

Risk management

Strategic risk register

Quarter 4 – January to March 2022

Strategic Risks

Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and the Medium-Term Financial Strategy. The Management Team has shared responsibility for strategic risks.

The Council's strategic risks are detailed in below table:

| | |
|-----------------------------|---|
| <u>SR1</u> | <u>Covid-19 pandemic</u> |
| <u>SR2</u> | <u>Financial sustainability</u> |
| <u>SR3</u> | <u>Local government reorganisation</u> |
| <u>SR4</u> | <u>Organisational capacity and culture</u> |
| <u>SR5</u> | <u>Economic prosperity</u> |
| <u>SR6</u> | <u>Reliance on the welfare system</u> |
| <u>SR7</u> | <u>Cyber security</u> |
| <u>SR8</u> | <u>Fraud</u> |
| <u>SR9</u> | <u>Marketfield Way</u> |
| <u>SR10</u> | <u>Gatwick Airport</u> |
| <u>SR11</u> | <u>Reform of the planning system (closed in Q1 2021/22)</u> |
| <u>SR12</u> | <u>Planning system reform</u> |

Risk rating

Each risk is scored using the potential impact of the risk and the likelihood of the risk happening. The risk score then determines the level of management action required:

| | |
|---------------|---|
| RED | Where management should focus attention. Immediate actions should be identified and plans put in place to reduce risk as a priority. |
| AMBER | Where management should ensure that contingency plans are in place. These may require immediate action and will require monitoring for any changes in the risk or controls. These will be a key area of assurance focus |
| YELLOW | These should have basic mechanisms in place as part of the normal course of management. |
| GREEN | Where risk is minimal if does not demand specific attention but should be kept under review. |

Risk status

| | |
|-----------------|---|
| Tolerate | Decide to accept the risk and take no further measures. This should be a conscious and deliberate decision taken having decided that it is more cost effective to do so than attempt mitigating action. |
| Transfer | Transfer all or part of the risk. For example, to insurance or to other agencies/contractors. |
| Treat | Proactive action taken to reduce: <ul style="list-style-type: none">• The probability of the risk happening by Introducing control measures• The impact of the risk should it occur. |
| Close | This could involve changing an aspect of the activity or ceasing to provide the service/function/project and thus eliminate the risk. |

RISK RATINGS

| IMPACT | | | | | | |
|-------------|---|------|----------------------------|--|--|----------------------------|
| Grave | 5 | | | | | |
| Significant | 4 | | <u>SR7</u> | <u>SR3</u> <u>SR4</u> <u>SR9</u> | <u>SR2</u> | <u>SR5</u> |
| Moderate | 3 | | <u>SR1</u> | <u>SR10</u> <u>SR12</u> | <u>SR6</u> <u>SR8</u> | |
| Minor | 2 | | | | | |
| Almost none | 1 | | | | | |
| | | 1 | 2 | 3 | 4 | 5 |
| LIKELIHOOD | | Rare | Unlikely | Possible | More than likely | Almost certain |

| | | | | |
|------------------------------------|-------------------|---|----------------------------------|--------------|
| SR1 | | Covid-19 pandemic | | AMBER |
| Description | | <p>The Council will continue to respond to the Covid-19 pandemic in supporting residents, businesses as well as other partner public sector organisations.</p> <p>The effects of the pandemic, coupled with the ongoing response, could result in significant disruption to the delivery of services and the achievement of corporate objectives.</p> | | |
| Owner | | Portfolio Holder | Cllr Brunt | |
| | | Officers | Mari Roberts-Wood and Luci Mould | |
| Controls | | <p>Ongoing planning for disruption caused by the pandemic, including maintaining organisational preparedness via emergency and business continuity planning as well as robust risk assessments.</p> <p>Resumption of Covid-19 command and control processes and procedures if required.</p> <p>Liaison with partners and the Surrey Local Resilience Forum.</p> | | |
| Mitigating actions/progress | | <p>Operating within the confines of, and responding to, Covid-19 has now become 'business as usual' for the Council. Ongoing disruption is expected and continues to be proactively planned for.</p> <p>Council services have continued to operate as usual throughout Q4.</p> <p>The Council's offices have now fully reopened to staff. Covid-19 control measures continue to be in place to mitigate against workplace transmission, thereby safeguarding staff welfare and business continuity.</p> <p>During 2021/22 several plans integral to the Council's preparedness and response to the pandemic have been updated, including the: Pandemic Plan; Emergency Plan and Surge Testing Plan. Service business continuity plans continue to be reviewed and kept up to date as appropriate.</p> <p>The Council continues to engage with partners in Surrey, including at the Local Resilience Forum and other districts and boroughs.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR1 'Coronavirus pandemic'.</p> | | |
| Score | Likelihood | Unlikely | Direction of travel | ↓ |
| | Impact | Moderate | | |
| Status | | Treat | | |
| Last update | | 4 May 2022 | | |

| SR2 | Financial sustainability | | RED |
|---|--|-----------------------|-----|
| <p>Description</p> | <p>In the wake of the COVID-19 pandemic and resultant recession, the Council faces a period of unprecedented financial uncertainty.</p> <p>The most significant risks relate to the extent to which the Government will fund the unplanned expenditure that is being incurred to deliver the Council's COVID-19 responsibilities at the same time as experiencing material reductions in income from fees and charges and local taxes.</p> <p>If this substantial financial burden is not mitigated through direct Government support, then these unplanned financial pressures will have an adverse impact on the Council's capacity to deliver against its Corporate Plan ambitions. The delivery of corporate plan objectives will similarly be jeopardised if the Council is unable to secure additional income streams.</p> <p>The ongoing financial settlement with the Government also remains uncertain.</p> <p>The Council is therefore increasingly reliant on income derived, and to be derived and generated, from investments, fees and charges and commercial activities – the ability to do so, however, may be further restricted by changes in legislation, regulations, and codes of practice. Commercial activity and investments are similarly not without risk.</p> | | |
| <p>Owner</p> | <p>Portfolio Holder</p> | <p>Cllr Schofield</p> | |
| | <p>Officers</p> | <p>Pat Main</p> | |
| <p>Controls</p> | <p>The Council will continue to ensure that strong financial management arrangements are in place and will continue to invest in skills and expertise to support the delivery of the Council's financial and commercial objectives while managing risks.</p> <p>The Medium-Term Financial Plan (MTFP) sets out the forecast budget challenges over the coming five years and forms the basis for service and financial planning. The Capital Investment Strategy provides an overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of Council services and how associated risks are managed.</p> <p>Creation and implementation of the Council's Financial Sustainability Plan which will address the identified MTFP budget pressures.</p> <p>The annual budget sets out the budget allocations for the current year and confirms officer accountability for ensuring that expenditure and income are managed within limits approved by Members. In-year budget monitoring reports confirm compliance with these limits and report any action required to manage budget variances.</p> <p>The Treasury Management Strategy helps ensure that investments achieve target returns within approved security and liquidity limits and that borrowing to fund the Capital Programme is affordable.</p> <p>Creation and implementation of the Council's commercial strategy.</p> | | |
| <p>Mitigating actions/progress</p> | <p>The COVID-19 pandemic resulted in material new financial risks, both in the previous and current financial years and over the medium term.</p> <p>The main area of ongoing concern remains the failure of income receipts to return to pre-COVID levels, particularly in relation to parking fees. There is also a risk that increased costs for goods, materials and labour, coupled with supply chain disruption, may impact on our ability to deliver and thereby secure income from development projects.</p> | | |

| | | | | |
|--------------------|-------------------|--|----------------------------|------------|
| SR2 | | Financial sustainability | | RED |
| | | <p>The specific outcomes of the government’s planned Fair Funding Review and Business Rates Reset remain unknown; however, they are expected to significantly reduce funding.</p> <p>The Council’s Medium-Term Financial Plan, approved by the Executive in July 2021, sets out the forecast budget challenge over the coming five years and forms the basis for service and financial planning for 2022/23 onwards. Budget setting for 2022/23 is now complete and budget proposals were approved in February 2022.</p> <p>Towards the end of Q4 the Council’s financial sustainability plan commenced. The programme is being overseen by a strategic officer steering group and will regularly report to the Overview and Scrutiny Committee and Executive on progress. The programme will: oversee a number of projects and initiatives to deliver efficiencies and additional income; be responsible for service and financial planning for 2023/24; and carry out a review of fees and charges to ensure that the policy is being best applied across the Council.</p> <p>The Council’s Capital Investment Strategy was approved by the Executive in July 2021. Capital Programme proposals for 2022/23 to 2026/27 were approved in February 2022.</p> <p>The Council has now adopted parts 1 and 2 of its Commercial Strategy. The strategy sets out the overarching direction and parameters for the Council’s commercial activity, including guiding principles and the categories of commercial activity that the Council will focus on.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR2 ‘Financial sustainability’, with contextual updates made to the description to reflect the position as of Q1 2022/23.</p> | | |
| Score | Likelihood | More than likely | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Treat | | |
| Last update | | 12 April 2022 | | |

| SR3 | | Local government reorganisation | | AMBER |
|------------------------------------|-------------------|--|----------------------------|-------|
| Description | | <p>A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of the government's devolution agenda. A White Paper on English devolution and local recovery is expected in the latter part of 2021, delayed from autumn 2020.</p> <p>The uncertainty surrounding, and subsequent results of, any local government reorganisation could adversely affect the Council and the delivery of services for residents.</p> | | |
| Owner | | Portfolio Holder | Cllr Brunt | |
| | | Officers | Mari Roberts-Wood | |
| Controls | | <p>Close working with neighbouring and partner authorities to develop alternative proposals for the future of local government in Surrey.</p> <p>Lobbying central government where appropriate and necessary.</p> | | |
| Mitigating actions/progress | | <p>A government White Paper on devolution and 'levelling up' was published in February 2022. The White Paper provides detail on the government's Levelling Up objectives as well as details and principles of a new devolution framework.</p> <p>Surrey County Council are developing a proposal to secure a 'county deal' for Surrey as described within the White Paper's devolution framework.</p> <p>The White Paper states that the government will not pursue a mandatory, top-down reorganisation of local government and reorganisation will not be a condition of securing a devolution deal.</p> <p>The Council will continue to seek to proactively influence the debate and proposals on potential devolution deals as well as the future structure of local government within Surrey.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR7 'Local government reorganisation, devolution and levelling up'.</p> | | |
| Score | Likelihood | Possible | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Treat | | |
| Last update | | 4 May 2022 | | |

| SR4 | | Organisational capacity and culture | | AMBER |
|------------------------------------|-------------------|---|----------------------------------|-------|
| Description | | <p>The Council has adopted an ambitious Corporate Plan, supported by a capital investment, housing and Great People strategy.</p> <p>The COVID-19 pandemic has changed the way the Council operates, the context within which it does so, and will similarly drastically change the organisational culture and ways of working.</p> <p>The Council will continue to be ambitious and new ways of working will need to be embraced by both members and officers for objectives to be achieved. Key to this is ensuring that staff welfare and wellbeing is maintained, particularly in the challenging circumstances caused by the pandemic.</p> <p>The failure to remain ambitious and adapt to the ongoing challenges of the pandemic will risk the delivery of corporate objectives.</p> | | |
| Owner | | Portfolio Holder | Cllr Lewanski | |
| | | Officers | Mari Roberts-Wood and Kate Brown | |
| Controls | | <p>The creation and implementation of an Organisational Development strategy.</p> <p>Development of an embedded Workforce Planning approach for the Council, with service and financial planning to appropriately resource the Council's staffing requirements.</p> <p>Recruitment, training and development.</p> <p>Ongoing consultation and engagement with staff.</p> | | |
| Mitigating actions/progress | | <p>Before the COVID-19 pandemic significant work was undertaken on the Council's Great People work programme (formerly known as the Organisation Development strategy) which has formed the solid basis for post-pandemic planning. The Council has developed and implemented an embedded Workforce Planning Approach with service and financial planning. This is to ensure resource to meet the Council's staffing requirements.</p> <p>A proposal for the future structure of the Senior Management Team was presented to the Employment Committee in Q3. The Committee accepted the report's recommendations and implementation has now commenced.</p> <p>Projects related to future ways of working, including 'hybrid working', are being taken forward by the Organisation Board.</p> <p>HR continue to proactively address staff wellbeing issues, with initiatives for helping support staff and their wellbeing progressing. For instance, during Q3 a stress awareness campaign launched. Measures have also been implemented to support staff to come together and collaborate in a Covid secure way.</p> <p>A wider, strategic piece focusing on staff welfare is continuing to be developed. Staff are continuing to be encouraged to take annual leave and take suitable breaks away from work.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR5 'Organisational capacity and culture'.</p> | | |
| Score | Likelihood | Possible | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Treat | | |
| Last update | | 25 April 2022 | | |

| SR5 | Economic prosperity | | RED |
|---|---|---|-----|
| <p>Description</p> | <p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. The COVID-19 pandemic has resulted in significant negative impacts upon the economy, which will continue to be felt for some time.</p> <p>Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from fees and charges and the collection of monies owed. Challenging financial circumstances for residents may also increase their reliance on Council services.</p> | | |
| <p>Owner</p> | <p>Portfolio Holder</p> | <p>Cllrs Humphreys and Schofield</p> | |
| | <p>Officers</p> | <p>Luci Mould, Mari Roberts-Wood, Pat Main and Simon Bland.</p> | |
| <p>Controls</p> | <p>The UK economy is outside the control and influence of the Council. However, the Council is able to provide support to residents and businesses, both through direct service delivery and the disbursement of grants and other sources of funding.</p> <p>Our Business Engagement Team provides a range of support, advice and networking opportunities for local businesses, allowing the Council to receive feedback on economic performance and conditions.</p> <p>Controls relating to the Council's financial position are summarised in SR2.</p> | | |
| <p>Mitigating actions/progress</p> | <p>The gradual easing of the government's Covid-19 restrictions resulted in a marked uptick in economic activity earlier in the financial year, with the UK economy growing beyond its pre-pandemic size at the end of 2021. Underlying wage growth picked up given tight labour market conditions.</p> <p>However, consumer price inflation has risen significantly across the world, including the UK where the consumer price index is forecast by the Bank of England's Monetary Policy Committee to reach 7.25% in April 2022. Consumer prices are rising due to sharp increases in global energy and commodity prices as well as tradable goods prices, the latter due to global supply chain disruption and bottlenecks.</p> <p>The UK's GDP growth has therefore slowed to subdued rates, attributed by the Bank of England to rising prices negatively impacting on income and spending. Inflationary pressures therefore threaten negative effects on the national and local economy which, in addition to affecting residents, will impact upon the Council's financial position.</p> <p>The latter notwithstanding, at the end of Q4 the local employment picture was healthy, with unemployment and youth unemployment falling. The Council's Economic Prosperity team will continue to closely monitor these trends into the new financial year. The 'R&B Works' project continues to highlight local employment opportunities for residents.</p> <p>On 3 February 2022 the Chancellor announced that council taxpayers who live in a band A to D property will receive a one-off payment of £150 to support them with rising energy costs. The Council has administered this scheme on behalf of the government, with payments beginning to be made in April 2022.</p> <p>The Council continues to administer the government's Household Support Fund. The first tranche of the scheme allocated the Council £382,000. This was used to support over 4,000 vulnerable households with accessing food and heating their homes. The Council also used the funds to support our voluntary sector partners and households to prevent homelessness. At the end of the quarter the</p> | | |

| | | | | |
|--------------------|-------------------|--|----------------------------|------------|
| SR5 | | Economic prosperity | | RED |
| | | <p>government announced the continuation of the scheme, with a further £500 million made available to local authorities across the country.</p> <p>During the year the Council also administered a number of grants to businesses on behalf of the government, including: the Omicron Hospitality and Leisure Grant and the Additional Restrictions Grant.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR4 'Challenging economic conditions for residents and businesses'.</p> | | |
| Score | Likelihood | Almost certain | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Treat/Tolerate | | |
| Last update | | 27 April 2022 | | |

| | | | |
|------------------------------------|---|---|--------------|
| SR6 | Reliance on the welfare system | | AMBER |
| Description | <p>The COVID-19 pandemic has resulted in increasing numbers of residents being reliant upon the welfare system as the economy is negatively impacted. This increases the risk of household budgets being stretched. The latter could result in an increase in cost pressures on the Council as our services are increasingly relied upon.</p> | | |
| Owner | Portfolio Holder | Cllr Neame | |
| | Officers | Mari Roberts-Wood, Duane Kirkland, Justine Chatfield and Richard Robinson | |
| Controls | <p>Increased staffing to manage legislative and welfare/benefit changes.</p> <p>Investing in IT packages, improving processes and staff training.</p> <p>The operation of council owned emergency accommodation.</p> <p>Applying for government grants to fund additional support services.</p> <p>Joint working and close collaboration with partners.</p> <p>Increased staff resource through redeployment if required.</p> | | |
| Mitigating actions/progress | <p>Despite challenging economic circumstances, the Council has not seen a significant increase in residents approaching for support. Unemployment in the borough continues to decrease and the number of residents claiming Universal Credit has remained stable, although it remains higher than pre-pandemic levels.</p> <p>Earlier in the year the temporary uplift to Universal Credit ended. The impacts arising from this will continue to be closely monitored, particularly in the context of the wider cost of living increases as noted in SR5 above.</p> <p>The Council continues to apply for government grants to support homeless residents, or those at risk of homelessness. A further £140k has been provided by the Department for Levelling Up, Housing and Communities to support private renters and to accommodate and offer Covid-19 vaccinations for rough sleepers.</p> <p>As noted in SR5, the Council continues to administer the government's Household Support Fund. In addition to supporting residents with accessing food and energy, the Council used its share of the fund to help prevent homelessness via providing rent in advance and deposits to secure new tenancies, as well as paying rental arrears in some cases.</p> <p>Earlier in the year the Council was part of a successful cross-Surrey bid for an application to the government's Changing Futures Fund. The programme aims to improve outcomes for adults experiencing multiple disadvantage, including combinations of homelessness, substance misuse, mental health issues, domestic abuse and contact with the criminal justice system. The bid was awarded £2.8 million to be spent in Surrey over a three-year period.</p> <p>The trends of increased complex homelessness cases and larger households being placed into temporary emergency accommodation continues. The Council's Housing team continues to work successfully in preventing and relieving homelessness in the borough.</p> <p>Within the borough there is a lack of affordable move on homes for larger households, both in the social and private rented sector. To help combat this, in March 2022 the Executive agreed a £500,000 grant to Raven Housing Trust to support the delivery of 23 social rented homes in Tadworth. The Council's Wheatley Court development at Cromwell Road, Redhill will also be retained by the Council and let at affordable rent levels.</p> | | |

| SR6 | | Reliance on the welfare system | AMBER | |
|-------------|------------|--|---------------------|---|
| | | <p>Additionally, Council officers regularly negotiate with developers on all section 106 sites to help ensure affordable housing delivery.</p> <p>The Council has also secured grant funding from Homes England towards four one-bedroom properties in Lee St Horley, which are currently under development.</p> <p>Following an increase during the height of the Covid-19 pandemic, the Council's Money Support service has seen referrals return to more 'normal' pre-pandemic levels. It is possible, however, that the rising cost of living will result in increased referrals. Additional resourcing has been identified to support the service if necessary. The Council also facilitates closer collaboration between the various other money and debt advice services operating in the borough.</p> <p>The Council continues to provide a scaled back Covid-19 welfare offer to residents. Consideration is continuing to be given to the provision of a pilot scheme to support residents with ongoing welfare needs and who do not meet the threshold of adult social care. Over the 2021/22 year the Council has provided over £180,000 (grant money), in loans and grants to help nearly 100 households stay in their rented homes when at threat of homelessness or secure alternative affordable rented homes</p> <p>The Council continues to closely liaise with voluntary sector partners and to participate in the Surrey wide fuel poverty group, which will look to reduce incidents of and support residents at risk of fuel poverty. The Council administers grants to eligible householders to help them insulate their homes. The Council also provides grants to local voluntary sector organisations to provide utilities top-ups to residents living in fuel poverty.</p> <p>The Council is supporting those affected by food poverty in the borough by facilitating food club initiatives. Food clubs support residents experiencing financial hardship with access to food and basic supplies. They can help provide a sustainable solution to food poverty and reduce the need to use emergency food banks.</p> <p>Last year the Council launched the East Surrey Work Local Youth Hub. The Hub supports young residents in receipt of Universal Credit through providing access to a wide range of coaching, mentoring and soft skills development opportunities, tailored to meet their career aspirations. The Council was notified by the Department for Work and Pensions that funding for another twelve months of the scheme has been agreed in principle through to Q3 2022/23.</p> <p>Due to the close alignment of this risk with SR5 'Economic prosperity', it is recommended that this risk be closed in Q4 2021/22 and therefore not carry over to the 2022/23 strategic risk register. This approach was endorsed by the Executive in Q3 2021/22 reporting where the 2022/23 risks were agreed.</p> <p>As such, for Q1 2022/23 the risk description of SR5 'Economic prosperity' has been updated and approved by the Executive. As noted above, from Q1 2022/23 it will be covered under 'Challenging economic conditions for residents and businesses'.</p> | | |
| Score | Likelihood | More than likely | Direction of travel | - |
| | Impact | Moderate | | |
| Status | | Close | | |
| Last update | | 26 April 2022 | | |

| SR7 | | Cyber security | | AMBER |
|------------------------------------|-------------------|--|----------------------------|-------|
| Description | | <p>Organisations are at an ever-increasing risk of cyber-attack as the use of digital systems and technologies increases, particularly as home working has become the norm in response to the COVID-19 pandemic.</p> <p>More sophisticated attacks and new variants of malicious software underscore the risk of corporate defences being compromised.</p> <p>The effects of a cyber-attack are wide and varied though at their worst could result in data destruction and theft, as well as significant disruption to the delivery of services.</p> | | |
| Owner | | Portfolio Holder | Cllr Lewanski | |
| | | Officers | Ann Slavin and Darren Wray | |
| Controls | | <p>ICT has in-place several layers of defences protecting core data and systems from Internet and locally introduced threats. Including email scanning, internet browsing controls; device and server based anti-virus software and disk encryption. Virus patterns are updated regularly. Firewalls are placed at points on the network where external connections join the local network.</p> <p>Implementation of a new ICT strategy to further enhance the Council's network resilience and cyber security capabilities.</p> <p>Contract with NCCGroup, a cyber security specialist organisation for the investigation and resolution of any cyber security incidents.</p> <p>Regular testing of Council staff as well as a programme of cyber security training.</p> <p>Internal audit – undertaking reviews into the Council's cyber security defences.</p> | | |
| Mitigating actions/progress | | <p>The ICT service has put in place a service level agreement (SLA) with the NCCGroup, who work on behalf of the Cabinet Office on heightening cyber security across local government. The SLA provides support and instant access to the NCCGroup's expertise in the event of a cyber security incident.</p> <p>A proposal for significant enhancements to the Council's cyber security capabilities was approved by the Executive and Full Council during the quarter as part of the Council's new ICT strategy. Implementation of the new strategy will begin in Q1 2022/23.</p> <p>In 2020/21 the Council's internal auditors reviewed the Council's cyber security capabilities. Implementation of the two actions arising from the review are now complete.</p> <p>Staff are continuing to be kept informed of any specific threats and are continually reminded to be vigilant when opening emails or browsing websites.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR8 'ICT network capacity and resilience'.</p> | | |
| Score | Likelihood | Unlikely | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Treat | | |
| Last update | | 20 April 2022 | | |

| | | | | |
|------------------------------------|-------------------|---|------------------------------------|--------------|
| SR8 | | Fraud | | AMBER |
| Description | | Due to the wide range of activities undertaken by the Council, there is a risk of fraud being committed. The latter is exacerbated by the new areas of activity which the Council has launched following the COVID-19 pandemic. | | |
| Owner | | Portfolio Holder | Cllr Schofield | |
| | | Officers | Mari Roberts-Wood and Simon Rosser | |
| Controls | | <p>The Council maintains robust control measures to protect public funds from fraudulent activity. This includes the Counter Fraud, Corruption and Bribery Policy, Whistleblowing Policy and Prosecution Policies.</p> <p>The Council has a Fraud and Financial Investigations Team that are proactive and reactive. Investigations can be external and internal and cover all areas of corporate fraud.</p> <p>Staff induction also includes fraud awareness training, as well as awareness of established policies and procedures.</p> <p>Internal audit undertaking reviews into fraud risk areas.</p> | | |
| Mitigating actions/progress | | <p>The Council's in-house fraud team has detected elevated levels of fraudulent activity during 2021/22. This has arisen from new activity areas as part of the pandemic response – for instance, business grants and Test and Trace payments – as well as the effects of the pandemic giving rise to increased attempts to commit fraud, such as in attempting to fraudulently join the Council's housing register.</p> <p>The Council is making proactive fraud checks on all housing applications and action will be taken where appropriate.</p> <p>A staff wide fraud awareness programme has been implemented, with training of the relevant teams taking place.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR9 'Fraud'.</p> | | |
| Score | Likelihood | More than likely | Direction of travel | - |
| | Impact | Moderate | | |
| Status | | Treat | | |
| Last update | | 19 April 2022 | | |

| | | | | |
|------------------------------------|-------------------|---|------------------------------|--------------|
| SR9 | | Marketfield Way | | AMBER |
| Description | | <p>Marketfield Way is a major place delivery project for the Council and is critical to shaping Redhill and ensuring the town's continued vitality. It will also generate income which can be reinvested in Council services.</p> <p>The ongoing economic fallout of the COVID-19 pandemic may have negative impacts on this development, particularly with regards to securing commercial tenants and its consequent financial viability.</p> | | |
| Owner | | Portfolio Holder | Cllr Biggs | |
| | | Officers | Luci Mould and Peter Boarder | |
| Controls | | <p>The terms within the building contract includes measures to minimise financial risks, including those related to Covid-19, to the Council. Similar protection provisions have been included in key contracts associated with the development to minimise risk.</p> <p>The main build contract with Vinci reduces financial risk by fixing outstanding costs.</p> <p>Regular meetings with the external development managers. The development managers provide a monthly report highlighting any risks and issues for management attention.</p> <p>Rigorous change management processes have been put into place.</p> <p>A flexibility-of-use methodology has been adopted for Marketfield Way's commercial units.</p> <p>Grant funding from the Local Enterprise Partnership.</p> <p>Advanced ordering of materials to prevent delays.</p> | | |
| Mitigating actions/progress | | <p>Good progress is continuing to be made in delivering the scheme at Marketfield Way with full completion now expected to take place in August 2022.</p> <p>A cinema operator for the scheme has now been selected, with an agreement for lease being entered into at the close of Q3. As of the end of Q4 the Council continues to make good progress in securing tenants for the commercial units with offers made on 7 out of 8 units.</p> <p>In response to a study into Marketfield Way's market catchment, the scheme has been rebranded and is now known as 'The Rise'. The new branding has been effective in securing tenants for the commercial units.</p> <p>As good progress is being made in completing and letting the scheme, it is recommended that this risk be closed in Q4 2021/22 reporting with the residual risk managed under business-as-usual arrangements in accordance with the Council's project and risk management frameworks. This approach was endorsed by the Executive in Q3 2021/22 reporting when the strategic risks for 2022/23 were approved.</p> | | |
| Score | Likelihood | Possible | Direction of travel | - |
| | Impact | Significant | | |
| Status | | Close | | |
| Last update | | 7 April 2022 | | |

| SR10 | | Gatwick Airport | | AMBER |
|------------------------------------|-------------------|---|----------------------------|-------|
| Description | | <p>The COVID-19 pandemic will continue to negatively impact on Gatwick airport. The outbreak has seen a large reduction in air travel which can be expected to continue for the foreseeable future due to the negative economic outlook and ongoing global travel restrictions.</p> <p>As a key local employer the financial position of the airport will affect local employment, which may result in an increased number of residents seeking support from the Council.</p> <p>Moreover, despite the negative economic outlook, Gatwick Airport have indicated that they will continue to pursue their previously announced expansion plans. An intensification or expansion of Gatwick has attendant local environmental and infrastructural risks.</p> | | |
| Owner | | Portfolio Holder | Cllr Humphreys | |
| | | Officers | Luci Mould and Simon Bland | |
| Controls | | <p>This risk is largely outside of the Council's control and is dependent on any possible support provided by the government to the aviation sector and the commercial decisions made by private companies.</p> <p>However, where possible the Council will regularly liaise with relevant parties to understand any possible upcoming impacts, both in relation to the ongoing impacts of Covid-19 and expansion.</p> | | |
| Mitigating actions/progress | | <p>The situation at Gatwick continues to be monitored. Flight levels have grown considerably as international travel restrictions have been lifted. As such, Gatwick Airport's operations have largely returned to normal, with further flight growth expected into the next financial year.</p> <p>Gatwick continues to pursue its plans for expansion. During Q3 the Council responded to a consultation in advance of the airport's application for a development consent order, which is expected to be made towards the end of 2022. The outcome of the consultation is not currently known, though is expected in Q1-Q2 2022/23.</p> <p>Given that Gatwick's operations have returned to near normal levels and with further growth expected, this element of the risk will not transfer over to the 2022/23 strategic risk register. As such, the 2022/23 strategic risk on Gatwick Airport (SR10) will focus on Gatwick's plans for expansion. This approach was endorsed by the Executive in Q3 2021/22 reporting.</p> | | |
| Score | Likelihood | Possible | Direction of travel | — |
| | Impact | Moderate | | |
| Status | | Tolerate/Treat | | |
| Last update | | 27 April 2022 | | |

| SR11 | | Reform of the planning system | | CLOSED |
|------------------------------------|-------------------|--|------------------------------|------------|
| Description | | <p>Following the publication of the 'Planning for the Future' white paper, the government is consulting on changes to planning system.</p> <p>Whilst the proposals are at an early stage, the current White Paper proposes increasing the threshold at which affordable housing is required from developments from 10 units to 40 or 50.</p> <p>Given the large number of developments in the borough offering 11-40 homes, the increase in the threshold to 40 would reduce RBBC's delivery of affordable housing by up to approximately 60%.</p> <p>This change could therefore negatively impact delivery of affordable housing in the borough.</p> | | |
| Owner | | Portfolio Holder | Cllr Biggs | |
| | | Officers | Luci Mould and Andrew Benson | |
| Controls | | <p>Respond to the government's consultation as it develops and as additional rounds of consultation are issued.</p> <p>To continue to pursue the delivery of affordable housing as detailed in the Council's housing strategy.</p> | | |
| Mitigating actions/progress | | <p>In Q2 2020/21 the Council responded to the consultation by central government and lodged its opposition to the white paper's proposals, principally in regard to the potential loss of affordable housing in the borough. The consultation closed on 29 October 2020.</p> <p>In Q1 2021/22 the government confirmed that the plan to reduce the threshold for affordable homes from developments of 11 homes to 40 or 50 was being abandoned, meaning that medium sized developments will still be required to provide affordable housing.</p> <p>With the plan to reduce the threshold for the provision of affordable homes dropped by the government, the impact of this risk has changed. As such, in Q1 2021/22 reporting this risk was closed, with a new strategic risk raised to reflect the current implications of the risk (see SR12).</p> | | |
| Score | Likelihood | N/A | | N/A |
| | Impact | N/A | | |
| Status | | Risk closed | | |
| Last update | | 16 July 2021 | | |

| | | | | |
|------------------------------------|-------------------|---|------------------------------|--------------|
| SR12 | | Planning system reform | | AMBER |
| Description | | <p>Following the publication of the 'Planning for the Future' White Paper, the government is considering changes to the planning system in England.</p> <p>There is a risk that, if adopted in the form contained in the White Paper, these changes could result in a loss of local democratic control over planning matters.</p> <p>Moreover, whilst the government have confirmed that they will not be increasing the threshold at which affordable housing is required from developments (which was included in the original consultation document), there is also a risk that the proposed changes could result in a reduction in the delivery of affordable housing in the borough.</p> | | |
| Owner | | Portfolio Holder | Cllr Biggs | |
| | | Officers | Luci Mould and Andrew Benson | |
| Controls | | Respond to the government's consultation as it develops and as additional rounds of consultation are issued. | | |
| Mitigating actions/progress | | <p>On 6 August 2020, the government published a consultation document on proposed changes to the planning system under a White Paper named 'Planning for the Future'. The Council responded to this consultation and lodged its opposition to the proposals, principally regarding the potential loss of affordable housing in the borough. The government's response to the consultation was published in December 2020. This was followed up with a second response in April 2021 which confirmed that a more immediate plan to reduce the threshold for affordable homes from developments of 11 homes to 40 or 50 was being abandoned.</p> <p>The government's White Paper on devolution and 'Levelling Up' makes reference to changes to the planning system as part of the Levelling Up agenda. The Levelling Up white paper's section on future legislation confirms that the planning system will be reformed and more details will be published in due course. However, no date has yet been given for the planning bill and no further formal government announcement has been made.</p> <p>This risk will transfer over to the 2022/23 strategic risk register as SR11 'Planning system reform.'</p> <p><i>[Note: in May 2022 – and outside of the Q4 reporting period – the Queen's Speech announced new reforms to the planning system, as part of a Levelling Up and Regeneration Bill. The implications arising from the newly proposed bill will be considered and appropriate action taken as and when necessary.]</i></p> | | |
| Score | Likelihood | Possible | Direction of travel | - |
| | Impact | Moderate | | |
| Status | | Treat | | |
| Last update | | 25 May 2022 | | |