigation</li> </ul>	TBD	Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	In Progress	See action on Control section
<ul> <li>Mitigation</li> </ul>	Dec 2024	All schemes progressed on Council owned land considered against the flood risk to ensure appropriate mitigation is included within the scheme design. Update 20.11.24 - this will only apply where the Council has direct control. If a site is disposed of, it will be for the subsequent owner to ensure flood mitigation is in place	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 £16M (as at end of 2023-24) 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. This position is no longer financially sustainable and will need to be addressed.

Updated 22/11/24

#### **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. Specific reports are referred to BIG Committee to seek approval for progressing marketing to identify delivery partners most recently Ashford Victory Place and Thameside House
- · Established policies and framework
- The Development Delivery Strategy and site prioritisation has now been agreed by Full Council and is adopted to base decision making around.

#### **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. Refreshed Reserves
  Strategy Report going to December 2024, setting out proposals to make use of some reserves to offset
  writing off impacts of some of the housing regeneration sites. Updated 22/11/24

• Assessment of options incorporating mitigation of holding costs on development sites.

Future actions Type	Timeline	Description	Status	Comments
Mitigation	•	Finalisation and implementations of Member driven strategy for delivering housing outcomes across sites owned by the Council was approved by BIG on 12th September 2024.  Updated 16/9/24	In Progress	



• 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 few years 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 approximately £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 having suspended its direct development and wider viability challenges for developers.

#### Update 21/11/24

- 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.
   Increased service demand, but some asylum funding has now been received from the gov which reduces the pressure on existing budgets. Update 21/11/24
- Geopolitical factors continue to present increased demand in supporting refugee communities and consequently managing the provision of suitable and secure housing.
   Reviewed - 21/11/24
- 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 Update 21/11/24 - new Locata Review Module has been implemented which is designed to regularly review circumstances and to maintain the Register data up to date.
- · 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.
 Update 21/11/24 - impact of Renters Rights reform and landlords potentially exiting the market will further
add to the housing pressure

#### **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.

Latest Housing Register Numbers as at 07/01/25 are as follows:

Total on Housing Register 2,495.

Excluding Category D ("Low housing Need and no "deemed need") totals 1,533.

The Council is now implementing automatic review of circumstances every 6 months to keep the register up to date.

Update as 07/01/25

- 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.
- Spelthorne participated 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 was successful completed in September 2024. the delivery of this programme has now been completed.

Updated 29/10/24

#### **Current mitigating actions**

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

- Acquisition of properties to support refugees forms an important strategy that the Council is pursuing. (Partly funded from the LAHF grant rounds 1, 2 and 3).
- 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. - additional funding now received from government which helps to cover the cost of TA for asylum seekers

Updated - 21/11/2024

 Applying Home Office funding and implementing wider schemes to provide additional support to refugees. ongoing

Updated 29/10/2024

Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>		Targeted exercise to identify potential tenancy fraud, with a view to freeing up social housing Update 21/11/24 - ongoing project - aim to complete by June 2025	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
- Complex needs amongst homeless clients requiring intensive support. Without the support the clients are unable to maintain a tenancy, which even if placed, will lead to reoccurring homelessness. This service is currently externally funded, but the future of the fund is uncertain. The demand for this service is also growing and additional resources are needed.
- Impact on residents and their housing need as a result of the Council stepping back from direct housing delivery and also Registered Providers not developing in the area.

### **Current control actions**

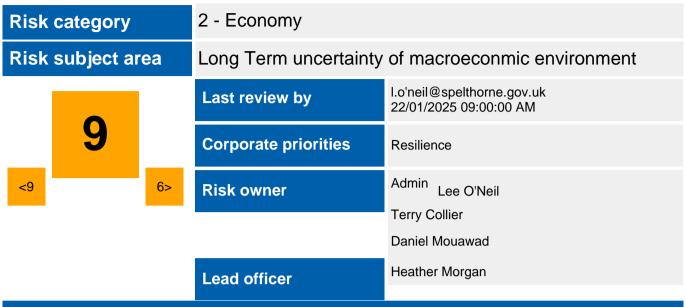
These are specific actions to reduce the likelihood of a risk event or occurrence

- 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**

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. The team is currently working on the preparation of a refreshed housing strategy and will seek to
incorporate the suggestions into the new strategy

Future actions				
Type	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
- 16.08.24 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 has been undertaken and has determined the strategy needs refining it has considered skills/employment, our hub and incubator, inward investment and whether more business engagement is required at a strategic level. The outcome of the review has determined the level of resources and expertise required to deliver the strategy and the rest of the ED function. The service plan for economic development (which reflects this) will go to BIG Committee in autumn 2024.

Update 20.11.24 - growth bids have been submitted to the BIG committee (December) to ensure the ingoing operation of the very successful Youth and Skills Hub and the Business Incubator

#### **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					
Type	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.

As at end of August 2024 - Business rates collection rate was 49.8% compared to same stage 23/24 which was 50.8%.

As at end of August Council Tax collection rate - 48.2% compared to 23/24 which was 48.6%

Updated 16/9/24

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).

16.08.24 - All the projects are now well into implementation phase with audits underway, and support in place.

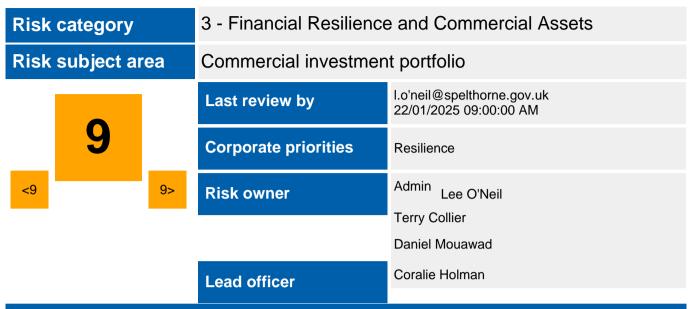
#### **Current mitigating actions**

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

 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

• 16.08. 24 - The employment and skills hub relocated to its new location (old Argos unit) in mid August. Considerable strides have been made to extend multi-agency working with other partners to assist residents getting back into work (best use pooled resoures)

Future actions				
Туре	Timeline	Description	Status	Comments



### **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
- The Council has a period of between 42 and 44 years before the debt finance associated with the acquisition of the investment assets is fully paid off. Over this period the Council is looking for the assets to deliver an ongoing income stream, to support the Council's Revenue Budget, currently that is about £10m per annum. However, the longer term sinking fund modelling is indicating that if the Sinking Funds reserves are sufficient to cope with the risk of significant tenant churns at certain points in the future, current levels of setting aside into the Sinking Funds will not be sufficient. The Outline Budget report which went to December 9th Corporate Policy and Resources Committee 9th December, identified that on the basis of refreshed modelling the contributions into the Sinking Funds will need to be steadily increased by 2031 which will halve over that period the level of subsidy of services. This will require some significant transformation to enable services to adjust.
  Revised 20/01/25

### **Current control actions**

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

- A new overarching Asset Management Strategy & Asset Management Plan has been completed for the 24/25 - 27/28 financial year period - updated 19/9/24 by CH
- Individual Business Plans for all assets, with a summary portfolio level AIS focused on the
  coming 12 month period. New Business Plans for 25/26 are being progressed from Sept 24 for presentation to committee in Jan/Feb 25 updated. Exit Strategies for all the investment
  assets have been produced and taken to the September, October and November 2024
  meetings of the Commercial Assets Sub-Committee. These exit strategies feed into the
  Sinking Funds modelling. Updated 22/11/24

- Capital Strategy includes key performance indicators with a particular focus on the investment portfolio. The investment portfolio has it's own bespoke KPIs and Risk Register. Tweaked by CH 2/8/24
- Performance management measures KPIs are reviewed annually and benchmarked against external, regional property indicators i.e., vacancy rates, market rentals, occupier demand. Updated 29/7/24
- Governance reporting Investment performance reported regularly to Councillors at Commercial Assets Sub-Committee, Business and Infrastructure Growth Committee and Corporate Policy and Resources Committee.

Updated 29/7/24

#### **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. A major refresh of the SInking Funds modelling has been undertaken which suggests that over time the Council will need to set aside more of the rental income into the Sinking Funds Reserves, in order to build up those balances sufficiently rapidly to have sufficient funds to meet future pressure points. In turn this will mean over time the Council will need to reduce down from the current level of £10m per annum the net subsidy of services from the investment assets to £5m by 2031 ie a halving of the subsidy. This therefore would have required a significant transformation programme across the organisation, if Local Government Reorganisation were not being implemented. Updated 20/1/245
- Sinking Funds modelling has been refreshed over a 50 year period, with ability to input and flex a range of
  parameters. Refreshed sinking fund model being reported to Corporate Policy and Resources on 20th
  January 2025, and there will be a demonstration of the model to members of that Sub-Committee and
  members of the Commercial Assets Sub-Committee before a further report is brought back to MArch
  CPRC.

Update 20/01/25

- · 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 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 (now MHCLG) announced a Best Value Inspection process to review how the Council mitigates risk. The Council is actively engaging with the Inspection Process which the Council has now been advised will last until the end of January 2025.

Updated 20/01/25

 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. Two new team members recruited.

Reviewed 16/9/24

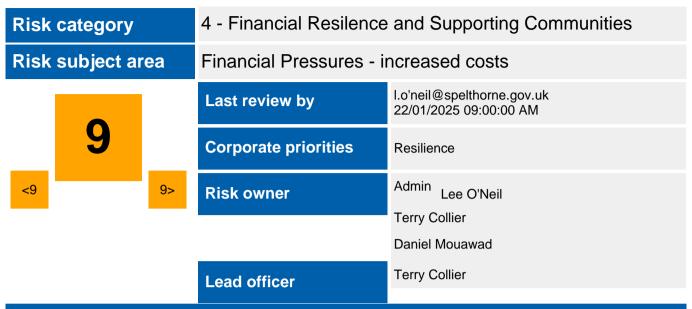
 Public Interest Report Action Plan implemented. Review against PIR Action Plan reported to July 2024 Audit Committee, and accepted by Councillors.

Exit Strategies being prepared and presented to Commercial Assets Sub-Committee meeting September to November. These strategies being reflected in revised sinking funds modelling assumptions.

Updated 16/9/24

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 2024 and March 2024 Audit Committee.
 Updated 20/01/25

Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>	Ongoing	To explore and assess opportunities for further diversification of the Council's asset holdings	In Progress	
<ul> <li>Mitigation</li> </ul>	End of November 2024 - updated 19/9/24 CH	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	This is an on-going piece of work where the deadline has been extended due to the later than expected appointment of the final 2 inspectors



### **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, which are now anticipated to fall more slowly in 2025 than previously anticipated 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 and higher interests impacting on landlords and rent levels

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

Risk that the new Government in addressing national public expenditure pressures reduces funding available
for local government adding to the challenge of providing discretionary services. This will become clearer
once Spending Review announced (Budget on 30th October flagged that the Government is looking for 2%
efficiency savings across the public sector) and the Provisional Local Government Financial Settlement is
announced on 19th December 2024. Updated 22/11/24

#### **Current control actions**

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

- · Financial impact assessment modelling undertaken as proactive measure.
- Annual budget process incorporates review and scrutiny at several stages including the
  informal all councillors budget briefings. 25th November Budget Briefing highlighting the
  significant medium term financial pressures and the need to drive transformation change in
  order to offset those impacts

Under Committee system process has been made more transparent

Reviewed 22/11/24

 All Councillor Budget Briefings, undertaken 3 times a year setting out financial risks in context of budgetary position, informing budgetary process. First Budget Briefing for 2025-26 undertaken on 15th July 2024 and second on 25th November 2024.

Updated 16/01/25

### **Current mitigating actions**

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

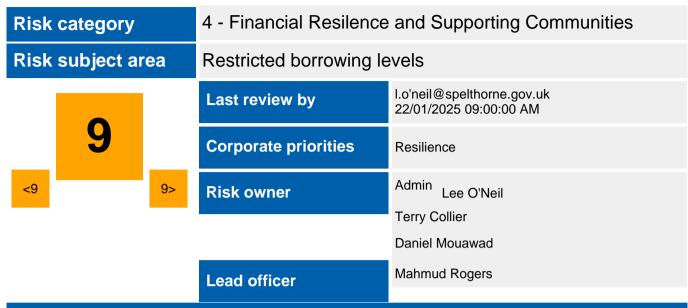
- Inflationary pressure contingency reserve to assist with any anticpated budget deficit.
- Earmarked revenue reserves with forecast for the next four years. Financial Reserves strategy subject to regular review, with annual review and approval of the Reserves Strategy by Corporate Policy and Resources Committee Updated 29/7/24
- 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 (Outline Budget) 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.

Updated 16/9/24

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 being reported on a quarterly basis to MATplus and councillors

Updated 16/9/24

Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>	January 2025	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 now expected to finish by end of November 2024. The Council is positively engaging with the Best Value Inspection Process. Updated 20/9/24	In Progress	The Council will positively engage with the Best Value Inspection process and address any recommendations.
<ul> <li>Mitigation</li> </ul>		Progressing medium term financial strategy and efficiency savings plan.	In Progress	
<ul> <li>Mitigation</li> </ul>		Monitoring and periodically reporting on outcomes of 4 year efficiency savings plan	In Progress	



### **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. Council approved in October 2024 drawing down its medium termed pooled investments as an alternative to borrowing and partially accelerating the payment down of debt finance. This has meant that the Council has avoided needing to fix additional long term debt finance to finance the balance of the Eclipse Leisure Centre.

Updated 20/01/25

#### **Current control actions**

These are specific actions to reduce the likelihood 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 January 2025. This will review risk mitigation arrangements around level of borrowing and reliance on investment assets income. Once a response is received from Ministers on the Best Value Inspection process the Council will look to address any improvement recommendations.

Updated 20/01/25

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

Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>		Any outcomes or further learning arising from the Surrey wide financial review will continue to be considered.	In Progress	
• Control	early 2025	Council will positively engage with the Best Value Inspection process and will address any recommendations which emerge. Reviewed 20/1/25	In Progress	



### **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
- As part of delivery regeneration/housing outcomes on existing council sites across the portfolio owned by the Council there is a risk, which could be magnified depending on timing relatives to the property valuations cycle, that some of the schemes will result in capital losses which will need to written to Revenue. Equally if schemes approve abortive, accumulated capitalised costs would need to be written to Revenue. 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 £16M (as at end of 2024-245) will need to be be potentially 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. Moving forwards in 2025-26 the Council has ceased to capitalise interest costs so these costs will impact the Revenue Budget.

Updated 20/01/25

#### **Current control actions**

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

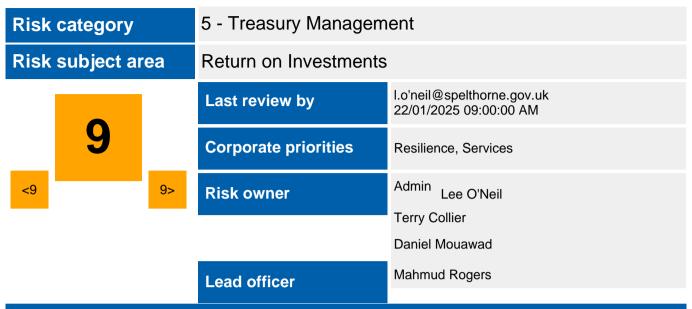
 Annual budget process incorporates Officer and Member review and scrutiny at several stages with measures to support production of balanced budget. Service planning process integrates with annual budget process.

- · 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 enabled 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. Updated 16/9/24.
   Update 16.01.25 Now acquired total of 82 housing units through LAHF.
- The Council maintains a Reserves Strategy, refreshed and reviewed every year by Corporate Policy and Resources Committee. One aspect of this strategy is to ensure that sufficient cash backed revenue reserves are maintained to assist in offsetting any write off of capital losses/capitalised costs to Revenue.
- Governance and reporting arrangements. Examples include progress reporting of Property Development projects to officer and Member groups. Specific reports are referred to BIG Committee to seek approval for progressing marketing to identify delivery partners most recently Ashford Victory Place and Thameside House

Future a	actions Type	Timeline	Description	Status	Comments
• Mit	tigation		Progress against cashable savings has been incorporated into the quarterly budget monitoring reports.	In Progress	
			Updated 16/9/24		



### **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, following the first reduction in August and November 2024 it is expected that the Bank of England will make a number of base rate reductions over the next eighteen months or so.

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 20/01/25

#### **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
- February 2024 Council has approved Strategy for 2024-25. Draft Strategy for 2025-26 being considered by Corporate Policy and Resources Committee 20th January 2025.

Updated 20/01/25

- 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 regular training sessions for councillors. Last session January 2024.

Updated 16/9/24

### **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 Borrowing			
		Last review by	I.o'neil@spelthorne.gov.uk 22/01/2025 09:00:00 AM
9		Corporate priorities	Resilience, Services
<9	9>	Risk owner	Admin Lee O'Neil
			Terry Collier
			Daniel Mouawad
		Lead officer	Mahmud Rogers

### **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. Following the October 2024 Budget gilt raises have risen
  significantly pushing up Public Works Loan Board rates.
  Updated 20/01/25
- 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 likelihood of a risk event or occurrence

 Approved Treasury Management Strategy for 2024-25. Draft Strategy for 2025-26 going to 20th January 2025 Corporate Policy and Resources Committee.

Updated 20/01/25

- 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.
- · Arlingclose to provide training session for councillors.

### **Current mitigating actions**

 Ongoing review and assessment of options with Treasury Management (TM) advisors regarding the Council's borrowing strategy in the context of interest rates rises and volatility.

Corporate Policy and Resources Committee and Council in October 2024 approved drawing down the Council's medium term pools to facilitate short term internal borrowing to reduce need for external borrowing to finance the balance of the Eclipse Leisure Centre.

Reviewed 20/01/25

• Fixed interest rate on most debt and for investment assets and an interest equalization reserve is in place.

Future actions					
Type	Timeline	Description	Status	Comments	



### **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. It has also been confirmed 2023 was the hottest year on record and is breaking the 1.5 celsius threshold. Reviewed 27.11.24

#### **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 as part of the climate change strategy to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030. The climate change strategy has been updated along with a clear action tracker and is going to Committee for approval on 17 September 2024. The original action plan had 72 actions but we have combined a number to avoid duplication; 8 are fully complete, 51 are ongoing, 6 are being explored through background work and 7 have not yet started. (reviewed 12.9.24)
- 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 required to support a coordinated approach to strategy implementation across the organisation and looking at joint service projects. (Reviewed 12.9.24)

Continuing to roll out Carbon Literacy training days and participating staff have committed to a
range of carbon saving pledges. Some member Induction training was undertaken in June
2023 and further training on carbon literacy has taken place on 24/25 November but only a
few members attended despite training being mandatory. The Council has reached bronze
level in the carbon literacy hierarchy and is aiming for silver in Q4 24/25.

### **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
<ul> <li>Control</li> </ul>		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
<ul> <li>Mitigation</li> </ul>	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. To be completed 17.9.24 subject to Committee agreement. (reviewed 11.9.24)	In Progress	Review of climate change strategy completed but needs resourcing to fully implement and also needs cross service input.



#### **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 summer of 2022 there were 72,000 excess deaths in Europe due to the extreme heat. 2023 was the hottest year on record 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. reviewed 12.9.24

#### **Current control actions**

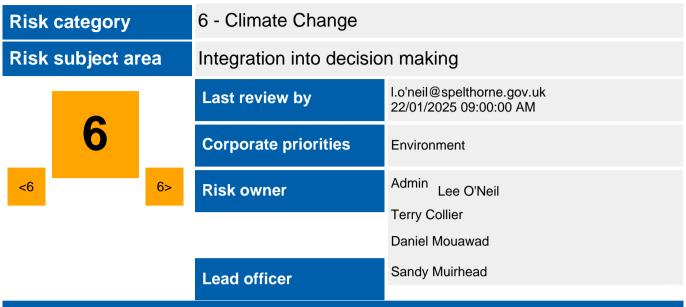
These are specific actions to reduce the likelihood of a risk event or occurrence

- Environment and Sustainability Committee developed an action plan as part of the climate change strategy to move the Council towards net zero carbon emissions, aiming to get to Net Zero for Scope 1 and 2 emissions by 2030. 12.9.24
- 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.
- Continuing to roll out Carbon Literacy training days and participating staff have committed to a range of carbon saving pledges.
- 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 through the Green Initiative Fund. These are being allocated and targeted to reduce the carbon footprint of the Council to help ensure SBC are net zero by 2030. Though many measures are invest to save the current Council financial position may limit opportunities 27.11.24

Future actions Type	Timeline	Description	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. Information given to Group Leaders (reviewed 12.9.24)	In Progress	Seeking to undertake Cllr training over two evenings
<ul> <li>Mitigation</li> </ul>	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	2025	To build on Greener Futures climate adaptation strategy and incorporate actions into our climate change strategy.	In Progress	with current climate change officer leaving this is likely to be delayed



### **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

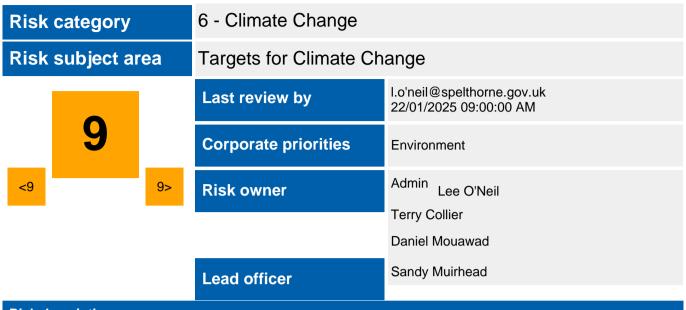
- All Committee reports include a section on Sustainability and Climate Change considerations
  which should be reflected upon by report authors to identify both positive and adverse impact
  of proposals being put forward by Officers requiring a Member decision.
- Through carbon literacy training of 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**

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

 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
<ul> <li>Mitigation</li> </ul>	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**

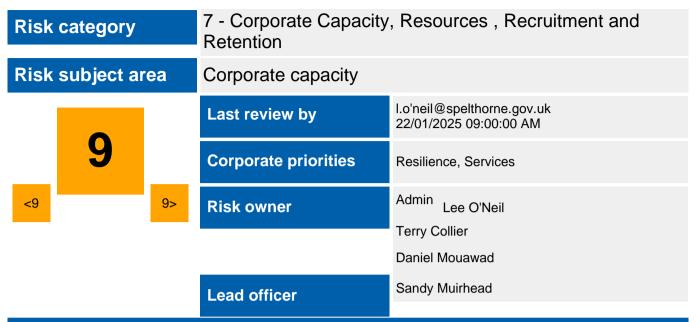
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- 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 using the corporate plan action tracker (27.11.24)

Future a	actions Type	Timeline	Description	Status	Comments
• Co	ntrol	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 and reduced morale especially with pressure to complete more tasks over and
  above planned work (12.9.24).
- Overstretched staff may feel encouraged to leave to less demanding roles in other areas including the private sector and this has been recently exacerbated in certain areas by best value work
- Availability of external roles especially better paid roles. The Council struggles to keep up with increased pay in roles in the sector as a whole. 12.9.24
- There is a need to monitor added pressures associated with Local Government Reorganisation, which will
  require the Council to participate in provision of data and associated transition work. Additional resources
  will be needed to support this process in order to prevent effects on existing Council activities/services and
  excessive pressure on staff. Additional work pressures may also arise if the Government confirms support
  for 3rd runway at Heathrow. CRR scoring will be updated, if necessary, as part of next quarterly update
  once further information becomes available. 22.1.25

#### **Current control actions**

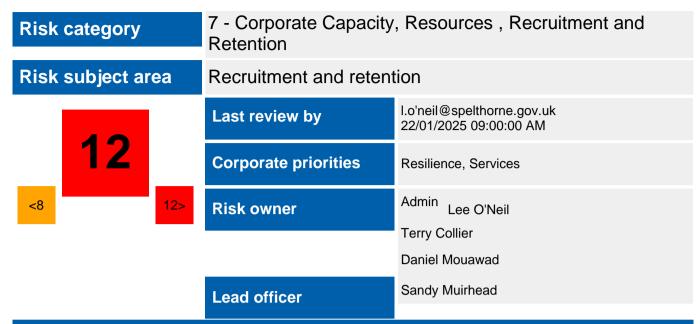
These are specific actions to reduce the likelihood of a risk event or occurrence

- Management to address workload issues across teams, with continued prioritisation of tasks, but tasks are exceeding ability to deliver in certain areas especially in services where it is difficult to recruit staff 12.9.24
- 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 to promote partnerships and alternative service models with a view to supporting organisational resilience measures. Group has reconvened 25.11.24 (27.11.24)

### **Current mitigating actions**

- Various support systems operating in promoting and supporting staff wellbeing e.g Carefirst 12.9.24
- Corporate performance management systems operate across services with a view to promoting the corporate plan and associated actions translated into tasks; but also to ensure staff are managing workloads and priorities. 12.9.24
- 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 though recent staff survey demonstrates staff feel very positive about their working environment internally but one area that showed red was in relation to Cllrs. (27.11.24)
- Corporate Establishment Review undertaken in 2023 with some further actions identified/ pursued. This also
  overlaps with the other risks in this category relating to recruitment and retention. Corporate capacity is
  under strain in November 2024 due to various factors across the organisation (27..11.24)

Future actions Type	Timeline	Description	Status	Comments
• 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. recent budget works and demands from best value process have put extra strain on staff 27.11.24



#### **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 which puts extra demands on staff and HR resources
  (27.11.24).
- Update 16.01.25 The Government's plans for Local Government Reorganisation, may lead to loss of some staff and difficulties recruiting to vacant posts, particularly if Spelthorne is included in the first wave of the programme.

#### **Current control actions**

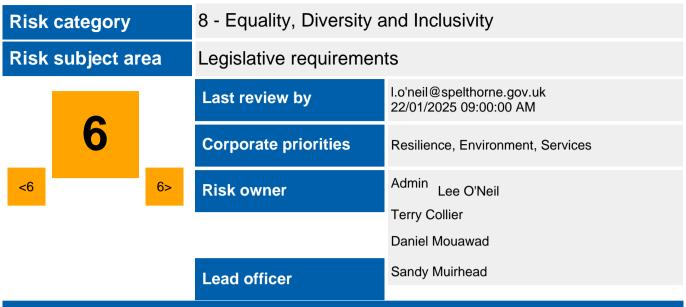
These are specific actions to reduce the <u>likelihood</u> of a risk event or occurrence

- 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 commissioning annual surveys to ascertain key concerns, issues and promote continuous improvement measures. Staff survey undertaken in 2024 had a very high participation rates and most scores were highly positive regarding working conditions but Cllr area scored low. (12.9.24)
- Staff communication plan on Local Government Reorganisation (LGR) to be developed and maintained throughout the transition process. CARE first offering to be enhanced with a programme to assist staff on the current establishment to prepare for the opportunities that a larger unitary authority may offer (16.01.25).

### **Current mitigating actions**

- 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.
- Possible need to increase the use of agency staff where recruitment issues develop due to LGR. Use of honorariums for existing staff where they are required to step up to cover work of vacant posts (16.01.25).

=				
Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>	Ongoing	To continue to advertise in all service relevant journals to ensure maximise opportunities for those seeking roles to see them.	In Progress	
<ul> <li>Mitigation</li> </ul>	Ongoing	Continue to explore new and innovative recruitment and retention strategies in a competitive market. This includes workplace flexibility	In Progress	
<ul> <li>Mitigation</li> </ul>	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 future-proofing the Council's workforce.	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
• Control	April 2027	Maintaining an effective communication plan with staff re LGR and offering enhanced support/development opportunities through the CARE first programme, will assist in retaining some staff as the transition to the new unitary authority progresses. (16.01.25)	In Progress	Action timeline assumes Surrey in first wave of Councils undergoing LGR.



### **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 <u>likelihood</u> of a risk event or occurrence

- Training mechanisms to raise awareness and understanding such as the online Workrite module. Seeking further training options for early 2025. (12.9.24)
- 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**

- Equality Impact Assessments are completed as a requirement on initiation of new projects and strategies.
- An Equality and Diversity audit is being undertaken in November/December 2024 with a report to be produced in January for management team. This audit will assist in identifying further areas of work to be carried out. From the audit we are anticipating producing an EDI plan, which subject to confirming resourcing will be implemented during 2025. 4.12.24

Future actions					
Туре	Timeline	Description	Status	Comments	

Control

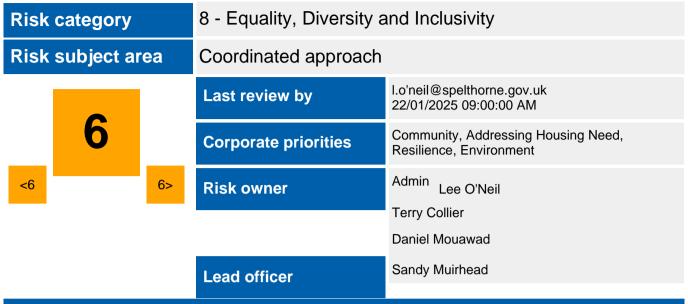
March 2025

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 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.

The audit currently being undertaken will assist in identifying the resource required and better enable allocation of the resource needed 4.12.124

In Progress

Due to constrained resources a long lead time is required though a lead officer has been designated



### **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 likelihood 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.
- Section on EDI including reference to LGBT community included in induction seminar for new staff completed (12.9.24)

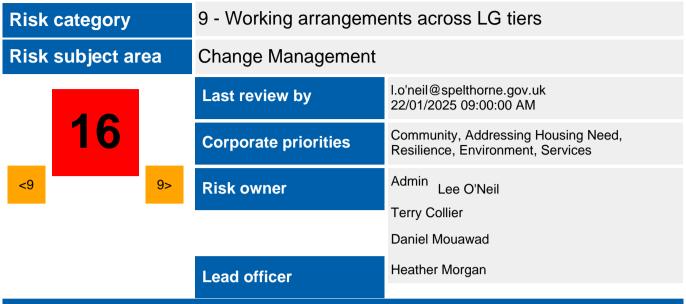
Future actions					
Type	Timeline	Description	Status	Comments	

Control

January 2025

(This action is subject to resource In Progress 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. Lead officer designated

Resource availability is though still a limiting factor due to other service demands



### **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
- The Government's plans for Local Government reorganisation present a major risk to the Council's operational activities and planned projects/actions under the Corporate Plan if organisational change is not managed effectively. IT IS SUGGESTED THAT RISK CATEGORY 9 IS CHANGED TO 'LOCAL GOVERNMENT REORGANISATION' (16.01.25)

#### **Current control actions**

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

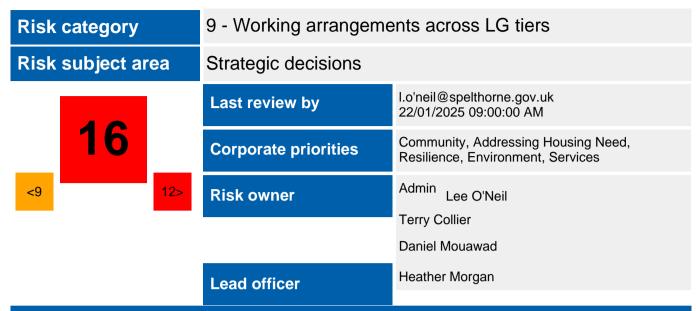
- Ensure the appropriate level of resource is put in place and time is freed up from other parts of
  the organisation involved in the change management process if no additional financial or
  staff resources are available (this will require decision on what else not to do/deliver in
  another way on 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**

- 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
- Although the Council may not be able to control the changes required as part of the LGR process, it can, through development of an effective change management plan/strategy, mitigate the impacts on staff and the wider organisation, minimise the risk of service disruption and maximise the opportunity to deliver a range of planned actions/projects, before the transition into a larger unitary authority. (16.01.25)

Future actions				
Туре	Timeline	Description	Status	Comments

• 1	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 been 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
• 1	<b>ditigation</b>	July 2025	Alternative options for service delivery for building control (due to severe resourcing and resilience issues)	In Progress	16.01.25 - Audits of Building Control Service currently being undertaken. Resilience/capacity issues may warrant consideration of separate risk category depending on outcome.
• 1	Mitigation	July 2025	Surrey Leaders/Chief Executives currently in discussion over potential for county-wide collaborations on Procurement and Building Control.	In Progress	
• 1	Mitigation	August 2027	Develop and implement an effective change management strategy/plan (once further information is received on the LGR process/timetable). (16.01.25)	In Progress	



### **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)
  Update 20.11.24 Surrey were given the go ahead in principle for a level 2 County Deal by the previous conservative government in March 2024. This was reconfirmed by the current labour government in September 2024. More detail on future devolution is likely to be published by end of 2024
- Update 16.01.25 Government plans for Local Government Reorganisation (LGR) will mean that Spelthorne
  no longer exists as a sovereign authority from April 2027 or April 2028 (depending on whether Surrey is in
  the first or second wave of the programme). This will fundamentally affect Council's ability to deliver many
  of its planned actions under the Corporate Plan 2024-28.
   Failure to engage with the LGR process would not help deliver the best outcomes for Spelthorne's residents
  and businesses.
  - IT IS SUGGESTED THAT RISK CATEGORY 9 BE CHANGED TO 'LOCAL GOVERNMENT REORGANISATION'

#### **Current control actions**

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

- 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.
  Update 20.11.24 the Collaborative Working Review Group has been restarted (Leadership
  and MAT) to consider collaborative opportunities. The draft outline budget report going to
  CPRC in December flags up the need to deliver a corporate transformation programme to
  deliver efficiencies and savings and collaboration forms one strand of this
- 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. Update 20.11.24 the Collaborative Working Review Group
  will consider opportunities. Councillors will be able to feed in their initial thoughts on
  opportunities as part of considering the outline Corporate Transformation Programme
- Spelthorne will have NO control over the implementation of LGR by the national Government.
   SBC can therefore only seek to mitigate the effects on the borough and its residents/businesses. (16.01.25)

### **Current mitigating actions**

- Leader and Chief Executive to actively engage with adjoining authorities to fully understand common
  approaches to levels of engagement with Surrey, and opportunities for sharing resources. Update 20.11.24 meetings held to consider opportunities for delivering a wider Surrey waste solution through collaboration.
  Surrey Leaders/Chief Executives decision made that this would not be progressed. Consideration currently
  being given to deliver building control via 2 or 3 collaborative groupings across the County. Leadership
  meeting with other Councils to explore opportunities
- It will be essential for Spelthorne to engage fully with the LGR process on a county-wide basis (initially through the Surrey Leaders' Group) if the Council is to deliver the best possible outcomes for its residents and businesses. (16.01.25)
- The Council will need to review its priorities and planned actions under the Corporate Plan to ensure any
  remaining actions are deliverable within the limited timeframes it remains as a sovereign authority.
  (16.01.25)

(10.01.23)				
Future actions Type	Timeline	Description	Status	Comments
<ul> <li>Mitigation</li> </ul>	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). Update 20.11.24 - outcome of strategic discussions awaited
<ul> <li>Control</li> </ul>	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 Review Group (senior cllrs and officers) meeting regularly. Officer leads working with colleagues in other D&B's. Update 20.11.24 - decision has been made not to pursue waste, CPRC agreed in Oct 2024 to move forward to the next stage of the SBC/Mole Valley joint finance partnership. Ongoing discussions taking place on building control. Update 16.01.25 - Future of SBC/MVDC joint finance partnership currently under review in light of planned Local Government Reorganisation.