



A U D I T C O M M I T T E E

Wednesday, 21 June 2023 at 6.30 pm
Council Chamber, Hackney Town Hall,
Mare Street, London E8 1EA

Live stream link: <https://youtube.com/live/jCun0Gruqr0>

Back-up link: <https://youtube.com/live/Bvqz5F89-iM>

Members of the Committee:

Councillor Anna Lynch (Chair)
Councillor Sharon Patrick (Vice-Chair)
Councillor Sophie Conway
Councillor Zoe Garbett
Councillor Margaret Gordon
Councillor Shaul Krautwirt
Councillor Lee Laudat-Scott
Councillor Yvonne Maxwell
Councillor Caroline Selman
Councillor Gilbert Smyth

Ian Williams
Acting Chief Executive
Published on: Monday, 12 June 2023
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Audit Committee

Wednesday, 21 June 2023

Order of Business

1 Apologies for Absence

2 Declarations of Interest

Members are invited to consider the guidance which accompanies this agenda and make declarations as appropriate.

3 Minutes of the Previous Meeting (Pages 7 - 16)

To consider the minutes of the previous meeting held on 19 April 2023

4 External Audit Completion Report 2021/22

At the time of the agenda publication, Officers were still awaiting information from external auditors.

5 Children & Education Directorate Risk Register (Pages 17 - 52)

6 Adults, Health and Integration Directorate Risk Register (Pages 53 - 74)

7 Corporate Risk Register (Pages 75 - 118)

8 Finance Update

Presentation by the Group Director of Finance and Corporate Resources.

9 Performance Update (Pages 119 - 154)

10 Treasury Management Update Report (Pages 155 - 162)

11 Internal Audit Annual Report 2022/23 (Pages 163 - 212)

12 Annual Fraud and Irregularity Report 2022/23 (Pages 213 - 230)

13 Audit Committee Work Programme (Pages 231 - 234)

14 Any Other Business that the Chair Considers Urgent

Public Attendance

Following the lifting of all Covid-19 restrictions by the Government and the Council updating its assessment of access to its buildings, the Town Hall is now open to the public and members of the public may attend meetings of the Council.

We recognise, however, that you may find it more convenient to observe the meeting via the live-stream facility, the link for which appears on the agenda front sheet.

We would ask that if you have either tested positive for Covid-19 or have any symptoms that you do not attend the meeting, but rather use the livestream facility. If this applies and you are attending the meeting to ask a question, make a deputation or present a petition then you may contact the Officer named at the beginning of the Agenda and they will be able to make arrangements for the Chair of the meeting to ask the question, make the deputation or present the petition on your behalf.

The Council will continue to ensure that access to our meetings is in line with any Covid-19 restrictions that may be in force from time to time and also in line with public health advice. The latest general advice can be found here - <https://hackney.gov.uk/coronavirus-support>

Rights of Press and Public to Report on Meetings

The Openness of Local Government Bodies Regulations 2014 give the public the right to film, record audio, take photographs, and use social media and the internet at meetings to report on any meetings that are open to the public.

By attending a public meeting of the Council, Executive, any committee or sub-committee, any Panel or Commission, or any Board you are agreeing to these guidelines as a whole and in particular the stipulations listed below:

- Anyone planning to record meetings of the Council and its public meetings through any audio, visual or written methods they find appropriate can do so providing they do not disturb the conduct of the meeting;
- You are welcome to attend a public meeting to report proceedings, either in 'real time' or after conclusion of the meeting, on a blog, social networking site, news forum or other online media;
- You may use a laptop, tablet device, smartphone or portable camera to record a written or audio transcript of proceedings during the meeting;
- Facilities within the Town Hall and Council Chamber are limited and recording equipment must be of a reasonable size and nature to be easily accommodated.
- You are asked to contact the Officer whose name appears at the beginning of this Agenda if you have any large or complex recording equipment to see whether this can be accommodated within the existing facilities;
- You must not interrupt proceedings and digital equipment must be set to 'silent' mode;
- You should focus any recording equipment on Councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed.

Failure to respect the wishes of those who do not want to be filmed and photographed may result in the Chair instructing you to cease reporting or recording and you may potentially be excluded from the meeting if you fail to comply;

- Any person whose behaviour threatens to disrupt orderly conduct will be asked to leave;
- Be aware that libellous comments against the council, individual Councillors or officers could result in legal action being taken against you;
- The recorded images must not be edited in a way in which there is a clear aim to distort the truth or misrepresent those taking part in the proceedings;
- Personal attacks of any kind or offensive comments that target or disparage any ethnic, racial, age, religion, gender, sexual orientation or disability status could also result in legal action being taken against you.

Failure to comply with the above requirements may result in the support and assistance of the Council in the recording of proceedings being withdrawn. The Council regards violation of any of the points above as a risk to the orderly conduct of a meeting. The Council therefore reserves the right to exclude any person from the current meeting and refuse entry to any further council meetings, where a breach of these requirements occurs. The Chair of the meeting will ensure that the meeting runs in an effective manner and has the power to ensure that the meeting is not disturbed through the use of flash photography, intrusive camera equipment or the person recording the meeting moving around the room.

Advice to Members on Declaring Interests

If you require advice on declarations of interests, this can be obtained from:

- The Monitoring Officer;
- The Deputy Monitoring Officer; or
- The legal adviser to the meeting.

It is recommended that any advice be sought in advance of, rather than at, the meeting.

Disclosable Pecuniary Interests (DPIs)

You will have a Disclosable Pecuniary Interest (*DPI) if it:

- Relates to your employment, sponsorship, contracts as well as wider financial interests and assets including land, property, licenses and corporate tenancies.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to DPIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner.
- Relates to an interest which should be registered in that part of the Register of Interests form relating to DPIs, but you have not yet done so.

If you are present at any meeting of the Council and you have a DPI relating to any business that will be considered at the meeting, you **must**:

- Not seek to improperly influence decision-making on that matter;
- Make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent; and
- Leave the room whilst the matter is under consideration

You **must not**:

- Participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business; or
- Participate in any vote or further vote taken on the matter at the meeting.

If you have obtained a dispensation from the Monitoring Officer or Standards Committee prior to the matter being considered, then you should make a verbal declaration of the existence and nature of the DPI and that you have obtained a dispensation. The dispensation granted will explain the extent to which you are able to participate.

Other Registrable Interests

You will have an 'Other Registrable Interest' (ORI) in a matter if it

- Relates to appointments made by the authority to any outside bodies, membership of: charities, trade unions,, lobbying or campaign groups, voluntary organisations in the borough or governorships at any educational institution within the borough.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to ORIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner; or
- Relates to an interest which should be registered in that part of the Register of Interests form relating to ORIs, but you have not yet done so.

Where a matter arises at any meeting of the Council which affects a body or organisation you have named in that part of the Register of Interests Form relating to ORIs, **you must** make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Disclosure of Other Interests

Where a matter arises at any meeting of the Council which **directly relates** to your financial interest or well-being or a financial interest or well-being of a relative or close associate, you **must** disclose the interest. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Where a matter arises at any meeting of the Council which **affects** your financial interest or well-being, or a financial interest or well-being of a relative or close associate to a greater extent than it affects the financial interest or wellbeing of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest, you **must** declare the interest. You **may** only speak on the matter if members of the public are able to speak. Otherwise you must not take part in any discussion or voting on the matter and must not remain in the room unless you have been granted a dispensation.

In all cases, where the Monitoring Officer has agreed that the interest in question is a **sensitive interest**, you do not have to disclose the nature of the interest itself.



DRAFT MINUTES OF A MEETING OF THE AUDIT COMMITTEE WEDNESDAY 19 APRIL 2023

THE COUNCIL CHAMBER, HACKNEY TOWN HALL

THIS MEETING WAS LIVE STREAMED AND CAN BE VIEWED HERE:

<https://www.youtube.com/live/BJuEbT7zrul>

- Councillors Present:** Cllr Anna Lynch in the Chair
Cllr Lynne Troughton (Vice-Chair), Cllr Zoe Garbett,
Cllr Gilbert Smyth, and Cllr Sarah Young
Cllr Polly Billington, and Cllr Margaret Gordon
- Apologies:** Cllr Frank Baffour, Cllr Shaul Krautwirt, and Cllr
Caroline Selman
- Absent:**
- Officers in Attendance:** Mark Agnew, Governance Officer
Dawn Carter-McDonald, Director of Legal,
Democratic and Electoral Services
Bruce Devile, Head of Business Intelligence,
Elections and Member Services
Rickardo Hyatt, Group Director, Climate, Homes
and Economy
Tessa Mitchell, Team Leader, Governance Services
Jackie Moylan, Director of Financial Management
Michael Sheffield, Corporate Head of Audit,
Anti-Fraud and Risk Management
Mizanur Rahman, Chief Accountant
Ade Ayinde, Internal Audit Manager
Ian Williams, Group Director of Finance and
Corporate Resources
Natalie Williams, Senior Governance Officer
Deirdre Worrell, Director of Finance, Climate,
Homes and Economy
- Others in Attendance:** Stuart Frith, Mazar
Tom Greensill, Mazars
Suresh Patel, Mazars

1 Apologies for Absence

- 1.1 Apologies for absence were received from Cllr Polly Billington.
- 1.2 Cllr Margaret Gordon joined the meeting remotely.

- 1.3 Councillors accessing the meeting remotely, were reminded that they were not counted as being 'present' for the purposes of the Local Government Act 1972 and may not vote on any item under consideration. At the discretion of the Chair, may however contribute to the discussion and participate in non-decision making capacity.

2 **Declarations of Interest**

- 2.1 There were no declarations of interest.

3 **Minutes of the Previous Meeting**

RESOLVED: That the minutes of the meeting held on 18 January 2022 be agreed as a true and accurate record of proceedings.

4 **Finance Update; Deep Dive - Council Resources; Treasury Management Update Report**

- 4.1 The Chair decided, at the request of the Group Director of Finance and Corporate Resources, and with the agreement of the Committee, to take agenda item 4, Finance Update, agenda item 8, Deep Dive – Council Reserves, and agenda item 9, Treasury Management Update Report, as one agenda item for discussion.

- 4.2 The Group Director of Finance and Corporate Resources gave a presentation, which had been circulated to members in advance, highlighting the following:

- The Council continued to find itself in a challenging financial position, on the back of the cyberattack, the higher than anticipated pay award, and cost pressure from issues related to inflation.
- 2022/23 General Fund Forecast; the forecast as reported to March Cabinet was an overspend of £7.916m, but the Council continued to contain any increase in the overspend.
- The Housing Revenue Account (HRA) continued to see significant pressures, and was forecasting an overspend in net operating expenditure of £10.728m.
- Inflation has started to plateau, but not significantly reduce, and costs remained more expensive than one year ago.
- Counter-inflationary measures have been introduced by the Bank of England, which had seen the cost of borrowing rising to 4% in February 2023.
- For residents the Energy Price Guarantee would cease at the end of March, and a £2,500 cap would apply before increasing to £3,000.
- The National Budget in March 2023 set out plans for departmental revenue expenditure to 2027/28, but the increase of 10% was in cash terms, so before any adjustment for inflation.
- The Government also expected Council Tax income to increase by at least 5% in each year following 2024/25.
- The Council cannot expect any future funding increases from the Government to offset any unaddressed budget overspends in 2024/25 and beyond.

- The £63m Swimming Pool Support Fund was announced during the National Budget, but Officers were still waiting for the key details.
 - The Council was successful in securing nearly £20m of Levelling Up funding for the Hackney Central area.
 - Emerging risks for the 2023/24 financial year included the latest pay negotiations suggesting it would be more expensive than anticipated; increases in social care costs; and that the whole insurance market continued to be very challenging for local authorities, with significant increases in insurance premiums that might require the consideration of alternative approaches.
 - The Council's capital programme is expected to spend an estimated £150m in the current (2022/23) financial year.
 - There were continuing challenges in the Housing Asset Management capital programme, particularly in relation to procuring the main planned maintenance contractor.
 - A number of potential contractors had entered significant financial difficulty.
 - As set out in the Treasury Update the Council had undertaken no new long term borrowing, but the cost of borrowing continues to rise.
 - Local authorities were still facing challenges with getting their accounts signed-off by external auditors.
 - Accounts closure for 2022/23 was underway and progress was being made to make sure they were published at the end of May, in line with the pre-Covid statutory deadlines.
 - The Deep Dive of Council reserves identified Hackney as being in the middle of London local authorities in relation to actual reserves, as of 01 April 2022.
 - HRA reserves were slightly higher than average, reflecting the Council having one of the largest housing stocks in London.
 - In 2022/23 some of the General Fund reserves had been employed to enable the Council to mitigate risks such as those driven by cost of living pressures, rising demand in areas such as social care, the pay award being above what is budgeted and the ongoing recovery from the cyber attack.
 - Future deep dives were recommended for public interest reports; school budgets and financial sustainability; and cost of capital and borrowing.
- 4.3 Members of the committee asked for clarification about energy costs; further detail on the Swimming Pool Support Fund; work related to funding for schools; resources available in case of future cyberattacks; the interplay between retrofitting and damp and mould; and expected changes in HRA reserves.
- 4.4 The Group Director of Finance and Corporate Resources, the Director of Finance, Climate, Homes and Economy, and the Director of Financial Management responded:
- That the Council was a participant in the LASER consortium which had enabled the Council to get good energy deals. Officers have also ensured that the 2023/24 Budget had sufficient provision for anticipated energy costs.
 - Providing confirmation that schools had access to the Government's Energy Business Discount Scheme.

- Confirming that Officers were still waiting for details of the Swimming Pool Support Fund, but that it was not anticipated that the Council would receive a significant amount from the Fund.
- School funding was an issue that would be focused on in a future Deep Dive.
- The provision for the cyberattack wasn't one that was already allocated before the attack, but was set aside once estimates of the cost to recover were prepared.
- The HRA was under more pressure than in previous years, and work was underway to ensure systems were in place to manage the capital programme and ensure that revenue and capital budgets are considered together.
- A full stock condition survey was being considered, which would provide a detailed analysis to inform decisions about affordability.
- HRA reserve changes are set out in the Council Budget, but the Council was facing issues related to the cost of living crisis and the continued transition of tenants in receipt of full Housing Benefit to Universal Credit, but the impacts of both were being closely monitored.

4.5 The Group Director of Finance and Corporate Resources committed to sharing recent correspondence with individual Committee members with the full Committee membership.

ACTION:

- 1. Director of Finance, Climate, Homes and Economy to provide Members with further detail of the Swimming Pool Support Fund.**
- 2. Group Director of Finance and Corporate Resources to provide members with an update on the Money Hub and wider Council support packages at the next Audit Committee meeting.**
- 3. Group Director of Finance and Corporate Resources to circulate correspondence with the full Committee membership.**

RESOLVED: To note the contents of the Finance Update, the Deep Dive of Council Reserves, and the Treasury Management Update Report.

5 External Audit Report

- 5.1 Suresh Patel, Mazars, introduced the report, which was principally focused on the 2021/22 accounts, but which also covered the 2020/21 accounts that were due to be signed off in the next few weeks following the meeting.
- 5.2 In relation to sign-off of the 2021/22 accounts, it had been hoped that they would be signed-off by this meeting of the Audit Committee, however, the process had proven to be more protracted than anticipated, in part because of the timing of the Pension Fund Triennial Revaluation meant that the Council's estimated share of the liability in relation to both the Hackney Pension Fund and the London Pension Fund Authority may need to be revised
- 5.3 This has been an issue for the whole sector as a consequence of the delays to auditing 2021/22 accounts.
- 5.4 Stuart Frith, Mazars, discussed the status of the audit and highlighted what work was still required, but confirmed that work on property, plant and

equipment; revenue grants, income and creditors; and provisions had all now been completed.

- 5.5 The Committee also received confirmation that auditing of 2020/21 accounts would need to be completed before the 2021/22 accounts were signed-off.
- 5.6 Tom Greensill, Mazars, highlighted issues related to infrastructure assets, confirming that this was a national issue across all accounting firms and clients, and noted that gross book value and accumulated depreciation of assets had been overstated.
- 5.7 Confirmation was received that the Government had introduced a statutory override to allow local authorities to make prior period adjustments to the balances without the need to disclose the amounts and of the methods Mazars had employed to manage associated risks.
- 5.8 As a result Mazars were now satisfied that the balances and associated disclosures were materially accurate and appropriately accounted for within the financial statements.
- 5.9 Suresh Patel highlighted the summary of an objection received regarding the 2021/22 accounts, which related to the Council issuing Penalty Charge Notices (PCNs) in the Mount Pleasant Lane area.
- 5.10 The Chair welcomed the report, and the assurances that came from the presentation, highlighting the work that had already progressed since the papers were published.
- 5.11 Committee members sought reassurances relating to pension values, which the Group Director of Finance and Corporate Resources provided.

RESOLVED: The Audit Committee to note the contents of the reports.

6 Performance Update

- 6.1 The Corporate Head of Audit, Anti-Fraud and Risk Management confirmed that the update on the full corporate register would be presented at the next meeting of the Audit Committee, but highlighted the risks that are new to the register or have escalated in their score:

New to the register

- Falling schools rolls; the biggest impact being that the funding model meant that if a school was unable to fill places its financial viability could be questioned.
- Escalating cost of residential care, with specific reference to looked after children; the risk was related to financial cost and the impact in the number of places the Council could afford.
- Power outage; added to the register in January and reflected the concerns about the nationwide storage of natural gas and the possible consequences of power cuts.

Escalating risks

- Temporary accommodation; there was increased pressure on both demand and supply and there was also higher competition for accommodation space.
- Climate change; despite the good work the Council was undertaking, the Climate Action Plan remained at the consultation stage, and whilst that was the case assurance could not be provided that we would do all that has previously been agreed.

6.2 Members of the committee asked questions on what more can be done to mitigate the risks associated with Temporary Accommodation; the impact of the increasing cost of residential care; when the work related to climate change would be agreed; the accuracy of the figures related to domestic waste; staff sickness; and complaints.

6.3 In response the Group Director Finance and Corporate Resources, the Group Director of Climate, Homes and Economy, the Corporate Head of Audit, Anti-Fraud and Risk Management, and the Head of Business Intelligence, Elections and Member Services highlighted that;

- In relation to Temporary Accommodation, Hackney was already doing all that it could, but had to place people outside of Hackney, and outside of London, and there was no one action that could alleviate the increased demand.
- There had been a recent Council wide communication from the Head of Benefits and Housing Needs that laid out the cross-Council work that was underway.
- The impact of the cost of care having increased raised questions as to whether we could provide the same number of places in the future, or whether we exceed the allocated budget. A more complete answer would be available at the next Audit Committee meeting.
- The Climate Action Plan is due to be taken to Cabinet in May, followed by submission to Full Council. There would also be an implementation plan covering the next three years.
- Decreases in the tonnage of domestic waste being recycled was also being seen in other local authorities, and partly reflected the overall reduction of packaging. Residents were still recycling the same percentage, but the tonnage has decreased.
- Waste collected from public bins represented a very small percentage of waste collected by the Council, and skips, and associated waste, were not Council responsibilities.
- Work was underway focusing on long-term sickness, which was the biggest single contributor to staff sickness levels, but not all cases were simple and it was important to act in the best interest of individual staff members.
- There has been an increase in complaints received, in line with other local authorities, though Hackney was seeing fewer cases escalating to the next stage as they were resolved earlier.

ACTION: 4. The Head of Business Intelligence, Elections and Member Services to provide additional information related to domestic waste recycling figures to be shared with Cllr Troughton.

5. The Head of Business Intelligence, Elections and Member Services to include waste tonnage collected in performance figures.

RESOLVED: That the committee consider the performance indicators presented in Appendix 1, the Risk Management Scorecard in Appendix 2, and the current capital monitoring update in Appendix 3.

7 Directorate Risk Review: Climate, Home and Economy

7.1 The Chair welcomed the Group Director, Climate, Home and Economy to his first meeting of the Audit Committee.

7.2 The Group Director for Climate, Home and Economy presented the report as laid out, but highlighted the new risks that had been added to the risk register:

New risks

- Cost of living crisis; this reflected the impact on services and residents, but highlighted the support available including through the Money Hub, the work to help residents maintain tenancies, and the work to reinvigorate the support to help sustain businesses.
- Damp and mould; reflected the additional attention following recent high profile incidents but highlighted that the Council was aware of the issue, had put in measures that had been developed to identify damp and mould early, including a 24hr leaks response initiative, and was working to procure an asset maintenance contractor.

7.3 Members of the committee asked for clarification on how the Council plans to tackle void turnaround times; sought reassurance that the Council is engaging in joined up working in relation to damp and mould; shared concerns on dealing with voids too quickly; asked about interactions with Housing Associations; queried the role of the landlord licensing scheme; and asked about the viability of Hackney Living Rent, and the impact of the transfer of Growth Borough functions.

7.4 The Group Director of Climate, Home and Economy responded and highlighted that;

- There had been improvement in void turnaround times, decreasing from 190 days to 140 days, though this was still not acceptable as the target was 65 days.
- The Council was looking at the resources available in the Building Maintenance Team to help target that turnaround period with dedicated resource, whilst balancing the increased volumes of enquiries that had been received regarding damp and mould.
- The Council was seeking to expand the Direct Labour Organisation (DLO) in order to have additional operatives to tackle the increased demand on services.
- The Council was engaged in joined-up working across different work areas in relation to damp and mould, and at the end of 2022 a group of

senior Officers from Housing Needs, the Private Rented Sector (PRS) Housing team, and Housing Services was formed to develop an effective action plan that reflected Hackney's housing stock.

- A whole block approach was being taken, and the significant backlog of repairs that built-up during the pandemic had been worked through.
- A new culture of intellectual curiosity needed to be developed in the Housing Service area to better identify and mitigate issues earlier, and then develop suitable systems to manage associated work.
- It would be concerning if tenants were being moved into properties that weren't fit for habitation.
- There is a common challenge in relation to damp and mould, and the Council and other landlords were trying to tackle the issue first time.
- In relation to the PRS the Council encouraged residents to alert Officers about issues, and through the 2023/24 budget, additional resource has been allocated to the Private Sector enforcement service to assist.
- The challenge of providing an intermediary rent scheme, like Hackney Living Rent, was that wages hadn't increased in line with rent or inflation, but the Council was looking for any opportunities to provide support.
- The Council is in the process of reviewing the Housing Strategy, which would encompass a needs assessment to better understand what was now required.
- The transfer of planning powers back to the Council from the Growth Borough team was an issue of capacity and resources, and work is ongoing with the other Growth Boroughs and LLDC to review resourcing needs. The Council would also have to give consideration to the financial implication of the transfer.

RESOLVED: The Audit Committee to note the contents of the report, the risk register, and controls in place.

8 Internal Audit Annual Plan 2023/24

- 8.1 The Corporate Head of Audit, Anti-Fraud and Risk Management introduced the report which set out the work that the division would undertake in the year ahead, and welcomed the strong engagement from Service Heads throughout the Council.
- 8.2 The plan was derived from a number of sources, including wider management, the risk register, and an analysis of threats to organisational objectives.
- 8.3 There had been particular focus placed on areas that had been identified through the annual governance statement process as likely to see significant change.
- 8.4 The plan included themes that the Audit Committee had recently considered, including progress against the Net Zero target, work on public interest reports, and financial pressures impacting Service areas.
- 8.5 The plan was also designed to be flexible and dynamic, to best respond to changing requirements.

- 8.6 Members of the committee asked about the timing of the work on the Integrated Learning Disability Service and other Service areas; the Right to Buy audit; operational time available to deliver audits; and equal pay.
- 8.7 The Corporate Head of Audit, Anti-Fraud and Risk Management, and the Group Director for Finance and Corporate Resources responded, highlighting that;
- Due to the number of Service areas it was not standard to automatically review every five years, and the plan is instead based on an analysis of risk, meaning some areas would be reviewed much more frequently.
 - The plan is high-level, and full details of specific audits had not been finalised, but the audits would provide assurance of the controls that were in place in a Service area, including Right to Buy.
 - In relation to Right to Buy applications the Investigations Team had been very successful in declining fraudulent applications, building on the successful investigations into tenancy fraud.
 - The gross days available to operational delivery reflected Officer annual leave allocation, and also an allowance for average sickness and an expected training provision.
 - On management advice and time, there was a lot of work set aside at the conclusion of each audit assignment to check the validity of the report, confirm that the proper checks had been done, and ensure the paperwork was in order.
 - All protected characteristics would be analysed in the equal pay audit.
 - All protected characteristics would also be a part of the analysis of pension inequality, but it would depend on the datasets that were available.

ACTION: 6. The Group Director of Finance and Corporate Resources to provide an update to the Audit Committee on work related to Right to Buy, in the next municipal year.

RESOLVED: To approve the proposed Internal Audit Annual Plan 2023/24 and key performance measures.

9 Audit & Anti-fraud Quarterly Progress Report; Whistleblowing Annual Report 2022/23

- 9.1 The Chair decided, with the agreement of the Committee, to take agenda item 11, Audit & Anti-fraud Quarterly Progress Report, and agenda item 12, Whistleblowing Annual Report 2022/23, as one agenda item for discussion.
- 9.2 The Corporate Head of Audit, Anti-Fraud and Risk Management explained that the Whistleblowing Annual Report was required to be produced annually, highlighting the small number of investigations but also providing reassurance that suitable arrangements were in place to ensure Council staff are comfortable voicing concerns.
- 9.3 The reports were introduced as set out.

RESOLVED: To consider and note the progress and performance of the Audit & Anti-Fraud Service to 31 March 2023, and to note the Whistleblowing Annual Report.

10 Audit Committee Annual Report

10.1 The Chair thanked the members of the Audit Committee, Peter Gray, the former Governance Officer, and senior Officers for their support

10.2 The Chair introduced the report as set out.

RESOLVED: To note the Annual Report of the Audit Committee as set out.

11 Work Programme

RESOLVED: To note the work programme.

12 Any Other Business that the Chair Considers Urgent

There was no urgent business for consideration.

End of meeting

Duration of the meeting: 6.30 - 8.18 pm

Cllr Anna Lynch

Chair of the Audit Committee



Title of Report	CHILDREN & EDUCATION DIRECTORATE RISK REGISTER - COVERING REPORT
For Consideration By	Audit Committee
Meeting Date	June 21st 2023
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Jacque Burke, Group Director of Children and Education Services

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1 This report updates members on the corporate risks for the Children and Education Directorate as at March 2023. It also identifies how risks within the directorate are identified and managed throughout the year and our approach to embedding risk management.

2. RECOMMENDATION

- 2.1 There are no specific recommendations from this report. The Audit Committee is asked to note the contents of this report and the attached risk registers and controls in place.

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate those as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that the Audit Committee is aware of this.

4. BACKGROUND

- 4.1 The current Directorate risk profile was reviewed by the Directorate of Children and Education Services Management Team in March 2023. Detailed risk registers for Children's Services and Hackney Education have been prepared and were reviewed by the Management Team and the high-level Directorate risks highlighted and included at Appendix one.

4.2 Policy Context

All risk-related reporting is in line with the Council's Risk Policy, ratified biennially by the Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.3 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and

associated duties) all work is carried out in adherence to the Council's Equality policies.

4.4 **Sustainability**

This report contains no new impacts on the physical and social environment.

4.5 **Consultations**

In order for Risk Registers to progress to Audit Committee, they will already have been reviewed by the relevant Senior Management Team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 **Risk Assessment**

The Risk Register is attached at Appendix one to this report.

5. **DIRECTORATE RISK REVIEW**

- 5.1 The Directorate Risk Register comprises those that represent the most significant risks faced by the Directorate. Separate risk registers for Children's Services and Hackney Education are maintained and sit beneath the Directorate Risk Register and are available for review on Pentana.

Children and Education Risks

- 5.2 Further to the publication of the Local Child Safeguarding Practice Review relating to Child Q, a new directorate-wide risk was added to the risk register last year and remains on the register. This risk was added under the *management of partnership agencies in ensuring the well-being of children*. A range of controls in place include taking a safeguarding first approach - with clear anti-racism values and identification training and a 'my child' mindset.

Children and Family Risks

- 5.3 There has been no overall change to the profile of most risks for Children and Families compared to those set out in the report to Audit Committee last year. One risk (C&E DR 005 Cyber Attack impact on CFS service delivery) has reduced in response to the Mosaic system being implemented in April 2022.

New risks:

- **Delays responding to Subject Access Requests:** The impact of the cyber attack in October 2020 has meant that care leavers have

continued to experience delays in receiving their records. Additional processes have been put in place with the Information Management Team to better identify children who have been/are open to the Children and Families Service so that they can be supported when they make Subject Access Requests and we can advocate for their requests to be escalated if needed.

- **Reduction of the use of residential placements:** While it is difficult to predict the full impact of the cost of living and fuel crisis, it is likely that placement providers will seek additional uplifts for placements than in previous years. While we will always have a need for some high-cost placements, a forensic review of these placements is underway to ensure that provision remains suitable and children's needs are being fully met as contracted.

Ongoing risks:

- **Child or young person suffers significant harm, injury or death:** The CHSCP have robust measures in place to ensure that statutory safeguarding requirements are met across the partnership. Supervision arrangements are in place for staff to ensure there is regular management oversight of children's cases and this data is reported and scrutinised regularly by the Director of Children and Families. Children and Families Service returned to a new version of Mosaic on 4th April 2022. This means that the service is better placed with live reporting on our performance to drive improvement in what we achieve for children.
- **Cyber attack:** The cyber attack in October 2020 has meant that there are significant challenges for the Children and Families Service in terms of accessing historical information about children. The attack meant that CFS lost access to Mosaic, the social care database which holds all records about children and families. The Children and Families Service returned to a new version of Mosaic on 4 April 2022 and the risk score has been reduced to reflect this. Work continues on recovering some historical information that is still to be restored and this impacts records on both Mosaic and ChildView.
- **No Recourse to Public Funds:** Hackney, like many local authorities, has a number of individuals living within its boundaries who are subject to immigration controls as defined by the Immigration & Asylum Act 1999. Such individuals are excluded from access to welfare benefits, public housing and Home Office asylum support and are collectively known as having No Recourse to Public Funds (NRPF). This group includes individuals who have overstayed their visa entitlement in the UK, and those who have leave to remain without recourse including EU Nationals. Hackney's approach is effective in protecting resources and avoiding costs. In order to ensure the service is able to undertake

comprehensive assessments of children's needs in a complex environment of law relating to housing, immigration, human rights and child safeguarding, the service works closely with other services including the UKBA, legal services, government embassies and anti-fraud to ensure that services are appropriately provided to those that are entitled to them and need them. This joined-up approach robustly mitigates against the risk of children in Hackney being exploited or trafficked for services. In August 2020, the Home Office commissioned beds at the Old Street Holiday Inn to disperse asylum seekers, some of whom applied to be age assessed as children. Due to their location, the duty to assess falls on Hackney. Since then, the Home Office has commissioned three other hotels in Hackney to accommodate asylum seekers. Over time, a significant number of young people living in these hotels have disputed the Home Office assumption that they are adults and requested additional assessments of their age from the UASC team. Where the UASC assessments similarly conclude that these young people are adults, we have experienced a number of challenges of our decision-making through the judicial process. The costs of each legal challenge can be very significant.

- **Demand exceeding resources:** The number of looked after children has increased over recent years, with some fluctuation over the Covid-19 pandemic. The profile of looked after children has also changed significantly over the past five years with more adolescents presenting complex behaviours and needs entering the care system and subsequently receiving support as care leavers. The change in profile of looked after children is placing increased pressure on the placement budget with a need for more specialised placements and is also making placement stability more difficult to achieve. Young people aged 16+ will have additional needs that correspond to the associated risks for their age group, including exploitation. The shortage of in-house foster carers for these older young people adds to the cost pressure and the numbers of young people requiring more expensive residential placement has increased. There has been a slight decrease in the number of looked after children per 10,000 during 2022/23, bringing Hackney in line with 2022 statistical neighbours and the national average.

Hackney Education Risks

5.7 Key on-going risks to Hackney Education

- 5.7.1 Outlined below are the risks identified that continue to present a particular challenge to Hackney Education's continued effectiveness and are reported on the attached register:

- **SEND** - The 3 risks relating to SEND remain high: meeting the statutory requirements of the Children & Families Act; escalating budget pressures; and insufficient provision to meet growing demand for SEND services. Mitigations include
 - Positive improvements to meet the statutory 20 week EHCP needs assessment deadline;
 - Restructure of the SEND service; implementation of the recent SEND review to create an integrated SEND service is underway and expected to be in place by September 2022. This aims to ensure more coordinated, timely and robust discharge of statutory duties outlined in the Children and Families Act 2014 and SEND Code of Practice
 - Ongoing work to develop plans/strategies to address the significant overspend; SEND trends are monitored by the Corporate Leadership Team, to ensure cross council support. Additionally, the Education Estates Strategy and review of the SEND Transport service are 2 workstreams focused on creating more in-borough provision and relieving the budget pressures across the service.
 - Being a part of the Department for Education's Better Value Programme, which the council joined in January 2023, to agree an action plan for the deficit, the statutory override which allows us to carry this deficit in our accounts has been extended to March 2026.
 - Implementation of a SEND Provision Plan, to address rising demand for SEND services.
 - The SEND Improvement Plan is in place, focusing on the 7 specific priorities underpinning the SEND Strategy and aiming to make continued efficiency improvements.

- **Traded Services** - The long term viability of trading continues to be a significant risk, in relation to revenue spend and generation of surplus; this is particularly impacted by falling rolls across schools in Hackney, which can potentially lead to a long term decline in traded services. The team is still undergoing a restructure; in light of this, new objectives and a focus will need to be established for the service. Additionally, the refreshed strategic goals and vision will need to be communicated across the organisation.

- **Serious safeguarding failure in schools & settings** - A failure of safeguarding systems and processes, through a lack of coordination between partnership-wide services or professionals, could contribute to a serious safeguarding issue, which would impact negatively on Hackney Education's reputation. Following publication of the CHSCP report into Child

Q, Hackney Education issued local guidance to schools regarding searches on school sites. However, the DfE has now issued revised guidance on searches on school sites, which supersedes our local guidance. There is continued work to address anti-racist practices, with an action plan which is monitored by the CHSCP. In addition, SIP processes are being refined to ensure clear tracking of areas of concerns with identified schools being offered additional support.

- **Risks posed to children not in school, particularly those attending unregistered schools and settings** - Safeguarding considerations for those pupils who are not registered at a school – Electively Home Educated (EHE) pupils, children missing from education (CME), children attending unregistered settings, children who are yet to be allocated a school place etc. remains an area of high importance. There are effective processes in place, which enable HEd to effectively carry out duties in relation to EHE, CME and pupils attending UES. The risks associated in these areas, continue to carry high reputational risks for the borough, with limited options to mitigate. Collaboration with agencies continues through the UES protocol; however, there is still no take-up of the safeguarding offer by unregistered settings. Due to the cancellation of the schools bills in which this was to be addressed and the DfE subsequently not pursuing additional powers, there is limited scope for progression for the LA.
- **Exclusion from school** - This remains a high profile area where rates of exclusion from schools continue to be relatively high when compared nationally. The Reducing Exclusions Executive Board leads on a number of initiatives designed to support schools to reduce their exclusions; one of these initiatives include the new Education Early Help system, which aims to increase the use of managed moves, avoiding the need for exclusion; this will be implemented in the next academic year. Following an in-depth review of the position for young people on the verge of permanent exclusion and provision for them following permanent exclusion, the CYP Scrutiny published a report setting out key recommendations; the service responded to the review and the response was approved by Cabinet. The Action Plan is now being updated accordingly and there is on-going work in line with this, to support continued reduction of exclusions across Hackney.
- **Outcome of the SEND Local Area Partnership Ofsted inspection shows widespread/systemic failings, leading to**

significant concerns about Hackney CYP with SEND - On the 13th June 2022 Ofsted and the Care Quality Commission consulted on a new inspection framework to reflect the changing landscape of the SEND system. It is expected that Hackney Local Area will be inspected in 2023, six years since its last inspection. To “pass” the new framework the local area must demonstrate that the last inspection findings have been discharged and the new framework focusing on impact on children, young people and families has been met. Subgroups of the SEND Local Area have been established to lead and monitor the 3 year action plan. It is likely that further controls will need to be put in place to monitor progress against the action in the context of the imminent inspection.

5.8. School Performance (4 Ofsted judgements)

5.8.1 School Standards and Improvement manages the following risks:

- Performance and/or quality of provision in nursery and primary school
- Performance and/or quality of provision in secondary schools
- Performance and/or quality of provision in special schools
- Performance and/or quality of provision in Pupil Referral Units

5.8.2 School Performance and Improvement teams continue to provide support to schools. The current controls in place remain appropriate and the risk rating remains unchanged.

5.9 School Place Planning

- **Primary Surplus places** - With the planned reductions of 120 places from September 2023, the projected surplus is expected to reduce from 16% in 2022 to 13% in 2023. The reduction of places continues to be addressed via the School Place Planning Group and reflected in the work of the Education Estates and Sufficiency Strategy. A paper was presented to SLT, providing a framework for decision making going forward, to manage the increasing surplus places. A comprehensive school place planning and sufficiency report was presented to the Estate's Strategy executive group. A mandate to engage with selected schools was not given; further work has been requested on the possible use of school sites post closure/amalgamation. This work is led by the property asset management team.
- **Projected surplus secondary school places** - The risk associated with primary surplus places, will inevitably impact secondary schools in the next 4 years. This will result in financial pressure on secondary schools and threaten their long-term

viability. The School Place Planning Group and Senior Leadership team continue to review data and monitor this risk.

6. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 The Directorate seeks to mitigate risks as they are identified. In some instances, where there are volatile external factors and uncertainty, this will be through seeking access to reserves maintained by the Group Director of Finance and Corporate Resources.
- 6.3 There are no direct costs arising from this report.

7. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

- 7.1 This report recommends that the Audit Committee note the contents of this report with the attached appendices. In accordance with Article 9.1.2 of the Council's constitution, the Audit Committee is responsible for assisting the Council in discharging its functions in relation to its risk management framework. The Accounts and Audit Regulations 2011 also require the Council to have a sound system of control which includes arrangements for the management of risk. This report is part of those arrangements and is designed to ensure that the appropriate controls are effective.
- 7.2 There are no immediate legal implications arising from this report.

APPENDICES

Appendix one – Children & Education risk register.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

Report Author	Naeem Ahmed
Comments on behalf of the Group Director of Finance and Corporate Resources	Jackie Moylan
Comments of the Director of Legal, Democratic and Electoral Services	Dawn Carter-McDonald

CHILDREN & EDUCATION DIRECTORATE RISKS

CHILDREN & EDUCATION DIRECTORATE RISK REGISTER



1. CHILDREN'S SERVICES RISKS

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
<p>C&E DR 001 NEW RISK Delays responding to Subject Access Requests EXTERNAL / INTERNAL RISK CURRENT RISK</p>	<p>There have been long-standing concerns raised by CFS about the timeliness of responses to Subject Access Requests, particularly those by care leavers, dating back many years. The statutory requirement is one month and these are managed by IMT (the Information Management Team). In February 2023, the CFS Director and a Leaving Care Practitioner were summoned to court due to an outstanding SAR by a care leaver (through his legal representative) made in Aug 2022. The absence of the care leaver's file has significantly delayed a criminal trial they were involved in.</p>	Children and Education		<p>NEW RISK At the time of the cyber attack in October 2020, CFS understood that there were 15 outstanding care leavers SARs to be processed, with the oldest dating back to July 2019.</p> <p>The cyber attack in October 2020 meant no progress could be made on these throughout 2021. In 2022, work began in the Information Management Team (IMT) to progress these and we understand that as of early 2023 most had been completed and shared, with progress made on all.</p>	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
<p>C&EDR 001a Delays responding to Subject Access Requests</p>	<p>Requests have been made by CFS for information about any SARs made by care leavers since early 2023, with update reports to be shared on a regular basis.</p>	Jacquie Burke	Diane Benjamin	12/9/23	<p>March 2023 update - On 28/02/2023 IMT provided a list of 57 names that were reportedly open SARs made by people with reference to CFS files. CFS have reviewed that list and identified 6 that are care leavers. There is no information on this list about when these SARs were received.</p> <p>Going forward, CFS would like a regular report from IMT about all open SARs related to CFS, with the date they were received, full details e.g. names, DOB, Mosaic ID if possible, and (ideally) projected completion date. CFS understands from IMT that their current system does not enable them to identify care leavers at the point of request - CFS have asked them to review whether this is</p>

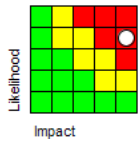
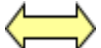
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CHILDREN & EDUCATION DIRECTORATE RISKS

					possible in future. In the meantime, CFS are willing to review the list as and when received to identify care leavers. This will help us manage expectations of care leavers and escalate if any need prioritisation. These controls will be assessed throughout 2023/24.
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
C&E DR 002 NEW RISK Reduction of the use of residential placements EXTERNAL / INTERNAL RISK CURRENT RISK	The main areas of pressure for Children and Family Services continue to be on looked-after children (LAC) and leaving care (LC) care arrangements costs. Corporate Parenting is forecast to overspend by £2.8m after the use of £2m commissioning reserves (as at February 2023), largely driven by a change in the profile of care arrangements linked to the complexity of care for children coming into the service. There are also more children within high cost bespoke packages than in previous years and this has caused upward pressure on cost for the service this financial year. At the start of this financial year we have seen a reduction in the use of residential care arrangements, however the costs are increasing in residential care and semi-independent care arrangements due to care providers being faced with the challenges of rising inflation and the cost of living crisis. The risk relates to the increasing financial pressures this is placing on the Council.	Children and Education		NEW RISK (from Corporate register - March 2023) - One of the main risks for the directorate is the cost of living and fuel crisis, and the potential impact that it will have on the cost of service delivery going forward. It is difficult to estimate the impact that the cost of living crisis will have across services, however we can expect care providers to seek greater inflationary uplifts to care placements than in previous years. This risk is a new escalation to the Corporate register in Dec 2022 - a reflection of the intense pressures the economy is placing on Services.	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
C&E DR 002a Reduction of the use of residential placements	Management actions of £1.5m have been identified and these are factored into the forecast when delivered. These include reductions in the number of residential care arrangements. A forensic review of the top 20 high cost care arrangements; As part of the forensic analysis of residential care arrangements, the service is targeting a reduction of five residential care arrangements (costing on average £200k per annum, per placement).	Jacque Burke	Diane Benjamin	31/6/23	March 2023 - These controls will be assessed throughout 2023 with regular reporting on progress to SMT and through the monthly OFP report.

CHILDREN & EDUCATION DIRECTORATE RISKS

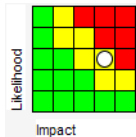

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
C&E DR 003 Management of Partnership Agencies in ensuring the wellbeing of children	Potential problems in the management, communication, delivery and shared objectives of different partners which could then negatively impact on a child's wellbeing as well as the Council's reputation.	Children & Education		 Joint risk between Children and Families Service and Hackney Education: Publication of the Child Safeguarding Practice Review (CSPR) on 14th March 2022 in relation to the experience of Child Q - recommendations and response by the Children and Education Directorate. This publication analyses the impact for child Q, her family, staff impact, and wider partnership response.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
C&E DR 003a - Safeguarding first approach.	Children and Education take a safeguarding first approach - with clear anti-racism values and identification training and a 'my child' mindset.	Jacquie Burke	Paul Senior and Diane Benjamin	Ongoing	Partnership response - The Mayor, Deputy Mayor Bramble, Cllr Fajana-Thomas and Chief Executive wrote to the Metropolitan Police about the treatment of Child Q and the need to tackle institutional racism. The most senior officers in the Met Police have been involved in developing their actions and they say they are committed to becoming an anti-racist organisation. The CSRP detailed actions needed by all partner agencies in response to the incident and the Children and Education leadership team are working closely with the Group Director to develop a comprehensive plan that involves support to the family, support to our children in schools, support for staff and the wider community engagement around recovery and impetus for change. Anti-Racist Action Plan and Anti-Racist Practice Lead: In July 2020, Children and Families Services committed to create and implement our anti-racist action plan. Our Anti-Racist Position Statement makes clear the journey we need to take as a service to improve the experience of the children and families of Hackney who are disproportionately affected by racism, as well as the experience and progression of staff. A new Anti-Racist Strategic Lead started in role in the Children and Families Service in June 2021 and was joined in October 2022 by an Interim Anti-Racist Programme Manager and in January 2023 by an Anti-Racist Practitioner for Children and Families. These roles will steer and champion the work of the Anti-Racist Action Plan and will lead on the rollout of Anti-Racist Practice Standards across all areas of the service. The Anti-Racist Praxis

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Page 30					<p>Conference hosted by Children and Education in May 2022 was recognised for its innovation after winning the Workforce Development Award at the Children & Young People Now Awards 2022.</p> <p>The City & Hackney Safeguarding Children Partnership (CHSCP) have commissioned a half-day online training course on the topic of Adultification - whereby professionals are less protective and more punitive towards Black and Global Majority children - to recur at a monthly frequency, providing regular opportunities for staff from the Children and Education directorate, and from partner agencies including the Police, to explore these issues together.</p> <p>Learning response to police in schools - when a child is arrested at school, or police are called out to a school - a rapid learning session will be held, including Education, Police and Safeguarding colleagues at a minimum. Review of how schools work with police to be initiated. The Met Police promised a review in April 2020 of safer schools - we need a local review and a local response. Also need a rapid learning system for whenever BCU police arrest a child on school premises or attend a school following a call out - this may need to operate for a 12 month period.</p> <p>Headteachers have agreed a safeguarding and anti-racist statement which will act as a starting point for work across all schools, particularly secondary schools.</p>
	C&E DR 003b	Communication strategy following publication of Child Q C SPR and response by national media.	Jacquie Burke	Paul Senior Diane Benjamin And Jennifer Riley-Harrison	Ongoing

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
C&E DR 004 Service demands exceed available resources	The directorate needs to manage demand within an ongoing climate of reducing resources. If demand is not managed, this could compromise service delivery. The department's services continue to	Children's Services	 <p>Likelihood</p> <p>Impact</p>	<p style="text-align: center;"></p> <p>March 2023 - While there has been a steady decrease in the number of looked after children over the last few years (-1.4% in the year to March 2021, -4.7% in the year to March 2022, 3% in the first three quarters of the current reporting year), the profile of looked after children</p>

CHILDREN & EDUCATION DIRECTORATE RISKS

Page 31	<p>experience fluctuating demand, which can add to resource pressures. In addition, services need to be able to respond to new and emerging priorities.</p>		<p>has changed significantly over the over the same period, with more adolescents presenting complex behaviours and needs entering the care system and subsequently receiving support as care leavers. The change in profile of looked after children is placing increased pressure on the placement budget with a need for more specialised placements and is also making placement stability more difficult to achieve. Young people aged 16+ will have additional needs that correspond to the associated risks for their age group, including exploitation. The ongoing shortage of in-house foster carers for these older young people adds to the cost pressure and the numbers of young people requiring more expensive residential placement has increased.</p> <p>The No Recourse to Public Funds Team (NRPF) continues to carefully manage the demand for high cost NRPF cases. Southwark Judgement, LAPSO and UASC continue to bear cost pressures for 16/17 year olds who are afforded Looked After Children status by virtue of homelessness, remand or asylum claim. Hackney was caring for 32 UASC as at December 2023.</p> <p>The legislative changes that provide care leaver support to age 25 (from April 2018) came with insufficient additional funding from the Government.</p> <p>Demand for statutory children's social care in Hackney has risen following the marked decrease in referrals, experienced nationally as well as locally, during the acute phase of the Covid-19 pandemic. While there was a 42% decrease in referrals in 2020/21 compared to 2019/20, there was a 27% increase in 2021/22 compared to 2020/21. This rise in demand appears to be sustained, with a full year projection for 2022/23 (based on volumes received in quarters 1 and 2) showing a 4% increase compared to 2021/22. However, demand for statutory children's social care has still not returned to pre-pandemic levels and this is likely to be linked to the changes driven by the Front Door Review, including improved early help pathways through the successful embedding of an 'Early Help Hub' within the Multi Agency Safeguarding Hub, which ensures that children and families are able to get the right support for them, as quickly as possible. Children in need of help and protection receive a timely response from the MASH.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
C&E DR 004a Clearly defined protocols for referral to services.	Written protocol for referral to services agreed with all partner	Jacque Burke	Diane Benjamin	Ongoing	Our Multi-Agency Safeguarding Hub (MASH) operates as a single point of contact for members of the public and professionals who are seeking advice and information, and/or who want to make a request for support for a child in Hackney who may be in need of help or protection. Referrals are screened for a next step decision within 24 hours. MASH considers the information available across a range of co-located agencies to make timely and safe decisions about which agency is best placed to access and/or meet the

CHILDREN & EDUCATION DIRECTORATE RISKS

	<p>agencies. Review of FAST to further strengthen multi-agency decision-making and effective hand-off to early help services</p>				<p>needs of children and young people. This function is supported by the Hackney Child Wellbeing Framework and the Local Assessment Protocol, both of which provide guidance both to CFS staff and to our multi-agency partners on appropriate responses to various different levels of need.</p> <p>Replacing FAST in response to the Front Door Review, the Hackney MASH was launched in July 2021, bringing Hackney in line with other authorities across London. The MASH continues to operate the professional consultation line initiated by FAST, through which designated leads from partner agencies seek advice and guidance on whether to make referrals for children's social care services. MASH processes focus on better informed multi-agency decision making so that children and families get the right service at the right time, with a joint mission across the partnership to reinforce the respectful and consistent application of seeking consent from children and families, and a focus on proportionate assessment with a clear commitment and emphasis on clear and streamlined pathways to services. The MASH now includes an Education representative - strengthening information sharing and joint decision making - as well as an Early Help hub, ensuring that children and families receive the appropriate level of intervention for their particular needs and do not undergo a statutory intervention unless relevant thresholds are evidently met.</p>
<p>Page 32</p> <p>C&E DR 004b Children's social care services assess risk to differentiate and prioritise need and refer appropriately</p>	<p>All referrals to Children's Social Care need to be appropriately assessed to ensure that the child and their family receive the most appropriate service.</p>	<p>Jacquie Burke</p>	<p>Diane Benjamin</p>	<p>Ongoing</p>	<p>Replacing FAST in response to the Front Door Review, the Hackney MASH was launched in July 2021, bringing Hackney in line with other authorities across London. The MASH continues to operate the professional consultation line initiated by FAST, through which designated leads from partner agencies seek advice and guidance on whether to make referrals for children's social care services. MASH processes focus on better informed multi-agency decision making so that children and families get the right service at the right time, with a joint mission across the partnership to reinforce the respectful and consistent application of seeking consent from children and families, and a focus on proportionate assessment with a clear commitment and emphasis on clear and streamlined pathways to services. The MASH now includes an Education representative - strengthening information sharing and joint decision making - as well as an Early Help hub, ensuring that children and families receive the appropriate level of intervention for their particular needs and do not undergo a statutory intervention unless relevant thresholds are evidently met.</p> <p>Our Multi-Agency Safeguarding Hub (MASH) operates as a single point of contact for members of the public and professionals who are seeking advice and information, and/or who want to make a request for support for a child in Hackney who may be in need of help or protection. Referrals are screened for a next step decision within 24 hours. MASH considers the information available across a range of co-located agencies to make timely and safe decisions about which agency is best placed to access and/or meet the needs of children and young people. This function is supported by the Hackney Child Wellbeing Framework and the Local Assessment Protocol, both of which provide guidance both to CFS staff and to our multi-agency partners on appropriate responses to various different levels of need.</p>

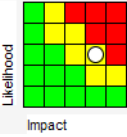

CHILDREN & EDUCATION DIRECTORATE RISKS

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 33</p>				<p>A multi-agency Daily Risk Meeting was implemented in early October 2021. This meeting is well attended by agency colleagues including Education, Adult Services, Probation, Police, Health and Housing. Our work on consent / reinforcing partnership responsibility and the consultation line is also impacting on improving the quality and reducing the volume of contacts / referrals. The ongoing development of the Early Help hub will help ensure that families are able to access the right service at the earliest possible opportunity and a consistency of approach across the Council (in terms of access to targeted Early Help support).</p> <p>Children’s social care undertakes all statutory assessments for children and young people in relation to need, harm and risk and produces clear plans for protection and support in partnership with a wide range of partner agencies.</p> <p>In April 2022, CFS resumed the use of Mosaic for the first time since the criminal cyber attack in October 2020. In July 2022 our digital maturity journey reached another milestone with the resumed use of live reporting tools provided by Qlik Sense, enabling managers once again to closely monitor performance in real time to drive improvement in what we achieve for children. Work still continues on the recovery of some historical records lost in the cyber attack and the restoration of these to Mosaic so that complete information on children’s histories is available to CFS staff.</p>
<p>C&E DR 004c Identify contingency funding</p>	<p>Additional funding to be identified to ensure Directorate can respond quickly to increased demand for services</p>	<p>Jacquie Burke</p>	<p>Diane Benjamin/ Naeem Ahmed</p>	<p>Ongoing</p> <p>Budget pressures in relation to looked after children care arrangements remain despite further allocation of growth in 2022/23 for looked after children care arrangement costs. This reflects a change in profile of need, associated with a greater number of adolescents with high levels of need and a change in the profile of placements (more independent fostering agency fostering care arrangements, less in-house, as well as increased use of residential care arrangements). The additional and complex needs of some children with autism and other associated conditions can result in high-cost care arrangements. Locally, the service is focused on increasing the number of in-house foster carers which will reduce the average unit cost of LAC care arrangements.</p> <p>Looked after children numbers have fallen steadily over recent years, from 432 at March 2020 to 426 at March 2021, to 406 at March 2022, to 394 at December 2022. This is being monitored by leaders. The decrease in the number of looked after children is linked to a number of factors including a focus within the service on Edge of Care work to support children where there is a risk of family breakdown as well as changes to the Children’s Resource Panel where there is senior management oversight of decisions for children to enter care. The Panel has been refreshed to offer a higher level of respectful challenge and high support, with a focus on mobilising resources to step in to a family and reduce harm, keeping children at home where possible, enabling us to be more confident that we have the right children in our care.</p> <p>Following a successful pilot during 2021 and 2022, an Edge of Care Team has been permanently established within CFS. This multidisciplinary team, which is both clinically</p>

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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 34</p>				<p>informed and aligned with Hackney’s STAR (systemic, trauma-informed and anti-racist) treatment model, provides support to families at the point of acute crisis to proactively reduce the likelihood of children requiring accommodation by the local authority.</p> <p>In January, Hackney’s Fostering Service launched the third of its ‘constellation’ of linked foster families under the Fostering Network’s Mockingbird programme, which promotes the stability of care arrangements through enabling the development of supportive links between communities of six to ten ‘satellite’ families to form a constellation. Strong relationships with others in their constellation helps individual foster families overcome problems before they escalate or lead to placement breakdown.</p> <p>The Fostering Service is also a partner in the North East London Residential Commissioning Group – looking to improve the quality and reduce the cost of residential placements to meet young people’s needs. Hackney is part of a group of local authorities in North East London, with Havering Council as the lead borough, working on a project to develop a sub-regional approach to commissioning children’s homes. There are currently 3 Hackney children placed in children’s homes run by the Group (as at March 2022).</p> <p>Actions are also being taken to ensure our leaving care cohort are placed in appropriate and cost-effective settings, through, for example, recommissioning of the Young People’s Housing Pathway.</p> <p>The NRPF team has made effective use of both Home Office and legal advice through an independent provider to assist families to achieve settled status in a timely way, reducing the burden on public funding.</p> <p>While CFS has had success at reducing the overall number of looked after children, the complexities of presenting need combined with structural difficulties in the care market mean that the cost of care arrangements for some children continue to create significant financial pressures. Although some additional funding has been made available through the Social Care Grant, the commissioning of bespoke care arrangements required to keep some of our most vulnerable children safe continues to result in an escalation of cost overall.</p>
<p>C&E DR 004d Minimise impact of efficiency savings on frontline services</p>	<p>To ensure we can respond to any increases in demand, we aim to manage efficiency savings to ensure minimal impact on frontline services</p>	<p>Jacque Burke</p>	<p>Naeem Ahmed/ Diane Benjamin</p>	<p>Ongoing</p> <p>The Directorate has successfully delivered or mitigated the majority of agreed savings to date, and are putting appropriate measures in place to deliver the savings for 2023/24. The service worked with finance in the year to develop an agreed set of management actions to reduce cost pressures across the service. The intention is that regular reporting against this plan will take place at the Budget Board (co-chaired by the Group Director - Finance and Resources and the Group Director - Children & Education Services).</p>

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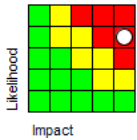

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 37</p> <p>C&E DR 005 Cyber attack impact on CFS Service Delivery</p>	<p>The cyber attack has meant that CFS has lost access to case recording and document storage systems which hold historical information about families. Lack of access to this data could mean that decisions are made about children without their full history being known.</p>	<p>Children & Families Service</p>	 <p>Likelihood</p> <p>Impact</p>	<div style="text-align: center;">  </div> <p>The cyber attack on 12th October 2020 created significant challenges for the Children and Families Service in terms of accessing historical information about children. The attack meant that CFS lost access to Mosaic, the social care database which holds all records about children and families.</p> <p>Services affected:</p> <ul style="list-style-type: none"> • Referrals to Children and Families Service • Ongoing work with children and families receiving statutory and universal services • Court work in relation to children and families • Referrals to the Domestic Abuse Intervention Service • Ongoing and new complaints investigations • Payments to Foster carers • Payments to some of our suppliers <p>Systems affected:</p> <ul style="list-style-type: none"> • Mosaic (Children and Families case recording database) • Childview (Youth Justice database) - this is still available as a stand alone system, but does have some links to Mosaic which have been affected • EdoCFS - the document storage system which links to both our social care and Youth Justice databases, as well as a number of other systems. • The IKEN case management system used by our Legal Service colleagues is also inaccessible <p>In the immediate aftermath of the cyber attack, staff were unable to access any historical case file information or reporting data on Mosaic, so an interim case management system was established while work was done with the service provider to recover the lost information.</p> <p>Following a decision in October 2021 to restore Mosaic, a complex programme began that involved migrating records from the interim system, matching historic records, developing cyber security with a new cloud-based system, and training all staff on the new version of Mosaic.</p> <p>In April 2022, CFS returned to Mosaic and in July 2022 the use of live reporting tools provided by Qlik Sense resumed, enabling managers once again to closely monitor performance in</p>

CHILDREN & EDUCATION DIRECTORATE RISKS

				order to know what we are achieving for children. Work continues on recovering some historical information that is still to be restored and this impacts records on both Mosaic and ChildView. There is a clear improvement here compared to a year ago, which vindicates a reduction in the risk score.
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
C&E DR 005a Restoration of historical social care information	Restoration of historical social care information to ensure children's histories are understood	Jacque Burke	Diane Benjamin	Ongoing	In April 2022, CFS resumed the use of Mosaic for the first time since the criminal cyber attack in October 2020. Work still continues on the recovery of some historical records lost in the cyber attack and the restoration of these to Mosaic so that complete information on children's histories is available to CFS staff.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
C&E DR 006 Child or young person suffers significant harm, injury or death	Children and young people who use our services are at higher than usual risk of harm, injury or death. If risks are not adequately assessed and protected, a child or young person could suffer significant injury or death attributable to the Directorate's failure to take appropriate safeguarding and risk management measures.	Children & Families Service		 Update March 2023– This remains a high risk, and controls are in place to manage this.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
C&E DR 006a Local Safeguarding Children Partnership (LSCP) reviewed and operating as an effective multi-agency forum.	The City & Hackney Safeguarding Children Partnership (LSCP) has a remit to monitor safeguarding across all partner agencies, including the local authority.	Jacque Burke	Rory McCallum	Ongoing	A range of measures have been put in place to ensure the CHSCP is operating as an effective multi-agency forum. Independent chairing is in place, defined governance arrangements, regular attendance from partners at Executive and relevant sub / working groups and Hackney-specific self-assessment. CHSCP also maintains a risk register

CHILDREN & EDUCATION DIRECTORATE RISKS

					covering all key statutory requirements; these actions and progress are regularly reviewed through the CHSCP Executive and full CHSCP.
CYP DR 003 D Ensure staff have the necessary skills to ensure risk and needs are properly assessed	The Directorate as a whole understands areas of high risk and works together to mitigate risk in relation to individual children by joint training and development and joint monitoring of practices across the services.	Jacquie Burke	Diane Benjamin	Ongoing	Individual case supervision between managers and allocated social workers is the mechanism that ensures that children are safe and plans for them are progressing in timescales that meet their needs. Supervision timescales are monitored as a key deliverable by senior leaders in regular data reports. Work is currently underway to develop an additional reflective group supervision model that will enable sharing of best practice and encourage collective problem-solving. A Workforce Development hub established in the Safeguarding and Quality Assurance service to ensure that staff training needs are met and prioritised in terms of urgency.
Page 37 CYP DR 003 E Child Protection procedures in place	Children subject to Child Protection Plans and Looked After Children are visited in line with statutory guidance & care plans are monitored, updated and amended as appropriate. Children are to be seen alone.	Jacquie Burke	Diane Benjamin	Ongoing	Ongoing, monitored through management oversight and audit, monthly, quarterly and annual performance reports, including statutory returns to DfE and by Independent Reviewing Officers. In April 2022, CFS resumed the use of Mosaic since the cyber attack in October 2020. In July 2022 our digital maturity journey reached another milestone with the resumed use of live reporting tools provided by Qlik Sense, enabling managers once again to closely monitor performance in real time to drive improvement in what we achieve for children.
CYP DR 003 F Risk assessing activities for young people	All activities directly provided and commissioned by the directorate must be subject to rigorous risk assessments.	Jacquie Burke	Diane Benjamin	Ongoing	All providers of proposed activities, including the local authority, are required to submit a written risk assessment which is scrutinised and approved / not approved by the service area. Where a risk assessment is not approved, the activity is not able to proceed. Minimum ratios of adults to young people are required. Our external commissioned providers are also expected to demonstrate that they meet health and safety standards as part of their contract including systems and processes for conducting risk assessments of premises and activities. As a result of the pandemic - in-person activities have been subject to risk assessment to ensure that they can be delivered safely, with mitigating actions in place to minimise risk to children and staff such as changing venue, capping numbers and ensuring hygiene measures are in place. Other activities have been provided virtually and we remain responsive to Government guidance in relation to the fluctuating rates of Covid/changes in requirements.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>C&E DR 007 Increased call on resources in respect of No Recourse to Public Funds (NRPF) cases</p>	<p>The Council might be unable to handle the increased call in NRPF cases. Children's Social Care has a duty to assess children's needs under section 17 of the Children Act 1989 if they are at risk of homelessness or destitution, even if their parent has no legal entitlement for services in the UK.</p>	<p>Children & Families Service</p>		<p>↔</p> <p>March 2023 - Hackney, like many local authorities, has a number of individuals living within its boundaries who are subject to immigration controls as defined by the Immigration & Asylum Act 1999. Such individuals are excluded from access to welfare benefits, public housing and Home Office asylum support and are collectively known as having No Recourse to Public Funds (NRPF). This group includes individuals who have overstayed their visa entitlement in the UK, and those who have leave to remain without recourse including EU Nationals. Hackney's approach is effective in protecting resources and avoiding costs.</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>C&E DR 007a Robust assessment process in place.</p>	<p>To provide a comprehensive assessment and safeguarding service to this vulnerable group of children, additional resources were established in Children's Social Care to assess the specific needs of families with no recourse to public funds. The No Recourse to Public Funds Team was formed in 2012 as a pilot service but has now been embedded alongside the Access & Assessment Service in Children's Social Care.</p>	<p>Jacquie Burke</p>	<p>Diane Benjamin</p>	<p>Ongoing</p>	<p>March 2023 - The issues relating to NRPF families presenting as destitute are often complex and the service recognises that there are many reasons why families may find it difficult to share information. Migrant children may be at risk of child trafficking, exploitation and fraudulent activities.</p> <p>In order to ensure the service is able to undertake comprehensive assessments of children's needs in a complex environment of law relating to housing, immigration, human rights and child safeguarding, the service works closely with other services including the UKBA, legal services, government</p>

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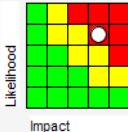
					embassies and anti-fraud to ensure that services are appropriately provided to those that are entitled to them and need them. This joined up approach robustly mitigates against the risk of children in Hackney being exploited or trafficked for services.
<p>Page 39</p> <p>PE DR 007b</p> <p>Cross-London management arrangements for unaccompanied asylum seeking children.</p>	<p>The Pan London unaccompanied asylum seeking children (UASC) dispersal rota is a voluntary arrangement that is supposed to operate in equal distribution order. There has been a recent drive across all London authorities to ensure that each borough takes their turn on the rota in the wake of a number of authorities having withdrawn over the past year. The withdrawal from some authorities had a negative impact of increasing the numbers of UASC being dispersed to Hackney. The government have introduced a National Transfer Scheme under which authorities will be expected to accept UASC up to the equivalent of 0.07% of their child population, after which they will be able refer young people to the NTS</p>	Jacquie Burke	Diane Benjamin	Ongoing	<p>March 2023 - The rota is managed by L.B. Croydon and monitored by the London ADs Group. The National Transfer Protocol set the maximum UASC population of each local authority at 0.1% of their child population. The number of UASC in Hackney has increased, from 29 at the end of March 2022 to 32 at the end of December 2022.</p> <p>Hackney was successful in applying for additional funding from the Government to provide additional support to our UASC through the Controlling Migration Fund in 2019 and set up a specialist UASC unit to better support young people's needs in this area. Following the ending of the funding at March 2021, CFS have maintained the Personal Advisor recruited through this project within the UASC team; the Personal Advisor works with young people who were unaccompanied minors who have not yet gained leave to remain in the UK.</p> <p>In August 2020, the Home Office commissioned beds at the Old Street Holiday Inn to disperse asylum seekers, some of whom applied to be age assessed as children. Due to their location the duty to assess falls on Hackney. Since then, the Home Office has commissioned three other hotels in Hackney to accommodate asylum seekers. Over time, a significant number of young people living in these hotels have disputed the Home Office assumption that they are adults and requested additional assessments of their age from the UASC team. Where the UASC assessments similarly conclude that these young people are adults, we have experienced a number of challenges of our decision-making through the judicial process. The costs of each legal challenge can be very significant.</p>

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Hackney Education Risks

Reviewed by the Risk Review Group on 3 February 2022

Approved by SLT on 4 March 2022

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT EDS 1415 0001: Long term viability of trading of HE services is not assured	The viability of traded services is at risk due to a number of factors that have become more acute or are expected to in the coming year(s). This includes a reduction in funding to schools which may result in lower orders, potential reductions in staffing at HE due to budget cuts which may impact on capacity.		<p>March 2023: The Risk Review Group (RRG) noted that due to the recent restructure and ceasing focus on trading, it is important that new objectives and a focus are set for this service.</p> <p>It is important that strategic goals and vision are communicated across the organisation.</p> <p>Risk rating remains and controls are appropriate.</p>
Control Title	Control Description	Service Manager	Control - Latest Note
Page 40 LT1920 Risk 01 - Ensuring there is a continued focus on the importance of trading and development of HE's traded offer.	Planned messages from senior leadership. Performance monitoring reports & termly meetings with key service managers to ensure development of their traded offer.	Jayne Banks	March 2023: Monthly sales reports and quarterly SLT reports continue to be shared but attempts at 'growth strategies' have proved difficult - it is difficult for Hackney to invest in new staff to support growth and trading goals often conflict with delivery requirements to support Hackney schools. The restructure has identified a renewed focus on Hackney schools - this traded offer needs to be published post restructure.
LT1920 Risk 02 - An effective learning & development plan for traded services in place	This is to enable officers to undertake necessary tasks which ultimately retains existing clients and attempts to acquire new clients Continue to identify commercial skills required by staff to promote a commercial structure. Organise professional training to address any skills gaps	Jo Larkin / Tatiana Pavlovsky / Paul Foster / Jayne Banks	March 2023: The Ed Ops team is still undergoing their restructure. Once this is finalised, the Head of Education Operations will look at re-ascertaining the commercial model. This will then allow OD to have a better understanding of the requirements and develop an effective L&D plan. We may need to re-assign the owners from Ed Ops to this control.
LT1920 Risk 03 - Inducting new headteachers and business managers	Ensuring that headteachers & business managers are aware of HE's offer and do not automatically lean towards engaging suppliers they are aware of from their previous LA's.	Jayne Banks	March 2023: Traded Services offer inductions to all new Business Managers after being notified by the Schools' finance team. School improvement includes traded services info in new Heads inductions.

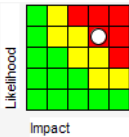
CHILDREN & EDUCATION DIRECTORATE RISKS

	<ul style="list-style-type: none"> I. Prepare an induction plan that promotes HE products. II. Ensure traded services are included in headteacher inductions. III. Traded Services offer Business Manager Inductions. 		
LT1920 Risk 04 -Developing effective trading partnerships with external organisations	Identify potential for trading partnerships with other providers and develop where possible, maximising trading opportunities.	Jayne Banks	March 2023: Existing partnerships with Education Mutual, E-schools and Shard continue to be developed and maximised. Webinars have been run with all three partners in the last 3 months and new schools signed up for each. Marketing has been supporting the commercial relationship with Scholastic.
LT1920 Risk 05 - Ongoing & creative product development & renewal of service offer	Identify and invest in the development of existing and new products.	Jayne Banks	March 2023: New product development activity has largely closed down due to the marketing restructure and a move away from trading out of borough. However, there are new product ideas in the reading team (Reading Champions) and HR team (bronze, silver, gold packages) that could be developed.
EDU 2223 Risk 06 -Increasing commercial acumen & skills across service leads	Align to corporate commercial framework	Kathryn Lloyd	March 2023: A refresh of the vision and strategy for Services for Schools (traded services) will include strengthening alignment with corporate commercial framework and supporting service leads with skills to successfully deliver traded services to settings.

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Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
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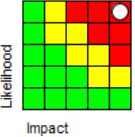
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<p>LT EDS 1415 0004 –The statutory requirements of the SEND aspects of the Children & Families Act are not met.</p>	<p>The Children & Families Act places a statutory requirement to implement Education Health & Care Plans, provide support for SEND up to 25 years old, joint commissioning, implementation of a local offer and person-centred approaches to planning. Process and resources to support these changes must be implemented to ensure HE meets its statutory requirements.</p> <p>In addition to the impact on vulnerable children and young people, any failure to meet their statutory responsibilities would result in significant reputational damage to HE and LBH, leaving them open to challenge through SEND tribunals, the Local Government Ombudsman and possible Judicial Review.</p>		<p>March 2023: The RRG noted that the new structure and processes are in place which reduce risk although these are still being embedded.</p> <p>In light of the restructure, there are some good changes, with an increase in capacity which have improved the 20 week deadline performance; however, a backlog still remains.</p> <p>Risk and controls remain appropriate.</p>
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Control Title	Control Description	Service Manager	Control - Latest Note
<p>Page 4 LT 1920 Risk 01 – Robust monitoring and challenge of arrangements in place with regular reporting process via SLT</p>	<p>Head of Service is responsible for implementing a comprehensive programme to ensure all statutory responsibilities are fully understood and met, including meeting the statutory 20 week deadline for completing an Education & Health Care Plan (EHCP). In order to achieve this the following will be undertaken:</p> <ul style="list-style-type: none"> • Develop robust quality assurance of case management with external moderation; • Implement action plan based on self-evaluation/annual report and points identified in SEND inspection; • Develop viable business case to increase capacity of Education Psychology team; • Review SEND staffing levels to ensure sufficient capacity in face of increased demand • Improve the quality and timeliness of advice from partner agencies; and • Ensuring robust Post-16 Commissioning 	<p>Joe Wilson</p>	<p>March 2023:</p> <ul style="list-style-type: none"> • QA process is in process including education, health and care developed by external contractor. • Action Plan will be presented to PSG (06/02/23) and Scrutiny Commission (20/02/23) • New Structure is in place and includes additional capacity in both EHC and EPS • New tracking system in place to ensure timely advice from partners • Post 16 Commissioning panel meets weekly to ensure challenge and oversight..
<p>LT EDU 2122 Risk 02 - Restructure of service area to manage resources more efficiently, in line with statutory duties with implementation by Easter 2022.</p>	<p>A redesign to an integrated SEND Service has been agreed. This will ensure a timely and robust discharge of the LA's statutory duties outlined in the CFA 2014 and SEND Code of practice.</p>	<p>Joe Wilson</p>	<p>March 2023: New Structure and staffing now in place.</p>

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
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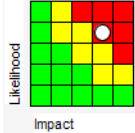
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<p>LT EDS 1617 01 C&E : SEND funding – Escalating SEND spend has an adverse impact on HE and Council budgets.</p>	<p>The number of pupils eligible for EHC Plans continues to increase at a significant rate exceeding the population growth in the Borough, the effect of which is to place the SEND budget in deficit.</p>		<p>March 2023: The RRG noted that the LA is now part of the Better Value Programme, which is currently in the logistics stage.</p> <p>Risk to be further reviewed in Q4.</p>
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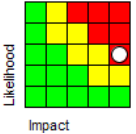
Control Title	Control Description	Service Manager	Control - Latest Note
<p>LT 1617 02 Ongoing work to develop plans/strategies to control/manage SEND spending.</p>	<p>SLT has approved a cost management plan to address the pressures placed on the SEND budget by increasing numbers of children and young people being eligible for SEN statements.</p> <p>The cost management plan is regularly reviewed by STAG and via the Better Value DfE programme.</p>	<p>Nick Wilson</p>	<p>March 2023: See below. An external finance consultant has been commissioned to review funding to special schools. (completed 1st February 2023), additional resource provision and to update the business case for the expansion of places for children with EHC Plans.</p>
<p>LT 1617 06 - Forecasting of financial impact of SEND budget pressures.</p>	<p>Rapid, significant short term reductions in SEND costs and outlays will be difficult to achieve. Ensuring that the policy changes in the action plan result in medium term cost savings that relieve the pressures on the SEND budget, whilst ensuring the operational effectiveness of HE is not detrimentally affected by the overspend, is imperative.</p>	<p>Sajeed Patni</p>	<p>March 2023: Hackney is working with the DfE through the Better Value SEND programme to agree an action plan for the deficit. The statutory override which allows the deficit to be carried on the Councils balance sheet has also been extended to March 2026.</p>
<p>LT 1617 07 - Changing the culture of SEND in schools and HE to implement the action plan.</p>	<p>If the action plan is to control expenditure and distribute resources fairly, changes in the existing culture in Hackney Education teams and schools must also change to critical assessment and the equitable distribution of limited resources.</p> <p>Collaborative working with schools will be necessary to ensure pupils' SEND needs are met from delegated SEND resources, with EHCP referral only for exceptional needs.</p>	<p>Nick Wilson</p>	<p>March 2023: The Graduated Approach and Team Around the School (TAS) commenced in September 2022. Positive engagement, however this is a long term programme to deliver the cultural change required.</p>
<p>LT 1617 Risk 08 – The initiation of EHCP assessments is rigorously reviewed</p>	<p>The decision to initiate assessments needs to be rigorously reviewed to ensure the level of support is appropriate and sustainable. This may include senior managers signing off decisions, or refusing to do so.</p>	<p>Joe Wilson</p>	<p>March 2023: Robust panel process is in place to consider all requests for assessment based on the LA's graduated response for SEND. Current data (2022) shows 30% of requests declined.</p>

CHILDREN & EDUCATION DIRECTORATE RISKS

LT1617 Risk 09 – The costs of providing ECHPs is born equitably across agencies	All agencies need to contribute to the costs of the Education & Health Care Plans through the joint commissioning budget.	Nick Wilson	March 2023: Joint Assessment Panel overseas bi and tri funding arrangements.
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Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT EDS 1920 0001 – Insufficient provision to meet growing demand for SEND services.	Lack of resources to meet the growing demand for SEND support services means that HE is unable to meet its statutory responsibilities under the Children & Families Act.		<p>March 2023: The RRG noted that the Estates Strategy process is moving, however the time delay means that risk has increased as roles continue to fall and SEND continues to rise.</p> <p>Risk rating to be reviewed in Q4.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1920 Risk 02: Implementation of a SEND Provision Plan	An HE SEND provision plan is developed and implemented to address rising demand for SEND services. This will be monitored and updated on an annual basis.	Nick Wilson	March 2023: SLT will receive an update on the Estates programme on the 3rd February 2023. .
EDU 2122 Risk 03: Use of capacity in existing school building sites for falling rolls, to create more resource provision.	Ensuring an overview of additional surplus capacity is factored into SEND place planning over the coming 2 years.	Nick Wilson	March 2023: See above. Seven school meetings to discuss closure/amalgamation have taken place. Possible use for SEND places is part of the asset review process.

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT SCH 1112 0002 Serious safeguarding failure in schools & settings	<p>A failure of safeguarding systems and processes, through a lack of coordination between partnership-wide services or professionals, could contribute to a serious safeguarding issue, which would impact negatively on Hackney Education's reputation.</p> <p>Additionally, the accessibility to the internet and social media opens children & young people to increased safeguarding risks, as well as risks of harmful cyber bullying, grooming, sexual abuse and exploitation. Schools need to be wise to these issues and implement appropriate training, programmes & strategies to mitigate risk and raise awareness amongst children & young people and their families. This should be approached as a whole school issue and embedded within the curriculum, supported by a suitably skilled and experienced member of school staff who can take lead responsibilities on this issue.</p> <p>This is an ongoing risk given HE's responsibilities; there is always a degree of uncertainty due to the nature of this risk, coupled with movements of individuals in and out of the Borough.</p>		<p>March 2023: The RRG noted that in light of the new Acting Head of Wellbeing and Safeguarding in Education, this risk and controls need to be further reviewed for impact in Q4.</p>

CHILDREN & EDUCATION DIRECTORATE RISKS

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1112 Risk 58 Core Safeguarding training offered to schools, governing bodies & settings and support to DSLs	<p>School governing bodies are responsible for ensuring that school staff have completed the relevant safeguarding training. The HE Wellbeing and Education Safeguarding Team provides training through a CPD package. We will provide advice, guidance and work in collaboration with the City and Hackney Safeguarding Partnership to:</p> <ul style="list-style-type: none"> Remind schools and governing bodies of their statutory responsibilities to provide safeguarding training on regular basis; and Raise awareness of e-safety strategies, within the broader context of child protection/safeguarding – link to S11 audits Support Designated Safeguarding Leads (DSL), particularly newly appointed DSLs, in fulfilling their duties through the DSL forum and other support with specific education safeguarding issues. 	Kate Cracknell	March 2023: Hackney Education continues to meet its duty in these areas - a CHSCP Education QA sub group is planned, which will allow for a more centralised and strategic approach. Operational functions will lead out of this group and this will strengthen our overall safeguarding offer to schools through better communication and accessibility
LT 1112 Risk 59 Information sharing activities in place across partner agencies	<p>HE is represented on local Safeguarding Boards at all levels, and work proactively across Children & Education Directorate by contributing to all safeguarding forums and initiatives, subject to capacity. The HE contributes to all reviews & multi-agency audits as required by the Safeguarding Board, and implements all actions.</p> <p>HE's membership of the Ofsted Preparation Group for Ofsted inspections provides the opportunity to establish and use linkages to share information.</p> <p>HE disseminates to schools briefings based on the findings of Serious Case Reviews. All published SCRs have been shared at Headteacher termly briefings, and with Schools and Settings after discussion and agreement with HE SLT.</p>	Kate Cracknell	March 2023: Hackney Education shares briefings via CHSCP to schools, HE is represented on CHSCP
LT 1415 Risk 10 Monitoring of Safeguarding and Safer Recruitment issues through School Improvement Partner visits.	Oversight of any concerns picked up through SIP visits and Supported Schools process used to inform interventions and support provided to schools	Jason Marantz	March 2023: SIP processes are being refined to ensure clear tracking of areas of concern. Some schools identified through SIP to follow up with potential additional support.

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LTSCH 1415 0007 C&E: Risks posed to children not in school, particularly those attending unregistered schools and settings.	Safeguarding considerations for those pupils who are not registered at a school – Electively Home Educated pupils, children missing from education, children attending unregistered settings, children who are yet to be allocated a school place etc This is the particular focus for current Local Authority Safeguarding Inspection frameworks, and there is an expectation that HE must work with partners to ensure effective and robust identification, tracking, consultation and referral.		March 2023: The schools bill was to address this area yet the bill has been cancelled and the DfE will not be pursuing additional powers.

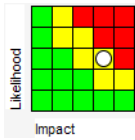
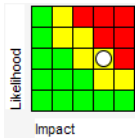
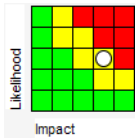
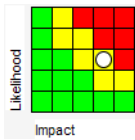
CHILDREN & EDUCATION DIRECTORATE RISKS

	<p>Unregistered centres are neither known to, nor inspected by Ofsted, raising potential issues relating to the wellbeing and safeguarding of children and young people in the borough. HE does not have any statutory powers or reporting requirements in regard to the registration of independent schools.</p> <p>As well as the potential risk around safeguarding and lack of knowledge and intervention in regard to those young people attending such settings, there are clear reputational risks for HE in this area. Despite the fact that HE holds no powers in regard to either registration or closure, there remains the perception that the Local Authority has not presented sufficient challenge to the status of such settings.</p>		<p>No change to likelihood and impact , however, this will need to be reviewed in Q4.</p>
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Control Title	Control Description	Service Manager	Control - Latest Note
<p>LT 1415 Risk 18: Coordinating multi-agency responses, HE escalates any issues relating to the safeguarding of children or young people attending unregistered schools or settings.</p>	<p>HE are aware of unregistered schools and settings within the borough, we are escalating to the appropriate authorities Children and Social Care any issues of concern reported to them. HE co-ordinates multi-agency responses in regard to those settings that do not comply with Ofsted registration requirements.</p>	<p>Kate Cracknell</p>	<p>January 2023: On identification of a new unregistered education setting (UES), the UES protocol is enacted which ensures the partner with the most agency is able to take all actions possible within the current framework (12 UES protocols enacted in 2022). Any illegal school or unregistered schools (as opposed to UESs which are different and have a different landscape in terms of partners' leg</p>
<p>LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by HE to reduce the likelihood of pupils being put at risk.</p>	<p>In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue and the systems developed through the Out of School setting project which has now ceased, and the unregistered educational settings group.</p>	<p>Kate Cracknell</p>	<p>January 2023: This risk continues to be very high - we have around 1000 known CYP in UESs in the Orthodox Jewish community (figures correct as of December 2022). The risks around this situation are shared at UES strategic group meetings, as well as to our Scrutiny Commission annually (report delivered on 16/1/23). CHSCP continues to work with partners to provide a safeguarding offer to UESs but there is no uptake to date.</p>
<p>LT 1617 Risk 03: Ongoing dialogue between HE, DfE and Ofsted around necessary legislation to ensure safeguarding duties can be effectively carried out.</p>	<p>Currently, the roles and responsibilities of LAs, DfE and Ofsted are not clearly defined with regard to safeguarding duties.</p>	<p>Kate Cracknell</p>	<p>January 2023: This continues, Ofsted sit on our UES protocol meeting (when we identify a new UES) and CHSCP continue to lobby government around this issue. Jacquie Burke has also written to the secretary of state following the shelving of the Schools Bill in December 2022, which has meant we have now no possibility for progress in this area based on current government plans.</p>
<p>LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by HE to reduce the likelihood of pupils being put at risk.</p>	<p>In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue.</p>	<p>Kate Cracknell</p>	<p>January 2023: Hackney Education has a dedicated officer in this area of work, and much of their work is relational - it is through this work we are able to identify most of our now known UESs. However without clearly defined statutory responsibilities progress cannot be guaranteed towards establishing the safety of children in Hackney attending UESs</p>

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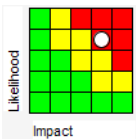
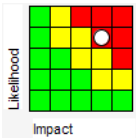
Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT SCH 1112 0008 C&E Effectiveness of provision in nursery and primary schools or settings declines, stagnates or fails and goes into special measures	The overall effectiveness of schools or settings defined by: a. Inspection Outcomes - proportion of pupils attending good or better schools reduces, leading HE to engage with Ofsted to challenge schools under the Good to great policy. b. Pupil Outcomes - Performance gaps for disadvantaged, SEND and other focus groups are not narrowed. c. Pupil outcomes fail to improve - the quality of provision in schools or settings fails to improve, leading to plateau and coasting year to year at borough level. d. Ofsted judgement of requiring improvement or inadequate, or where the school meets the DfE coasting criteria.		January 2023: Risk Review Group notes that Ofsted inspection grades for primary and nursery schools in Hackney in January 2023 are as follows: <ul style="list-style-type: none"> Outstanding – 22 schools (37.3%) Good – 34 schools (57.6%) Requires improvement – 3 schools (5.1%) Inadequate – 0 schools (0%)
LT SCH 1112 0009 C&E Effectiveness of provision in secondary schools or settings declines, stagnates or fails and goes into special measures			January 2023: Risk Review Group notes that Ofsted inspection grades for secondary schools in Hackney in October 2022 are as follows: <ul style="list-style-type: none"> Outstanding – 3 schools (18.8%) Good – 12 schools (75.0%) Requires Improvement – 1 schools (6.3%) Inadequate – 0 school (0.0%)
LT SCH 1415 0001 C&E Effectiveness of provision in special schools or settings declines, stagnates or fails and goes into special measures			January 2023: Risk Review Group notes that Ofsted inspection grades for special schools in Hackney in October 2022 are as follows: <ul style="list-style-type: none"> Outstanding – 2 schools (66.7%) Good – 1 school (33.3%) Requires Improvement – 0 school (0.0%) Inadequate – 0 schools (0.0%)
LT SCH 1415 0002 C&E Effectiveness of provision in Pupil Referral Unit declines, stagnates or fails and goes into special measures		PRUs are now self-governing, which may mean that inspection / greater scrutiny is imminent, which could lead to negative inspection outcomes	

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1112 Risk 17 High quality traded offer that is fit for purpose and meets school needs	Quality of provision (particularly teaching, learning & assessment) and leadership and management (with a particular focus on sustained capacity for improvement) will be key aspects of the support provided. Increasing the levels of buy in from schools in Hackney and out-borough will increase the capacity for a viable school improvement service.	Laleh Laverick – Primary Anton Francic – Secondary	January 2023: No change. Currently, maintained primary schools participate and have a 'buy-in' in terms of participation in Hackney school improvement work and share the vision of raising achievements, reducing exclusions and supporting Hackney priorities. Traded work with Redbridge and Southend schools have continued this year. Redbridge hopes to strengthen the partnership through CPD and research collaboration. We also work closely with our new Teaching School Hub in Tower Hamlets.

CHILDREN & EDUCATION DIRECTORATE RISKS

LT 1112 Risk 02 Supported Schools approach continually reviewed	Good to Great Policy is enacted to identify and support schools who are at risk of failing to provide a good quality of education.	Jason Marantz	January 2022: No change. Currently there are 13 schools receiving additional support. 11 primaries and 2 secondaries. 2 are intensive, 1 is enhanced and currently 7 are receiving focussed support with three receiving modified focussed support (Team around the school).
LT 1112 Risk 14 Pupil support	Pupil outcomes/underachieving pupils will be an aspect of the package of support provided through traded provision & School Improvement Partners.	Jason Marantz	January 2022: No change. Pupil outcomes remain a key focus for the SIP programme with specific questions remaining sighted on these areas. Primary raising achievement programme is running with one initiative starting in the autumn and three in the spring/summer. 2022 programme data shows impact. 2022 KS1 and 2 statutory data is being reviewed to ensure the appropriate groups receive the correct focus and support.
LT 1112 Risk 15 Increased CPD and capacity	Seek to increase levels of professional development and capacity in schools.	Jason Marantz	January 2022: Risk lowered. The CPD programme has been focussed to ensure more sessions for teacher and middle leaders. Numbers show good and increasing take up of these sessions. Pobble writing moderation has been extended to two sessions for primary. Full suite of secondary subject networks are running. SIP programme continues to focus on CPD. Control is still needed to mitigate risk; improved take up of offer. A cycle of 12 months required to evidence impact

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Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT SCH 1112 0011 CYPs Surplus school places (Primary)	Surplus primary school places result in financial pressure on schools and threatens their long-term viability.		January 2023: The Risk Review Group noted the continued increase in surplus primary places. This risk needs to be continually reviewed, however no change to current rating and impact.
LT EDU 2021 0012 Projected surplus school places (Secondary)	Surplus secondary school places result in financial pressure on schools and threatens their long-term viability.		January 2023: The Risk Review Group notes the impact of surplus places on secondary schools. This risk needs to be continually reviewed, however no change to current rating and impact.

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1112 Risk 23 Regular review & oversight of	Regular review of GLA school roll projections data allows oversight and summary of changes to the potential pupil cohort and ultimately potential future demand for places.	Nick Wilson	January 2023: GLA projection has been reviewed.

CHILDREN & EDUCATION DIRECTORATE RISKS

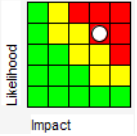
various pupil demand data	School roll projections from GLA (for primary) and internally (for secondary) provide a good indication of future demand.		
LT 1112 Risk 25 Regular monitoring of reception & secondary transfer applications	Whilst primary applications can be volatile in nature, secondary applications are more predictable. Regular monitoring of numbers of applications received compared to numbers expected allows the Admissions Team to identify and respond to any perceived under-submission. This also gives confidence in the projections being collated.	David Court	<p>January 2023: Demand for secondary places remains stable for the 23/24 academic year. While there are 43 fewer on-time Hackney residents applying at secondary transfer (Sept 2023 admission) compared with the previous year, the number of first preferences expressed for Hackney secondary schools has increased by 38. View stats here.</p> <p>Demand for reception places continues on a downward trend. There were 38 fewer on-time Hackney residents applying at reception (Sept 2023 admission) compared with the previous year. This represents a 1.8% drop (against a 1.3% drop in numbers across all of London) The number of first preferences expressed for Hackney primary schools has dropped by 133 compared with the previous year. View stats here.</p>
Page 10 PAT EDU 2122 Risk 26 Regular monitoring by School Place Planning Group & SLT	Review data and make recommendations for SLT decision regarding proposals to manage surplus places	Nick Wilson	<p>January 2023: Recommendations have been made to SLT.</p>

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT SCH 1314 0001 High levels of pupil exclusion	<p>An increase in suspensions and exclusions would affect HE reputation and the organisation's financial position, as HE is responsible for provision for permanently excluded pupils (cost implications of permanent exclusions). In addition to the financial and reputational risk to schools, there is also an increased risk of OFSTED focussing on Hackney schools for inspection.</p> <p>HE cannot intervene in school decision making, but should seek to influence school policy and practice through existing and novel mechanisms, including Supported Schools secondary B&A, fair access. Strategies for an effective</p>		<p>January 2023: The RRG noted that the very early data suggests a slight decrease in exclusions yet continued monitoring is required.</p> <p>Further update in Q4. Risk and controls remain unchanged.</p>

CHILDREN & EDUCATION DIRECTORATE RISKS

	approach to exclusions must draw on the expertise of partner agencies such as Young Hackney.		
Control Title	Control Description	Service Manager	Control - Latest Note
LT 1112 Risk 20 Monitoring & sharing of exclusions, attendance and related data	<p>Monitoring & sharing of exclusions, attendance and related data between schools and at Behaviour and Attendance (B&A) Partnerships to inform practice and develop strategies.</p> <p>Exclusions Executive Group monitors the exclusions strategy and regular reports based on Census Data and reports to the Exclusion Board.</p> <p>Monitoring of equalities data with regard to proportionality of exclusions.</p>	Kate Cracknell	January 2023: Progress has been made towards ensuring schools are able to meet their new statutory duties around attendance (applicable in September 2023). The Exclusions Executive Group continues to monitor progress towards the Reducing Exclusions Strategic plan, a report was shared with Scrutiny around progress was shared in January 2023.
LT 1213 Risk 35 Alternative provision in place	HE uses its commissioning role to work to ensure there is an adequate high quality alternative provision offer in place to meet statutory responsibilities and to minimise the potential impact on individual pupils following exclusion.	Nick Wilson	January 2023: HE only commissions places from New Regents College (NRC). NRC then commission alternative provision for individual children & young people.
LT1112 Risk 21 Use of Local Partnerships	The Behaviour Partnership provides a forum for challenge, strategic planning and consultation for all secondary schools & academies and now primary schools. Partnership working with Young Hackney is encouraged to ensure a whole family approach to behaviour management. This provides a forum for promoting inclusive whole school practice.	Helena Burke	January 2023: No change
LT1516 Risk 07 - Development & implementation of work to reduce exclusions	HE encourages engagement with schools and other partner agencies to ensure awareness and engagement with initiatives and interventions with the aim of reducing exclusions; this will be done through promoting both inclusive whole school practice and providing support for individual children.	Kate Cracknell/ Helena Burke	January 2023: CHSCP Education QA sub group will provide a more centralised plan and a better communication route for supporting schools around safeguarding issues, which include those to exclusions
LT EDU 2122 Risk 08 - Monitoring of SEND pupils to intervene early to reduce exclusion risk	<p>Use of Annual / early reviews to pre-empt exclusions of pupils with EHCPs. These reviews are undertaken to evaluate the exclusions of pupils with EHCPs to:</p> <ul style="list-style-type: none"> • Ensure alternative provision is provided • Remind schools of Equality Act Duties, and • Settings are implementing the Graduated Approach and seeking external specialist advice when a pupil is at risk of exclusion. 	Nick Wilson / Kate Cracknell	January 2023: No change

CHILDREN & EDUCATION DIRECTORATE RISKS

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT EDU 2022 0013- Outcome of SEND Local Area Partnership Ofsted inspection shows widespread/systemic failings, leading to significant concerns about Hackney CYP with SEND.	The Hackney Local Area was inspected by the Care Quality Commission (CQC) and Ofsted between 27th November 2017 to 1st December 2017, the report was published on the 18th January 2018. The inspection was in the first tranche of local authority inspections of, at that time, a new inspection framework. The report highlighted strengths and areas for development. The majority of the areas for development have been resolved. Since 2017 the inspection framework has focused on the lived experience of children and young people and their families, which is a higher threshold of compliance. On the 13th June 2022 Ofsted and the Care Quality Commission consulted on a new inspection framework to reflect the changing landscape of the SEND system. It is expected that Hackney Local Area will be inspected in 2023, six years since its last inspection. To "pass" the new framework the local area must demonstrate that the last inspection findings have been discharged and the new framework focusing on impact on C&YP and families has been met.		<p>January 2023: The RRG noted that as a SEND inspection is imminent, controls need to be made on time. Possible need for additional control monitoring progress against the action plan in the context of the imminent inspection.</p> <p>Management of risk to be reviewed in Q4.</p>
Control Title	Control Description	Service Manager	Control - Latest Note
LT EDU 2122 Risk 09 - Plan to achieve a "Good" inspection grade in 2023.	Create a subgroup of the SEND Local Area to lead and monitor the actions in the 3 year plan.	Joe Wilson	<p>January 2023: In progress following Partnership Board and Scrutiny approval.</p>

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Title of Report	ADULTS, HEALTH AND INTEGRATION DIRECTORATE RISK REGISTER - COVERING REPORT
For Consideration By	Audit Committee
Meeting Date	June 21st 2023
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Helen Woodland, Group Director Adults, Health and Integration.

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1 This report updates members on the corporate risks for the Adults, Health and Integration Directorate as at March 2023. It also identifies how risks within the Directorate are identified and managed throughout the year and our approach to embedding risk management.

2. RECOMMENDATION

- 2.1 There are no specific recommendations from this report. The Audit Committee is asked to note the contents of this report and the attached risk registers and controls in place.

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate those as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that the Audit Committee is aware of this.

4. BACKGROUND

- 4.1 The current Directorate risk profile was reviewed by the Directorate of Adult, Health and Integration Services Management Team in March 2023. Detailed risk registers for Adults Services and Public Health have been prepared and were reviewed by the Management Team and the high-level Directorate risks highlighted and included in Appendix 1.

4.2 Policy Context

All risk related reporting is in line with the Council's Risk Policy, ratified biennially by the Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.3 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and

associated duties) all work is carried out in adherence to the Council's Equality policies.

4.4 Sustainability

This report contains no new impacts on the physical and social environment.

4.5 Consultations

In order for Risk Registers to progress to the Audit Committee, they will already have been reviewed by the relevant Senior Management team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 Risk Assessment

The Risk Register is attached at Appendix one to this report.

5. DIRECTORATE RISK REVIEW

- 5.1. The Directorate Risk Register comprises those that represent the most significant risks faced by the Directorate.

Public Health

- 5.2. A sexual health needs assessment was conducted in 2022, and is annually updated, to assess service uptake and gaps or inequalities. The findings include high levels of STIs, especially among young people and men having sex with men (MSM), lower testing rates as a result of the pandemic, and a slow recovery towards pre-COVID levels of Long Acting Reversible Contraceptives (LARC).

Access to sexual health services remains an issue, with clinics predominantly offering appointments via phone or online booking systems, and reduced capacity due to staffing constraints. This also affects primary care, e.g. pharmacies, due to the loss and attrition of community pharmacists. The findings from the needs assessment will feed into a draft strategy currently in development to improve sexual health access, provision, and outcomes for all residents.

- 5.3. Testing for sexually transmitted disease is a demand-led service, delivered mainly by NHS providers in locations across London and beyond. The Council has limited control over that demand and the clinical imperative is for as many high risk, asymptomatic residents as possible to undertake regular tests. Activity in this area will increase in 2023/24 due to unmet need as service uptake fully recovers, post COVID. A sexual and reproductive health strategy is being developed in the coming year to improve sexual health access, provision and outcomes for all residents.
- 5.4. All short term, COVID-related grant streams (Contain Outbreak Management Fund (COMF), Test and Trace Funding, Community Testing Funds) were exhausted in 2022/23 significantly reducing the complexities around the management of Hackney funds detailed in risk 'AH&I PH 009' in 2023/24.
- 5.5. The joint service SLA recharges for 2023/24 were confirmed at a City Departmental Leadership Team (DLT) meeting in March and processes for regular review will continue.
- 5.6. Significant improvement has been made around risk 'AH&I PH 001', with the identified COVID legacy work maintained by the in-house Community Outreach and Infection Prevention and Control (IPC) resources. Developmental Senior Management Team (SMT) and full service awaydays take place every 3-4 months.

Adult Services

- 5.7. The core Adult Services risks remain largely consistent with the risks highlighted to the Audit Committee last year. Whilst risks related to ongoing improvement of ICT systems following the cyber attack remain, the recovery of Mosaic and subsequent robust Follow-On project that is in progress means the overall risk has reduced. The most significant risk to the service is the growing demand and insufficient budget and resources to effectively meet it.
- 5.8. Financial risks continue to increase, as demand for and cost of care has continued to increase, and the funding settlement outlined in the Government White paper 'People at the Heart of Care' is widely thought to be insufficient to meet the current or future demands on social care. The demand for services is greater than the funding

available, meaning budgetary pressures will continue to worsen. We have worked with a Provider to identify areas where savings can be safely made without negatively impacting resident outcomes, however delivery of this programme has been delayed and is due to start in 2023/24, with financial benefits expected in the years following.

- 5.9. Within the service there remains a risk about the resilience and sustainability of the social care provider market in the context of rising demand and increased complexity and acuity of need for service users. This risk is compounded by the challenges that Covid-19 has presented, both operationally and financially, and that cost of living pressures have further compounded. In 2017 the Government set expectations of a Green Paper on future long-term funding for social care but this has not yet been forthcoming. In March 2020 the Government announced that it would be consulting widely on ideas for future funding arrangements. The focus of previous announcements to date has focused on support and funding for older adults and so far makes little mention of working age adults which is a concern as this represents a large proportion of people currently supported by Adult Services in Hackney. The White Paper published in February 2021 'Integration and Innovation: Working Together to Improve Health and Social Care for All' affirms that proposals to reform social care funding will be published later this year. Sustainable funding arrangements are critical for Adult Services and pose a significant risk which will continue to be monitored through monthly financial reporting.
- 5.10. There continues to be national concern about the sustainability of the provider market, including an increasing number of providers who are returning contracts to local authorities, and falling into administration. Work is continuing to support a healthy local provider market, as reflected in the risk register. This includes paying a fair but affordable rate to provide quality care, and a check of the financial health of organisations through the procurement process alongside robust, regular contract management and market development through provider networks.
- 5.11. Safeguarding remains an ongoing priority for Adult Social Care and managing the risks around safeguarding are part of the day to day work of Adult Social Care. The risk register highlights the specific safeguarding risks presented by the cyber attack, which has meant some personal and identifiable data for some service users has been made available on the "dark web". To safeguard service users who are affected by the cyber attack, cases were risk assessed and in

accordance with that assessment some individuals received personalised notification and ongoing support from ASC. Notifications were completed in 2021, and to date, no risks related to the cyber attacks have been realised, hence this risk has reduced significantly.

- 5.12. Due to the cyber attack, the service was without a complete and fully functioning case management and payment system for two years. This provided significant challenges for monitoring service user risk, making payments in an accurate and timely way, and managing team performance. Mosaic was recovered in November 2022, and a significant follow-on project is in progress to make necessary improvements to restore full functionality. So whilst overall risk is significantly lower, there remains improvements needed to both functionality and data quality before the risk is fully mitigated.
- 5.13. Recruitment and retention of social workers remains a pan-London issue. In Hackney we have some vacancies within operational teams, but levels are lower than they were. A greater issue is the retention of staff. Work to develop an improved career development and learning offer for staff is underway, as is work to improve the day to day working culture. A Principal Social Worker and new team focussing of workforce has also been appointed who will work closely to improve staff retention and embed strengths-based practice.

Integrated Commissioning

- 5.14. This approach will continue to develop as we transition to the Integrated Care Partnership Board (ICPB) which will have updated terms of reference, governance and risk management structures to enable the delivery of integrated health and care services for the system. A joint Director of Delivery has been appointed to establish good governance.

6. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 The Directorate seeks to mitigate risks as they are identified. In some instances, where there are volatile external factors and uncertainty, this

will be through seeking access to reserves maintained by the Group Director of Finance and Corporate Resources.

- 6.3 There are no direct costs arising from this report, however risks linked to the ongoing Covid-19 pandemic and the Cyber Attack will continue to be monitored through the monthly Overall Financial Report (OFP).

7. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

- 7.1 This report recommends that the Audit Committee note the contents of this report with the attached appendices. In accordance with Article 9.1.2 of the Council's constitution, the Audit Committee is responsible for assisting the Council in discharging its functions in relation to its risk management framework. The Accounts and Audit Regulations 2011 also requires the Council to have a sound system of control which includes arrangements for the management of risk. This report is part of those arrangements and is designed to ensure that the appropriate controls are effective.

- 7.2 There are no immediate legal implications arising from this report.

APPENDICES

Appendix one – Adults, Health and Integration risk register.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

Report Author	Naeem Ahmed
Comments on behalf of the Group Director of Finance and Corporate Resources	Jackie Moylan
Comments of the Director of Legal, Democratic and Electoral Services	Juliet Babb

ADULTS, HEALTH & INTEGRATION DIRECTORATE RISKS




1. PUBLIC HEALTH DIVISION RISKS

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 61</p> <p>AH&I PH 01 - Public Health Workforce</p>	<p>Failure to achieve effective staff capacity to deliver a pandemic or health protection response and recovery of Public Health business as usual functions.</p> <p>IMPACT – reduced capacity to deliver pandemic/ health protection workstreams along with existing, essential public health programmes effectively.</p> <p>The team are unable to develop new ways of working post-2019 restructure due to Covid focus from early 2020.</p> <p>Existing staff are burnt out due to the relentlessness of the crisis response, with the risk that some may become sick or leave</p> <p>Insufficient capacity to develop effective stakeholder relationships; support health in all policy areas; develop and deliver population health hub commitments; recommission public health services; ensure workforce wellbeing and deliver new public health strategies.</p>	<p>Adults, Health & Integration</p>		<p style="text-align: center;"></p> <p>Updated March 2023. Risk was previously adapted to remove reference to recruitment post restructure which is now complete, and to reflect workforce risks associated with covid workloads.</p>



Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
AH&I PH - 001A	Recruitment and Team development throughout PH. Establish in-house Infection Prevention & Control (IPC) provision.	Sandra Husbands	Anthea Henry	March 2024	An Infection Prevention & Control (IPC) team, established in 2021 as part of the GP Confederation's response to Covid and funded short-term by LBH was insourced in Oct 2022 when the GP Confederation provision ended. Recruitment to vacancies to secure service continuity is ongoing, along with team development.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 007 Sexual Health	<p>The London Sexual Health e-service (SHL) was part of a modernisation programme and to improve efficiency, no saving targets were stated. The pandemic and Mpox has meant a large shift in activity to online services. Risks include:</p> <ol style="list-style-type: none"> 1. Uncontrolled increases in sexual health activity spend 2. Sexual Health providers, including Homerton, not receiving payment. 3. Negative working relationships with other London commissioners and sexual health providers 4. Uneven access to services for residents across London. <p>These risks could pose serious financial and reputational consequences if not properly managed.</p>	Adults, Health & Integration		<p style="text-align: center;">↓</p> <p>March 2023. The contract for the e-service has been extended from August 2022 for a further three years until August 2025. Sexual health services (GUM/ ISHT), make up the most significant area of spend on sexual health, and are paid for using an activity based tariff and whilst there are caps and collars, activity baselines are usually reset with providers on an annual basis. Providers have been paid on a block contract during COVID and this is now being</p>

				<p>reviewed to move them back to ISHT tariff but on a lower baseline to reflect that a lot of testing activity has gone online.</p> <p>COVID led to significant changes in how sexual health clinics are provided and more STI activity has moved online. Online Contraception services are now provided. Homerton moved to a block contract for 2020 to 2023 and discussions started to move them to tariff for 2023/24. Increased spend on e-service offset by reduced activity in clinical based services.</p> <p>Activity may increase in 2023/24 due to unmet need and increase in sexual risk taking behaviours.</p>
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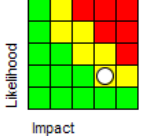

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>Page 63</p> <p>AH&I PH 007 Sexual Health</p>	<p>Active participation of Deputy Director of Public Health leadership role in sexual health.</p> <p>Monitoring and supporting implementation of the pan-London e-testing service hosted by the City of London Corporation.</p> <p>A two year extension of the contract with Homerton to deliver the SH clinics and additional services has been agreed by the Director of Public Health and Homerton (from August 2022 to August 2024), and the terms of this extension are being negotiated.</p> <p>Ongoing services provided that target high risk communities with a range of support and advice.</p>	Sandra Husbands	Froeks Kamminga, Chris Lovitt	August 2023	<p>March 2023. Sub-regional service implementation complete and clinical leadership continues at a pan-London level.</p> <p>Contract discussion meetings with Homerton to move to ISHT started in Feb, met in March and given notice likely to move to tariff after q1 for 2023/24</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 009 Budget	<p>That Public Health spend is not effectively controlled, creating overspends. Management of the budget is critical to try and prevent this happening. There is also a risk of there being a failure to deliver a variance to be used in related local authority services.</p> <p>The requirement to respond to the COVID pandemic reduced the amount of time that Public Health officers spent on recommissioning and budget management tasks, and this has now taken a renewed focus post pandemic.</p>	Adults, Health & Integration		<p style="text-align: center;"></p> <p>Risk updated March 2023 Risks are monitored through monthly financial reporting through the OFP report. The contribution of the City of London PH grant to the core costs of the PH service has been agreed, and plans are in place for joint service provision across the two organisations.</p>

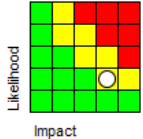

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 64</p> <p>AH&I PH 009 Budget</p>	<ol style="list-style-type: none"> Quarterly reports produced for the management team on performance and spend for each contract across the service. Options for future budget reductions across Public Health continue to be considered with potential reduction to the ring-fenced grant. Maintain governance processes to ensure appropriate spend of public health grant expenditure and appropriate reporting. Ensure that grant conditions are discussed at SMT so senior staff are aware of the grant conditions for the short term grant streams. Monitor changes to wider context of public health funding and implications for the budget plan, including impact of changes to national public health services and possible retention of additional local responsibilities post pandemic. SLA agreed with the City of London agreed with appropriate core funding and joint commissioning of services. Maintaining close links with City Finance colleagues to ensure reporting is consistent and accurate. 	Sandra Husbands	Anthea Henry	Ongoing, with monthly reporting.	<p>Updated March 2023. Finance updates provided to PHSMT on a quarterly basis highlighting any key risks/issues.</p> <p>Short-term COVID related grant funding will be fully exhausted by 31 Mar 2023.</p> <p>City SLA review meeting undertaken in Feb 2023 and funding agreed for 2023/24.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 010 Health Protection	<p>Poor vaccination coverage across a variety of infectious diseases vaccinating the majority of the population.</p> <p>Impact</p> <ol style="list-style-type: none"> Without wide scale uptake of child, adult and seasonal vaccination, there will be ongoing outbreaks of vaccine preventable disease. Cooperation of the entire population is required to reduce the risk of further outbreaks. Widening health inequalities as a result of inequitable uptake of vaccines. 	Adults, Health & Integration		<p style="text-align: center;"></p> <p>Risk updated March 2023 . There is also a separate Health Protection Board risk register providing even greater detail into the response.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
Page 65 AH&I PH 010A Covid	<ol style="list-style-type: none"> Engagement with communities and staff groups who have been vaccine hesitant. Production of Q&As for lay audiences Direct work with the Charedi community to encourage behaviour change and vaccine uptake Risk assessments of staff and access to vaccination for those with occupational risk. Regular targeted comms to manage individual behaviours Support for adherence to local/national guidelines for self isolation Strengthening intelligence and capacity to respond to outbreak threats and variants of concern. Agreeing new ways of working with UKHSA to respond to outbreaks, as COVID emergency infrastructure is dismantled 	Sandra Husbands	Carolyn Sharpe	31 April 2023	<p>March 2023. Regular asymptomatic testing is no longer recommended in any education or childcare setting and LFTs are no longer available. No further guidance is expected from the Department of Education. CQC registered care homes still have access to test kits.</p> <p>Vaccination work is being prioritised with priority groups and children.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 011 Cyber attack	<p>Disruption to current service delivery, loss of data to ensure continuity of services.</p> <p>Impact</p> <ol style="list-style-type: none"> Sensitive, special or patient/ resident level data is compromised and placed into the public domain Reputational damage prevents data sharing due to perception that data is insecure 	Adults, Health & Integration		 Risk updated March 2023

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
Page 56 AH&I PH 011A Cyber attack	<ol style="list-style-type: none"> Data retention policy implemented for PH and pop health hub All data held by PH is known, secure and kept according to best practice requirements Health intelligence strategy developed which includes ensuring best practice data management DSAs put in place to cover data sharing with partners Anonymisation policy developed and implemented 	Sandra Husbands	Diana Divajeva, Chris Lovitt	30 April 2023	Data held by PH reviewed and retention policy implemented. Population Health strategy agreed across partnership. DSA for new birth data developed and sign off pending with Homerton, additional DSA for health and social care data in development. Anonymisation policy draft in production. Links being established with work programme on recovery from corporate cyber attack

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 012 Joint Service	<p>Hackney or the City of London do not feel that they are getting suitable PH services as part of joint service and seek to withdraw from joint service causing disruption to PH service provision</p> <p>Impact</p> <ol style="list-style-type: none"> Reputational damage 	Adults, Health & Integration		 Risk updated March 2023

	<ol style="list-style-type: none"> 2. Insufficient capacity to separate the staff into two services to meet the needs of both organisations 3. Disgruntled staff 4. Financial risk 			
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
AH&I PH 012A Joint Service	<ol style="list-style-type: none"> 1. Clear PH service identity as a joint service and work plan communicated 2. All commissioned contracts report against Hackney and CoL resident activity/ outcome and ensure summary of activity is communicated to relevant stakeholders 3. Ensure SLA annual review meeting undertaken with outcomes report produced & agreement on recharge for forthcoming financial year 4. Provide updates to CoL and Hackney lead members on joint service provision 	Sandra Husbands	Chris Lovitt, Anthea Henry	31stMarch2024	<p>DSA agreed that covers joint PH service, joint privacy notice agreed.</p> <p>SLA signed with CoL for implementation from 1st April 2021 for 3 years.</p> <p>SLA review meetings undertaken quarterly</p>

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I PH 013 Substance Misuse	<p>Our local substance misuse support system is obliged to establish a multi-agency, Combating Drugs Partnership to demonstrate progress towards national strategy goals. Significant increases in funding accompany this. Funding for 23/24 was confirmed early April 23, and funding for 24/25 is still indicative. Increasing funding to our incumbent SM provider has been approved by the CDP though suitable governance has not yet been agreed with legal advice still unclear - there is a risk the grant monies will not be fully spent.</p> <p>Impact</p> <ol style="list-style-type: none"> 1. Reputational damage 2. Damaged relationship with substance use provider 3. Failure to demonstrate progress towards national strategy objectives 4. Loss of central government funding in future financial years 	Adults, Health & Integration		Risk added, Apr 2023

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
AH&I PH 013A Substance Misuse	<ol style="list-style-type: none"> 1. Use contract variation with incumbent provider to rapidly increase capacity through CPIC agreement 2. Regular meetings with DHSC representatives for transparency in our approach 3. Further recruitment planned to augment commissioning capacity with the public health team 	Sandra Husbands	Andrew Trathen	31/7/23	Added April 2023

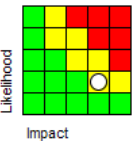

2. ADULT SERVICES

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I AS 001 Existing budget and resources are not sufficient to meet demand (Financial, reputational and poor service user outcomes and experience)	Demographic pressures and lack of in-Borough provision causing increased demand on budget.	Adults Health and Integration		Reviewed March 2023 Risk has increased <ul style="list-style-type: none"> • Demand for ASC continues to rise. Costs of providing care are also rising, alongside impact from cost of living. • The cyber attack further added to these pressures as resources were diverted to work on the recovery. Payment processes were severely impacted - we were unable to complete financial assessments for new service users for ~18 months, resulting in a significant loss of care-charging income. Challenges now exist in claiming back this income. • The cost of the pandemic for the directorate significantly exceeded amounts provided by grants or corporate funding. • The funding settlement outlined in the Government White paper 'People at the Heart of Care' is widely thought to be insufficient to meet the current or future demands on social care. • These risks continue to be monitored and reported through the monthly OFP report and through monthly updates at ASC SMT and AH&I DLT.
	Pressure on the provider market and social care workforce may mean insufficient resources to meet demand. Covid-19 and cyber recovery costs have added cost pressures across the system.			

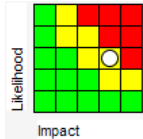

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Control Title	Control Description	Responsible Officer	Service Manager
AH&I AS 001A Financial Controls	1. A department savings tracker has been implemented and is coordinated by Finance, Head of Service Lead and relevant officers, and reported to ASC SMT monthly. 2. Mosaic Follow On work has priority areas around finance (Stream 7 of Mosaic Project Plan) 3. Quality assurance process for care and support commissioning	Georgina Diba	Director Adult Social Care Operations

	<p>4. Closely monitoring future funding arrangements for hospital discharge pathway, including review being undertaken in winter 2022/23.</p> <p>5. Commissioned a provider to identify opportunities to make financial savings safely - work to implement to commence in 2023/24.</p>		
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>AH&I AS 002 – Provider Failure and local market sustainability</p> <p>Page 70</p>	<p>Within the continuing challenging financial climate, the ability of Social Care providers to continue to deliver high quality, cost effective services is at risk.</p> <p>There are risks regarding sustainability of the market, and financial viability of providers.</p> <p>Cost of living and delivering services is adding further pressure. Concern around provider failure</p>	<p>Adults, Health and Integration</p>		<p>Reviewed March 23</p> <p style="text-align: center;"></p> <p>This risk has increased.</p> <ul style="list-style-type: none"> • Covid-19 has placed additional pressures on providers. • There continues to be instability in the homecare market nationally. Cost models developed with ADASS London and NICE indicate that no boroughs are currently meeting the true cost of homecare according to our own criteria (e.g. London Living Wage and the Ethical Care Charter). • Hackney is dependent on providers in other authorities, to which it has less influence on the market sustainability • Recent inflationary growth and issues in the supply market (e.g. fuel, utilities) add extra concern.

Control Title	Control Description	Responsible Officer	Service Manager
<p>AH&I AS 002A</p> <p>Provider Failure</p>	<ul style="list-style-type: none"> • Ongoing quality assurance of providers delivering care and supported living service • Distribution of extra funds through grants • Ongoing conversations with providers re: sustainability • Uplifts for 2023 on a case by case basis. • Continued use of Care-Cubed to understand the market and prices - considering expansion to Care Analytics to look at older people's care 	<p>Zainab Jalil</p>	<p>Commissioners</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
AH&I AS 003 - Inability to attract and retain a stable, high calibre workforce for key roles within Adult Services (Financial and reputational risk, poor service user experience and outcomes) Page 71	Continued staff turnover leading to instability and loss of continuity in service delivery. Risk that recruitment becomes increasingly difficult due to market pressures and reputational damage to LBH caused by cyber attack/impact on social care systems.	Adults, Health and Integration		Reviewed: March 2023  This risk has stayed the same. <ul style="list-style-type: none"> Some posts remained unfilled, and Managers have reported challenges in attracting high quality candidates, as well as retaining staff. In Adult Services there is a steady shift in staff, with some dependency on interims Previous LGA Health Check survey 'The Standards for Employers of Social Workers' found that in Hackney, Continuous Professional Development was the area that scored lowest, therefore may be a contributing factor to increased staff turnover. HwC colleagues keen to consider professional and career development. Housing with Care has a high reliance on agency staff use. Whilst use of agency staff allows us to be flexible and will always be required, levels remain higher than is ideal. Recruiting permanent staff into this service remains a challenge.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
AH&I AS 003 A Inability to attract and retain a stable, high calibre workforce for key roles within Adult Services	<ol style="list-style-type: none"> Career pathway redesign across health and social care sector Training and development opportunity - recruitment incentive and retention offer Recruitment campaign and apprenticeship expansion Retention focus through transformation programmes and culture change 	Georgina Diba	Principal Social Worker	Ongoing	<ul style="list-style-type: none"> New workforce team structure to develop health and social care recruitment and development platform/ offer Continued focus on positive working culture - led by transformation programme and codesigned with staff Moving to a rolling recruitment approach and embedding recruitment best practice across the service

					<ul style="list-style-type: none"> Idea generation around growing own and increasing newly qualified and career transfer across sectors
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 004 - Increased risk to data relating to vulnerable adults due to cyber attack	Following the cyber attack, some data including ASC complaints data was published on the dark web. Identifiable and personal information has been published, putting some service users' data at increased risk.	Adults, Health and Integration		Reviewed March 2023 This risk has decreased <ul style="list-style-type: none"> Risks to individuals have been assessed, and any high risk cases have been notified, including discussing how they can mitigate and reduce risk to themselves and who to contact if they have further concerns.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
AH&I AS 004 A Increased risk to data relating to vulnerable adults due to cyber attack	1. Risk assessment, mitigations and notifications strategy in place and in progress to mitigate against any potential risks. Personalised approach adopted due to level of risk associated.	Georgina Diba	Leanne Crook	Ongoing	All notifications carried out and no risks realised to date.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 005 Insufficient information and systems to safely run the service	<p>ASC returned to Mosaic in November 2022; however, this was recovery and additional work is required to ensure the system is optimised to support practice and risk management of our residents.</p> <p>Risk of judicial review or legal challenge if we are unable to complete statutory returns or provide relevant information needed.</p>	Adults, Health and Integration		<p style="text-align: center;"></p> <p>Updated January 2023 This risk has decreased</p> <p>Mosaic provides a good basis but further work is needed to optimise the system to support recording, processes and our statutory returns.</p>

Control Title	Control Description	Responsible Group Director / Officer	Head of Service	Due Date	Control - Latest Note
PH&I AS 005 A Insufficient information and systems to safely run the service	<ol style="list-style-type: none"> 1. Deliver a project of Mosaic follow-on actions to ensure the system has all functionality present prior to cyber attack, and to consolidate finance and case management actions that were out of scope of the initial recovery project. 2. As part of the follow on project, explore functions to improve financial oversight such as electronic call monitoring systems. 3. Ensure project scope and progress is carefully monitored, and risks and issues mitigated against via a Board chaired by the Director. 4. During the duration of the project, work with ICT to determine ongoing mosaic support and development functionality and resources required as business as usual. 	Georgina Diba / Rob Miller	Leanne Crook	Sep 2024	<p>Resources for a Mosaic follow-on project are in the process of being approved (via Capital Bid request process), to facilitate subsequent procurement .</p> <p>Work is split into three phases - phase 1 (Jan-April) is funded through mosaic recovery underspend plus 10% extension to existing PO.</p> <p>Phase 2 and 3 are requested to be funded via the Capital Bid request.</p> <p>Phase 1 work is underway and progressing well. Board is established and meets fortnightly.</p> <p>Discussions with ICT RE ongoing support are underway.</p>

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Title of Report	CORPORATE RISK REGISTER - COVERING REPORT
For Consideration By	Audit Committee
Meeting Date	June 21st 2023
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Ian Williams, Group Director Finance and Corporate Resources

1. **Introduction**

- 1.1. This report updates members on the current Corporate Risk Register of the Council as at June 2023 (attached). It also identifies how risks within the Council are identified and managed throughout the financial year and our approach to embedding risk management.
- 1.2. This report assists the Committee in its role of overseeing corporate governance and is presented for information and comment.

2. **Recommendations**

- 2.1. The Audit Committee is recommended to note the contents of this report and the attached risk registers and controls in place.

3. **Reason(s) for decision**

- 3.1. Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate these as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive.

The risk management process helps us to make such judgements, and as such it is important that Audit Committee is aware of this.

4. **Background**

The current Council risk profile was reviewed and ratified by the Corporate Leadership Team (CLT) in June 2023. In discussions and meetings with Directorate Risk Champions, various Heads of Service/Directors and other managers in different services, ideas and proposals on new risks and the current risks have been discussed, before the review being brought to CLT. Numerous risks have changed or now exist in different circumstances compared to when last reviewed by Committee in January 2023, particularly with unpredictable global events like the current cost of living crisis and what is unfolding in Ukraine.

Policy Context

- 4.1. All risk related reporting is in line with the Council's Risk Policy, ratified biennially by Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

Equality impact assessment

- 4.2. For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

Sustainability and climate change

- 4.3. This report contains no new impacts on the physical and social environment.

Consultations

- 4.4. In order for Risk Registers to progress to Committee, they will already have been reviewed by the relevant Senior Management Team within the corresponding Directorate, or at overall Council level. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

Risk assessment

- 4.5. The relevant Risk Register is attached in Appendix one.

CORPORATE RISK REVIEW

- 5.1 The Corporate Risk Register comprises risks that cut across the Council's Directorates, which could potentially impact on overall strategic objectives.
- 5.2 The contents of the attached register tend to focus on the more negative, potentially threatening sides of risk to the Council – looking at the consequences that might happen if a particular event occurs. However, with risk management there is often

an opportunity connected with a potential risk where an upside can be exploited. This is referred to explicitly in the Council's Risk Strategy where it is stated: "*if we focus on opportunities when assessing the merits of different possible solutions, this often allows us to look at bolder, more creative or innovative solutions - essentially to take greater risks, but calculated risks.*" In the case of the Council, there have been situations (as referred to in the Risk Register) where potentially negative events like funding cuts have occurred, or new legislation has been issued. In fact, this has often led to improved efficiencies, and has served as an opportunity to sometimes streamline services, and encourage new and more effective approaches to an area of work. It should be stressed that the Council, in managing risks, strives to look for this positive angle within risk management.

5.3 Notable risks included on the current register are:

- Cost of living crisis - this is an overarching risk looking at the current situation from the perspective of the whole Council. Each Directorate and most service areas also have their own separate risks in their respective registers relating to these financial pressures. The risk is a reflection of an unfolding crisis which is affecting most people across the country as well as having a direct impact on the Council's revenue and capital costs. With inflation now at 8.7% (as of May 23, down from 11.1% towards the end of 2022), the impact on most areas of life is notable and increasingly challenging to manage. The risk details how the Council is undertaking to deal with this and provide as much support as possible to those affected in the Borough. The risk also aims to go beyond the impact on service delivery and reference impacts on residents, staff and local businesses. It is not a risk that can be conclusively managed and reduced but we can provide assurance that we are doing everything within our powers and resources to deal with it as effectively as possible.
- Cyber Security. When the Cyberattack was discovered in October 2020, immediate work was carried out to isolate the Council's internally hosted systems and network and to notify the national leads for cyber security. However, risks remain that recovery work may introduce new vulnerabilities or reintroduce vulnerabilities which existed at the time of the attack / retain elements of the attack which could be reused in future. Also risks remain relating to the data stolen and published to the dark web in Jan 2021. Within this register these risks (with accompanying controls) are explored in detail, with most detail contained within the Cyber security risk (which has now been merged with the previous distinct Cyberattack risk).
- National and International Economic Downturn
This risk has now evolved quite significantly since it was first included on the Corporate Risk Register, but it remains critical. The Council has been continuing to carry out efficiency savings (necessary in light of the austerity measures of the Conservative government) which were exacerbated by the outbreak of Coronavirus across the world. The pandemic and then cost of living crisis has meant significant additional expenditure and reduced income. The ongoing impact on budgets is considerable.
- Risk 10 – Pensions

The Pensions risk has been on the register for a number of years, albeit has changed in that time. During the recent political volatility in the UK (especially following the mini budget in September 2022), there were headlines relating to the impact on pension funds holding a particular type of investment called leveraged liability drive investment or LDI. These investments are common amongst private sector pension funds, where many funds are closed to new members and cannot tolerate much volatility in their investments. The Hackney Pension fund has not been affected by this issue. Like all local government pension funds, it is open to new members and can afford to invest for the very long term, and tolerate more volatility than most private sector funds. The fund has therefore chosen not to use LDI approaches to manage its investments, so is unaffected.

- Risk 13 – New Legislation (cross Council).
There remains a need for the Council to be ready to act on any new legislation. In the (final) Queen’s speech of May 2022, a further 38 bills were proposed (on areas such as schools, data and procurement) which will continue to place pressures on Councils to respond.
- Risk 18 & 18b– Workforce
Another risk resulting from budgetary pressures and the pandemic is the impact it is having on staffing levels and accompanying restructures. This could clearly impact on how efficiently staff are able to work, and whether they have the resources to do it effectively. In addition, to meet the financial challenges ahead, it will be necessary for the Council to have a more agile workforce and not one constrained by traditional custom and practices.
- Risk 20b – Corporate Resilience
This is an iteration of the risk previously more about Business Continuity (within ICT), emphasising the importance of the Council being suitably prepared to respond and adapt to incremental change and sudden disruptions (which have clearly happened with the recent Cyberattack). Clearly, failure to do this would impact massively on our ability to effectively deliver services and CLT have supported this being featured at Corporate level.
- Risk 23 - Person suffers significant harm
This risk related to child welfare initially but after discussion at CLT was broadened to encompass all persons at risk in the Borough (including Council staff), and the safeguarding steps the Directorates are taking to protect them.
- Risk 30 – Temporary Accommodation.
This was escalated to the Corporate Register in July 2017 and remains in place especially in light of the implementation of the Homelessness Reduction Act, placing further obligations on Councils. The Cyberattack also affected systems used here. Now the cost of living crisis is placing unprecedented pressures on the Service, and risks here are continuing to increase due to the lack of resources, housing and budgets. The score of this risk has now risen to the maximum, reflecting the severe pressures currently being faced.
- Risk 35 & 36 – Insourcing and the setting up of Council owned companies. -
The risk relating to the Council’s approach to Insourcing was escalated in 2020. Obviously the Guidance paper is crucial in determining the best approach to

Insourcing decisions, depending on circumstances. The Council companies risk has also been on the register for two years, but is more important than ever in the light of recent PIRs (Public Interest Reports) which specifically related to some Council owned companies and subsidiaries. In each instance the Councils suffered severe losses due to poor decision making, a frequent lack of governance and a near complete lack of approved business cases. These serve as examples about how not to proceed with companies and make the risks very clear.

- Risk 39 - Climate Change. This was escalated at the end of 2019, and remains integral to the Council's overall objectives. With the recent publishing of the Council's Climate Action Plan (CAP), which went out to consultation in Autumn 2022 and has now been ratified, targets are brought even more into focus - with increasingly challenging commitments to be met.
- Risk 44 & 45 - Major Power Outage and Reduction of residential placements - the last iteration of the Corporate register contains two new risks. The first related to the potential of a power outage. The likelihood of this remains low however it has been on the radar of both central and local government, and some planning and preparation has occurred (even amidst the low likelihood.). The impact of this outage (more likely for a planned 3 hour regional outage, then a major failure) would be undoubtedly high for the community however. The risk relating to residential placements has been raised by Children's services and reflects the current financial pressures causing the numbers of residential placements having to be reduced. This ultimately impacts on vulnerable children and could challenge effective service delivery. A new risk has been escalated in April relating to surplus school places and the pressures this is placing on finances and threatening the closure of some primary schools.

Clearly there are overarching areas within this register where some risks are starting to compound the effects of other risks. An example of this is the cyberattack which has exacerbated other risks related to information, or the delivery of services dependent upon (affected) applications. Also the cost of living crisis is impacting upon a range of risks, whether the obvious financial effects, or the varied impacts it is having on people, services and processes.

6. Comments of the Group Director of Finance and Corporate Resources.

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 Whilst consideration of the risk register has no direct financial impact, many of the risks identified therein would have financial impact if they were realised. They therefore continue to be monitored to ensure that they are controlled to an acceptable level and that future actions to manage the risks are on track.

7. Comments of the Director of Legal, Democratic and Electoral Services

- 7.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.
- 7.2 Continuous review of the Risk register and impending legislation referred to is key to ensuring that the Council remain in control of the management of risk.

Appendices

Appendix one - Hackney's Corporate, Strategic risk register.

Background documents

None

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Hackney Corporate Risk Register June 2023

Report Type: Risks Report

Generated on: 3 June 2023



Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 81</p> <p>SRCR 0042 – Cost of living crisis EXTERNAL RISK CURRENT RISK</p>	<p>Pressures on the Council (including staff), households and businesses tighten further as the cost of living crisis intensifies, resulting in widespread financial challenges and deprivation throughout the community.</p> <p>In terms of what this crisis could potentially mean for the Council, all evidence would point to further pressure on budgets and services. This may result from more rent arrears, potentially more children in care, increased health risks for the vulnerable due to prohibitively high energy / grocery costs or increasing homelessness. With inflation currently at 8.7% (a drop from 11.1% at the end of 2022), future pressure on pay is likely to be high, and core service costs (whether through fuel, energy, food, staffing, raw materials) will be inflated compared to previous years. This places pressures on existing budgets and reserves.</p> <p>Within the community, this will particularly impact on those already in poverty (36% of households, 48% of households with children), as their situation becomes even more entrenched. This could place an increased demand on Children’s (and Adult’s) Social Care. Schools would be adversely affected by the pressures, with massively increased costs and pupils suffering</p>	<p>Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy</p>		<p style="text-align: center;"></p> <p>May 2023 - Britain remains on track for a record fall in living standards over the two years to the end of March 2024, despite an upward revision to growth forecasts, the Office for Budget Responsibility has said (OBR April 2023). Real household disposable income per person was on course to fall by a cumulative 5.7% over 2022/23 and 2023/24, 1.4 percentage points less than it forecast in November but still the biggest two-year drop since records began in 1956/57. The OBR also stated that rising prices and tax increases mean living standards will not recover to their pre-pandemic level until 2024-25.</p> <p>MTFP includes inflationary assumptions which may not be sufficient given updated forecasts. The Local Government pay rise for 23/24 is currently being negotiated by the Unions, after the previous year's rise being agreed in November 22 .Offers to date for 2023/24 already exceed the 4% set aside in the MTFP.</p> <p>The issue of fuel poverty remains problematic, although it looks likely prices will recede over the next year. Even with government support (which will now be extended beyond the end of March 2023), most people’s bills will remain more than double what they were a year ago. The same applies to organisations and businesses.</p> <p>Although this was new to this register as a distinct risk in June’s (22) iteration, most elements within have previously featured amongst other risks (eg - economic downturn risk). There is a detailed separate workstream on the Hackney Cost of Living Response, which is being led by the Group Director of Finance & Corporate Resources as SRO. This has been looking at the crisis within</p>

	distraction from their education (as well as the risk of 'holiday hunger' for them).				each Directorate from the separate perspectives of residents, staff, businesses and service areas.
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0042a – Inflationary pressures - Council (revenue)	Review and update assumptions in the medium term financial plan (MTFP) regarding price inflation and impact of cost of living on residents' ability to pay.	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Jackie Moylan	July - 2023	May 2023 - The MTFP was updated and included in the budget report to Full Council in March 2023. For 2023/24 this included provision for the pay award and other specific inflationary elements including for energy. As set out above the pay award for 2023/24 is likely to significantly exceed the provision made. One-off resources are being identified for meeting this additional cost for 2023/24 and, once the amount is clear, this pressure will be built into the base budget going forward.
SRCR 0042b - Inflationary pressures - Council (capital)	Gateway processes in major project delivery robustly challenges affordability in the context of rising construction inflation.	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Ian Williams	Ongoing	May 2023 - This control is currently managed at project board level. The new Capital Asset Steering Board (CASB), is developing oversight over the capital programme as a whole. This will include ensuring transparency over the links between the capital programme and the MTFP - with increased borrowing to fund capital schemes (with less capital receipts and grants now available) impacting on the budget gap going forward.
SRCR 0042c - Inflationary pressures - Supporting Residents	Build and implement a single income maximisation service which is proactive and streamlined from the residents' perspective.	Ian Williams	Rob Miller/ Jennifer Wynter	May 23	<p>May 2023 - Poverty reduction, building an inclusive economy and homelessness reduction are three of the Council's cross-cutting strategic priorities.</p> <p>There are many teams who have the resources and duties to deliver on these objectives for our residents, but too often the journey for residents is fractured and complex.</p> <p>For example, <u>this audit</u> of discretionary or emergency hardship schemes found:</p> <ul style="list-style-type: none"> • Nine different formal discretionary or emergency hardship schemes • Ten other types of support available to residents in crisis <p>The new Money Hub pilot team went live on Monday 31 October 2022. The project team is mid way through a 12 month pilot, trialling the following:</p> <ul style="list-style-type: none"> • A single point of entry, where residents only have to apply once to be considered for a range of financial support schemes. • Income maximisation through encouragement of wider benefits take up, as well as money management advice • Use of our systems and data to prompt proactive offers of financial support, rather than waiting for residents to come to

					<p>us, particularly when we estimate they are underclaiming key benefits</p> <ul style="list-style-type: none"> • Reduction in evidence threshold for applications to funds, or switch to using data we already hold rather than asking residents to resubmit <p>To date the team has delivered:</p> <ul style="list-style-type: none"> • £518k worth of annually increased incomes for residents through benefits uptake schemes • Managed a 600% increase in applications and awards of discretionary funds • Trained colleagues from across the council and VCS partners to improve confidence and skills of staff supporting residents with benefits queries
<p>Page 83</p> <p>SRCR 0042d inflationary pressures - Supporting Residents</p>	<p>Implement priority 3 of the poverty reduction framework adopted in March 2022 which has three priorities:</p> <ol style="list-style-type: none"> 1. Prevention, early years and early help 2. Tackling low wages and cost of living 3. Responding to the material needs of poverty 	<p>Mark Carroll, Ian Williams</p>	<p>Sonia Khan</p>	<p>Sept 23</p>	<p>May 2023 In addition to the actions identified above under income maximisation, the following actions are being progressed. Demand continues however to increase across the system and working collaboratively with partners remains key as we cannot operate in isolation: -we are running fortnightly online sessions to share tools and resources with resident-facing practitioners from across sectors. - we have identified a further £850k to support poverty reduction working with partners.</p> <p>We are distributing £5.6m thanks to continued support from central government via the Housing Support Fund.</p> <p>A task group is identifying action to tackle food poverty affecting children in schools.</p> <p>We are also doing what we can to support organisations on the ground. This is vitally important because it is these organisations that have the greatest reach into diverse communities. For example, we helped secure £180k to invest in the three food hubs that coordinate the distribution of food waste (Woodberry Aid, Hackney City Farm, Morningside and Gascoyne).</p> <p>Over winter, we designated libraries as warm hubs and are supporting more organisations to develop warm hubs and get onto the online map of hubs. Hackney's energy advice contractor - the London Energy Saving Squad (LESS) are running energy advice drop-in sessions at designated hubs across the borough.</p>
<p>SRCR 0042e - Inflationary pressures -</p>	<p>Management of relief and discounts available to residents and businesses inc Council Tax Rebate</p>	<p>Ian Williams</p>	<p>Rob Miller/Neil</p>	<p>Sept 23</p>	<p>May 2023</p>

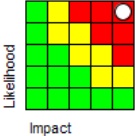

Supporting Residents & Businesses	and business rates relief. Proactive signposting to additional financial support that is available. Recovery action that encourages payment and works with residents and business to create sustainable payment plans.		Clarke /Revenue and Benefits		<ul style="list-style-type: none"> Review guidance issued with bills and council website to ensure its clear to residents / businesses what reductions that they are entitled to from their council tax and business rates bills Staff training to ensure all staff including F2F, Customer services and revenues staff understand what additional support is available to residents and businesses and are able to signpost accordingly Promote and make access available to all to maximise take-up of the council tax rebate. Revenue staff to work with residents and businesses to establish affordable payment plans Recovery when undertaken - work with residents and businesses to avoid where possible actions that increase the debt - ie court and enforcement agent action.
Page 84 SRCR 0042f - Financial relief	Promote and signpost financial relief and support available to local businesses, promote access to affordable workspace in the borough, and promote access to business income and investment opportunities via the Hackney Business network and other business focused channels and forums.	Mark Carroll; Rickardo Hyatt	Stephen Haynes, Suzanne Johnson	Sept 23	<p>May 2023</p> <ul style="list-style-type: none"> Hackney Business Network website is established and provides up to date advice and guidance to businesses, including on dealing with financial issues and the cost crisis. Regular newsletters are also issued to businesses on the network with updates on business support available. The Hackney Business Support programme for 2022/2023 provided access to business support and funding for local businesses via both Council and externally run and managed programmes (Allia business support programmes, Newable Adapt Your Business programme. High Streets and Town Centres Fund, and Hackney Central Impact and Ideas Fund). Starting in 2023/24, £441k of funding received from the UK Shared Prosperity Fund will be used to support local businesses via several different business support programmes. More details on how businesses can access these will be available in due course and communicated via the LBH website and the Hackney Business Network. Associated Cabinet report here: https://hackney.moderngov.co.uk/documents/s83123/February%200FP%202023.pdf

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0021 Cyber / Information Security INTERNAL /EXTERNAL RISK FUTURE RISK Page 85	<p>Cyber threats continue to rise rapidly, with a growing number of large businesses and public sector organisations experiencing cyberattacks similar to the criminal cyberattack on the Council in October 2020.</p> <p>Recent victims include the Post Office, Capita, the system provider for NHS 111 (Advanced), schools, care providers and a wide range of other organisations.</p> <p>There are direct risks to the systems used by the Council's services, including those which are externally hosted, and also risks relating to data that the Council is responsible for which is processed by third parties contracted by the Council or other partners.</p> <p>There is also ongoing risk relating to data stolen in cyberattacks ('exfiltration' of data). This can remain in the possession of cyberattackers and beyond the control of the Council.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		<p>May 2023 Recovery of systems and data affected by the cyberattack is ongoing, with the majority of services now operating normally. Some workaround processes remain while recovery / rebuild of systems and clearing of backlogs caused by the cyberattack continues, and there are also services where some functionality is not yet fully recovered and ongoing service impacts continue.</p> <p>The overall recovery (from the Cyberattack) is in line with our pre-existing plans for migration to modern, cloud services and provides the best possible cyber protections for the Council's systems and data. Our recovery is consistent with the Council's pre-existing technology strategy, through which we have removed a number of underlying risk factors (e.g. replacement of Windows PCs with Chrome OS devices for almost all users).</p> <p>Work is continuing to respond to the publication of stolen data in January 2021. The Council is continuing to cooperate closely with the Information Commissioner's Office to support their investigation into the attack.</p> <p>The Council has also responded where needed following cyberattacks on partners which might present a risk to data processed on behalf of the Council.</p>

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
FR IT 0006a Ensure compliance with the PSN Code of Connection and other applicable standards (including the ICT security requirements for compliance with the NHS IGSoc).	<p>Ensure that good security practice is reflected in the Council's technical architecture and operational practices, including annual PSN Code of Connection compliance assessment (supported by IT health check).</p> <p>This will be an ongoing annual activity (no fixed end date).</p>	Ian Williams	Rob Miller	Sept - 2023	<p>May 2023 The Council has a current PSN compliance certificate, valid to February 2024.</p>
FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.	<p>Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).</p>	Ian Williams	Rob Miller	Sept - 2023	<p>May 2023 The Council's Data Awareness Training continues to be managed as a Business As Usual process for all users (including Members). Users are required to complete the training and access is removed if it is not completed.</p>

<p>FR IT 0006c Ensure that all hardware and software is supported for security updates.</p>	<p>Ensure that infrastructure and application lifecycle management practices are in place and functioning effectively so that the Council's systems remain supported. This will be an ongoing activity (no fixed end date).</p>	<p>Ian Williams</p>	<p>Rob Miller</p>	<p>Sept - 2023</p>	<p>May 2023 Our security assurance workstream is establishing our policies and processes for ongoing management and assurance of our systems and data. This includes compliance with NCSC guidance and other required standards. by the Council's Information Governance Group.</p>
<p>SRCR 0041a Modern cloud services</p>	<p>Continued use of the most modern cloud services available, underpinned by the 'web first' and 'zero trust' security model.</p>	<p>Ian Williams</p>	<p>Rob Miller</p>	<p>Sept - 2023</p>	<p>May 2023 The overall recovery (from the Cyberattack) is in line with our pre-existing plans for migration to modern, cloud services and provides the best possible cyber protections for the Council's systems and data. Our recovery is consistent with the Council's pre-existing technology strategy, through which we have removed a number of underlying risk factors (eg replacement of Windows PCs with Chrome OS devices for almost all users).</p>
<p>SRCR 0041a Recovering data</p>	<p>The cyber attack resulted in all internally hosted legacy systems being unavailable. The recovery work for this has been complex and extensive, so priority needed to be given in line with the Gold priorities. This work has continued over the last year with significant progress being made.</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Rob Miller</p>	<p>Sept - 2023</p>	<p>May 2023 Recovery work has continued, including go live of Mosaic for adults' social care at the end of 2022. Some workaround processes remain while recovery / rebuild of systems and clearing of backlogs caused by the cyberattack continues, and there are also services where some functionality is not yet fully recovered and ongoing service impacts continue.</p>
<p>SRCR 0041b Service continuity</p>	<p>The systems that have been impacted by the cyber attack are essential for the delivery of many of the Council's critical services including: social care; housing benefits; Council Tax and Business Rates; land charges; and housing services. These systems and data sets being unavailable has a major impact on those services and business continuity and contingency arrangements will be essential to delivery of the most critical parts of those services.</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Aled Richards / James Groom</p>	<p>Sept - 2023</p>	<p>May 2023 Coordination of service continuity and recovery continues and is led by the Corporate Leadership Team / directorate leadership teams.</p>
<p>SRCR 0041c Maximizing existing tools</p>	<p>While primary services systems are unavailable it is essential to explore alternative interim tools that can be made available to support service continuity arrangements. The Council has a number of tools it can deploy to provide this, including tools developed using the Amazon Web Services cloud platform and Google Workplace.</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Rob Miller</p>	<p>Sept - 2023</p>	<p>May 2023 Where practical the Council's existing investments have continued to be used to provide interim solutions for service continuity and longer term migration of data and services to the cloud.</p>

SRCR 0041d Communication to residents and staff	Many services that residents depend on were impacted by the attack, and would equally be affected by any future attack	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Rob Miller, Comms team	Sept - 2023	May 2023 Services are continuing to maintain updated information about the recovery of their services on the Council website. Progress updates have been provided to Members and the Council is continuing to engage positively with media enquiries about the continued impacts of the attack.
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 87</p> SRCR 0001 National and International Economic Downturn - impact on budgets EXTERNAL RISK CURRENT & FUTURE RISK	<p>There is an ongoing risk to the Council's finances arising from 13 years of austerity and the impact of prevailing economic conditions following the pandemic and in the midst of the cost of living crisis. . In Hackney, this has been compounded by the effects of the cyberattack.</p> <p>The risk is that the Council spends more money than it can finance through planned income streams and the annual financial settlement from central government. This then results in a budget deficit or an unacceptable call on reserves. London boroughs Core Spending Power will be c.19% (£2.2bn) lower than 2010-11 by 2024-25 in real terms.</p> <p>This risk to financial sustainability could drive reductions in services leading to local dissatisfaction and damage to the Council's reputation. Tighter finances could result in less capital, affecting potential economic development and social infrastructure.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		<div style="text-align: center;">  </div> <p>June 2023</p> <p>The pandemic and the Cyberattack both had a very serious impact on the Council, significantly reducing the flexibility and resilience of the Council's financial position. However, increasingly the organisation has moved on from those challenges and now has to deal with the overall cost of living crisis. However, the Chancellor has said the UK will not be in recession in 2023. The specific risks in relation to the cost of living crisis are set out at SRCR 0042 above.</p> <p>In the 2023-24 Local Government Finance Settlement, the Government announced the funding allocations for 2023-24 and most of the key allocations for 2024-25. These were both in line with expectations. Very little detail was given on 2025-26 and beyond but it is likely that local government will suffer a real terms reduction in external funding post 2024-25</p> <p>Clearly, a one year settlement for 2023/24 does not assist with medium term financial planning and the Council must be prepared to develop significant savings plans in the medium term in anticipation of the reduction in real resources, high inflation and increasing interest rates. In the light of inflation and a reduction in resources in real terms, adding more uncertainty, pressure and challenge to an already problematic situation, the score has been maintained at the maximum. This clearly creates risks for the Council given the high rate of inflation which will almost certainly continue for some time.</p> <p>The latest financial forecast contains a series of proposals that would reduce the budget gap to £8.5m in 2024-25, compared to a 2023-24 Budget MTFP forecast gap of £22m and a still very high cumulative gap of £29m in 2026-27 (down from £57m). The latter must be regarded as an illustrative forecast only though</p>

					because of uncertainties regarding future external funding and the ongoing impact of the cost of living. Finally, the Fair Funding Review remains a risk but the 2023-24 LGFS announced that it won't be implemented in 2023-24 or 2024-25 either. What happens after this is unclear.
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0001B National and International Economic Downturn	There is a need to ensure that the Medium Term Financial Plan accurately reflects best estimates of future funding levels. Financial planning will be constantly diligent and reflect the changing circumstances of budgets available. Also, controls from other related risks are relevant, e.g. Regeneration projects and Recruitment and Retention [increasing access routes into the Council's employ].	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Ian Williams	February 2024	May2023 - An updated MTFP was included as part of the annual budget report to Council in March 2023. . The assumptions contained within are reviewed on an ongoing basis with particular regard to inflationary pressures (see Risk SRCR 0042). A formal update of the MTFP will be undertaken for the autumn taking into account these pressures and ongoing budget development work.
Page 88 SRCR 0001A National and International Economic Downturn	Whilst the overall risk is external and largely beyond control of the Council, there is a clear need to identify, implement, monitor and resource the delivery of significant reductions in expenditure and to ensure the services that continue to be provided are resourced adequately. Also, Officers' advice to members needs to be explicitly clear as to what can and cannot be delivered including the organisations ability to deliver and implement the commitments contained within the local manifesto.	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Ian Williams	February 2024	May 2023 - action ongoing. The Corporate Leadership Team (CLT), with the Group Director of Finance & Resources taking the lead, are overseeing the budget development work to meet the forecast budget gap for the medium term period 2024/25 to 2026/27. This is focussed on specific areas of spend & income identified through a combination of benchmarking and externally commissioned work. Proposals are being developed in close collaboration with Cabinet members to ensure transparency around impacts including where there may be service reductions or increases in charges. Given the size of the budget gap Group Directors have also been working to develop a long list of additional budget proposals This work will not offer straightforward solutions, however, and it is anticipated that difficult decisions will still need to be taken. Budget proposals will be subject to a scrutiny process which is currently under development.
SRCR 0001D National and International Economic Downturn	Savings proposals are developed and agreed with members in order to bridge the forecast reduction in resources. At the same time, the capital programme is subject to review to ensure that available resources are used to deliver Council priorities. Several measures, including numerous restructures, have been used to reduce overall expenditure levels across the Council. There are also continuing efforts at seeking ways to generate additional income, for example in the use of Corporate Estates for	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Ian Williams	February 2024	May 2023 - ongoing, as noted above regarding savings for future years. A review of capital management has been completed and the first tier of the new structure - the Capital Asset Steering Board (CASB) now in place. A key feature of the new arrangements, is to ensure that the capital strategy remains aligned with the Council's priorities through revised governance and approval processes and that the capital programme is affordable in terms of capital resources available and the impact on revenue budgets through clear links through to the MTFP.

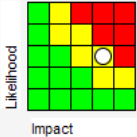

	events /major regeneration and building projects / changes in service delivery models etc. This is already resulting in considerable savings to help mitigate the risk of funding cuts.				
SRCR 0001E Commercialisation	The Council is looking to take advantage of commercial opportunities which are presenting themselves as a new way of raising capital and mitigating impacts of austerity. These more innovative ways of working present opportunities to protect the Council against cuts in other areas.	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt	Ian Williams	February 2024	<p>May 2023 -</p> <p>The budget development process referred to at SRCR 0001A above includes 2 specific work streams with a focus on commercialisation and income generation:</p> <ul style="list-style-type: none"> Estates - although this workstream is also concerned with the efficient running of the corporate estate and the potential release of cost savings with post-pandemic hybrid working now embedded further office space is available for commercial letting. Income Generation - this workstream is focussed on the development of a corporate approach to commercialisation alongside ensuring existing income generating activities are sustainable and exploring further such opportunities.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0002 Management of Capital Programmes / Schemes EXTERNAL RISK FUTURE RISK	<p>From a financial perspective, as a result of substantial external borrowing to fund the ambitious capital programme, the Council moves from a low external debt position and becomes more vulnerable to changes in the market (interest rates. potential volatility of the housing market affecting sales volumes / value and increasing building costs as a result of weaker GBP against other currencies). This could lead to financial pressures as unexpected costs of borrowing would be incurred.</p> <p>Additionally, Major Capital Schemes may not be managed or targeted effectively to maximise use of resources available and ensure delivery according to expectations. This poses a risk to the successful completion of such schemes, incurring losses and dissatisfied stakeholders.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		<p style="text-align: center;"></p> <p>May 2023 - This risk is ongoing and intensifying in light of the quantity of high level programmes across the Council and increases in interest rates. The ambitious capital programme requires forward funding, pending future sales of private residential units on completion of regeneration and other mixed use development schemes. In terms of this financial year, the revised capital programme for 2023/24 is currently £309m (non-Housing schemes totalling £153m and Housing schemes totalling £156m). A commitment to building affordable homes is part of the Mayor's priorities, so multiple building projects will be required to achieve this.</p> <p>There are detailed separate risk registers for major projects such as Britannia. Britannia has a commercial lead and has contracted construction specialist cost advice and financial viability advice for the project. This has meant that phase one</p>

					(the school and leisure centre) have been delivered on budget. This approach will continue for phase two of the project, enabling more informed decision making by the Officer Steering Group and Project Board established to govern it. This risk has remained the same since the last period as there are no major changes to the project profile.
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0002A Management of Capital Programmes / Schemes	All capital schemes are subject to review via the capital budget monitoring process which is reported through to Cabinet and also reviewed by Audit Committee on a quarterly basis. .	Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland;Rickardo Hyatt	Jackie Moylan	Feb -2024	May 2023 - The capital budget for 2023/24 is £309m (Non-Housing budget £153m and Housing budget £156m). Following the Capital Management Review, the Capital Asset Steering Board (CASB), is now in place and will strengthen monitoring of the overall capital programme at Cabinet member and Chief Officer level (see SRCR 0002C below). Thematic and area-based reporting formats in terms of outcomes and costs are being developed and timetabled for implementation in the current financial year.
SRCR 0002B Management of Major Capital Schemes	Major schemes are managed via project boards to ensure appropriate actions are taken to ensure delivery of scheme to expected standards.	Mark Carroll; Ian Williams; Ajman Ali; Jacqui Burke; Helen Woodland;Rickardo Hyatt	Jackie Moylan	Feb - 2024	May 2023 - Governance for major projects include next step gateway processes which ensure affordability of projects are subject to periodic review which is a significant risk in a time of high construction inflation.
SRCR 0002C Management of Major Capital Schemes	Following the completion of a capital management review the Capital Asset Steering Board (CASB), a joint Cabinet member and Chief Officer board is now in place and has oversight of the capital programme as a whole. The purpose of the board includes to review new project proposals, including their affordability and make recommendations to Cabinet on their inclusion on the capital Programme & monitoring the delivery and development of the Capital Programme, Strategic Asset Management Strategy and the HRA Asset Management Plan.	Mark Carroll; Ian Williams; Ajman Ali; Jacqui Burke; Helen Woodland;Rickardo Hyatt	Jackie Moylan	Mar - 2024	May 2023 -The CASB was established in October 2022 and to date has input into the capital strategy approved as part of the budget report and reviewed and recommended new capital investment to go forward to Cabinet. In the current financial year, as well as the enhanced monitoring arrangements referred to at SRCR 0002A above the CASB will also oversee the development of a 10 year capital programme (currently three) linked into the MTFP.
SRCR 0002D Management of Major Capital Schemes	The Council has a Treasury Management Strategy (TMS) in place which incorporates the authorised borrowing limit and borrowing strategy. The TMS is reviewed by Audit Committee and approved by Full Council on an annual basis with the Audit Committee receiving quarterly updates on treasury management activities including any new borrowings. The Council also has treasury	Ian Williams	Jackie Moylan	May 2024	May 2024 - This is not a new control but is now recorded on the risk register in relation to Manor Capital Schemes due to increased borrowing requirement and heightened interest rates.

	management advisors in place who support us in making borrowing and investment decisions.				
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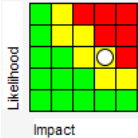

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 9</p> <p>SRCR 0010 Pension Fund EXTERNAL RISK CURRENT & FUTURE RISK</p>	<p>General market volatility (eg – price and pay inflation is more than anticipated), changing demographics, vulnerable asset classes and any legislative changes could pose a risk to investment returns which underpin fund performance and ability to meet future liabilities without additional financial burdens on the taxpayer. If investment returns are poor or the outflow of resources is much larger than expected or an asset category seriously underperforms, this will have serious financial implications for the Pension Fund and ultimately add cost pressures to the Council’s budget and other employers in the Fund via increased employer’s pension contributions.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>May 2023 - In the immediate aftermath of the pandemic, stock markets crashed and investments almost everywhere went down, although they quickly recovered and continue to generally increase in value. Within the recent political volatility in the UK (especially following the mini budget in September 2022), there were headlines on the impact on pension funds holding a particular type of investment called leveraged liability drive investment or LDI. These investments are common amongst private sector pension funds, where many funds are closed to new members and cannot tolerate much volatility in their investments. The Hackney Pension fund has not been affected by this issue. Like all local government pension funds, it is open to new members and can afford to invest for the very long term, and tolerate more volatility than most private sector funds. The fund has therefore chosen not to use LDI approaches to manage its investments, so is unaffected by this.</p> <p>While market conditions remain volatile, both our investment strategy and the plan for meeting our liabilities (our future pension payments) stretch over the very long term and we are confident that it is robust. The Fund remains cash flow positive albeit not as strongly as in the past. We will be closely monitoring the situation but we do not expect to make major changes outside of the Fund’s investment strategy, a review of which is underway in conjunction with the recent actuarial valuation. We remain committed to the Fund’s policy to reduce exposure to carbon reserves and greater focus on ESG matters.</p> <p>The likelihood of this risk occurring is currently rated as possible, whilst the impact if it did occur would be major, given the potential for the Council to be required to pay additional contributions in the event that the funding position were to deteriorate.</p> <p>In Oct 2015, the Government called for the assets of the 91 LGPS funds in England and Wales to be pooled into 8 pools of approximately £25bn+ of assets. The overall aim is to reduce investment costs and improve the resilience of the LGPS through potential performance improvements. The Council has committed to transfer further assets to the London CIV, but the process is ongoing. Transition of assets results in increased transition risks</p>

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0010D Pension Fund	The funding of the Pension Fund liabilities continues to be monitored closely and the Fund seeks to mitigate systemic risk through a diversified portfolio of asset classes but it is not possible to make specific provision for all possible eventualities that may arise under this heading. Rebalancing arrangements are in place to ensure the Fund's "actual allocation" does not deviate substantially from its target. The Fund invests in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk.	Ian Williams	Jackie Moylan; Rachel Cowburn	August 2023	Updated May 2023 - ongoing.
FRFSV 0052D Knowledge and Skills	Ensuring those charged with governance of the Fund and for managing the day to day operations have the requisite knowledge and skills to make informed decisions when managing the funding position. Use of external advisers to assist in making investment decisions. There is ongoing monitoring of financial markets and close communication with Pension Fund Investment managers/consultants.	Ian Williams	Jackie Moylan; Rachel Cowburn	August 2023	A revised CIPFA framework has been issued and an updated Council Policy was agreed at Pensions Committee in November 2022. An updated training programme will follow an audit against this new policy in the new administration. Detailed reports are considered at Pensions Committee at regular intervals providing them with the assurance that risks are being managed.
FRFSV 0053B Pension - Valuation Monitoring	Triennial Valuation assesses the funding position, intervaluation monitoring ensures that movements in the Funding position can be assessed and strategies to manage any deterioration/improvement are put in place. Assessment of liabilities at the triennial valuation and the roll-forward of liabilities between valuations helps identify – financial mismatch / falling risk free returns on government bonds / higher than anticipated inflation / increasing fund maturity / insufficient deficit reduction payments.	Ian Williams	Jackie Moylan; Rachel Cowburn	August 2023	Reviewed May 2023 –.The triennial valuation is now complete and, emphasising that this is at a point in time and highly sensitive to market conditions, showed the fund as 106% funded. .
FRFSV 0053C Identifying the external risk factors that affect the funding position	Identifying the various risk factors, asset/liability, investment, longevity, interest rates, inflation, liquidity, etc and how the interaction of these impacts on the funding position and adapting the strategy and business plans to manage these risks where feasible. Also regarding further Asset Pooling, planning for transition is considered as part of the Investment Strategy development to ensure assets	Ian Williams	Jackie Moylan; Rachel Cowburn	August 2023	Updated May 2023 - All these factors were reflected in the triennial valuation process.

	are transitioned efficiently and within the required timeframes.				
FRFSV 0042E Controls related to asset pooling	Monitor proposed changes, consultations and guidance from Government on the pooling agenda, responding where appropriate to influence outcomes. Amend process where required to ensure compliance. Also maintain good working relationships to ensure the Fund is fully aware of developments at the pool level and the pool is aware of and responds to the Fund's strategic requirements.	Ian Williams	Jackie Moylan; Rachel Cowburn	August 2023	May 2023 – Transfer of further assets to the London CIV is being considered as part of the current Investment Strategy Review.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
Page 93 SRCR 0013 Impact of New Legislation EXTERNAL RISK FUTURE RISK	<p>The Council may not be able to respond to external influences on legislation and updated policies, thus risking the efficiency and effectiveness of service provision. Also if requirements of any new act are not met, there would be an adverse impact on the Council's legal and reputational standing.</p> <p>As a result of new policies, the Council's financial position may be adversely affected, constraining its ability to invest or progress work in new areas. Many of these policies could also have damaging consequences for the local community and many people currently living in Hackney.</p> <p>Additionally, the impact of new legislation - seen in areas such as Welfare Reform (especially Universal Credit) and in response to the Coronavirus crisis- could result in an increase in rent, service charge, arrears, higher legal costs, increased evictions and pressure on the vulnerable (potentially resulting in homelessness).</p> <p>Further effects of new legislation could be financial, legislative (with a failure to understand the breadth of responsibility) and reputational, directly affecting the local community. There could also be issues amongst the local community in terms of dissatisfaction, lack of understanding and increased financial difficulties.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		<p>May 2023 –The final Queen's speech was delivered in May 2022, and contained 38 bills including ones on schools, data and procurement (the latter two linked to leaving the EU). The Homelessness Reduction Act (April 2018), GDPR (May 2018), the Care Act (2014), The Housing and Planning Act 2016 and the Environment Bill (2021) are all further examples of recent legislation having a significant impact on the demands to the services of the Council. With the emergence of the Coronavirus, a great deal of pressure was put on Benefits as there were massively increased numbers of those claiming UC (and business grants etc), especially post COVID-19. Currently the Election Act 2022 is posing significant challenges with regards to voter's ID, so this is more legislation that is having to be carefully planned for.</p> <p>Regarding the Housing and Planning Act (2016), the HRA debt cap has now been lifted, the forced sale of council houses removed – therefore having increased flexibility for investing in new homes. However, there are pressures on new housing delivery and the investment in existing stock arising from changes to Building Control, fire safety, and the need to reduce carbon emissions.</p> <p>Furthermore there are other forthcoming examples of proposed legislation that could impact on the carrying out of Council functions, and the risk that needs to be managed is</p>

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0013 Impact of New Legislation Page 94	The Council continues to monitor and respond to consultations regarding service delivery and other innovations to ensure that it is fully aware of new and changed initiatives and can react accordingly. All managers keep up to date with external developments which may impact on their work. Careful project and programme management is undertaken to deal with any serious reforms and their implementation. There is a quarterly Corporate Law Update outlining all the latest legal developments and their potential impact on the Council.	Mark Carroll	Dawn Carter-McDonald	Sept 2023	May 2023 - ongoing. A specific example of this would be within Housing, where the Senior Officers have been continually carrying out detailed analysis regarding the likely impact of new (Housing) policies, both internally and with other boroughs and representative organisations. Individually and with other boroughs, the Council continues to respond to policies in order to mitigate the adverse effects of these policies. Once the detailed Statutory Instruments have been published, the likely impacts of the various policies can be more accurately be assessed and work can continue on preparations to implement the measures in a way that best mitigates the impacts on the Council and residents. The Building Safety Bill (issued 20/7/20) and new energy regulations both constitute new legislation to get to grips with.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0018 Workforce & Skills INTERNAL RISK FUTURE RISK	Over three years on from the start of the Covid pandemic, and the continuing implementation of future workplace programmes could lead to staff feeling disengaged and unsupported. There may be a lack of cohesion within hybrid teams, disproportionate impacts on some groups of staff, and growing perceived disparities between field based and office/home based staff. Also there have been some inconsistencies in the approach of different teams towards time in the office which could affect overall Service / Directorate cohesion. Ongoing uncertainty around the pandemic situation (with a risk remaining of further strains) could lead to organisational drift. Additionally, the world of technology and work is changing fast and there is a risk that the Council might fail to maximise the potential of	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		 May 2023 - The pandemic added an increased importance to this risk, but things have settled in the last year to return to a more stable state of affairs. In the immediate aftermath of the lockdown, it became clear that the vast majority of the workforce would need to permanently work from home for a period of months and this would be a challenge to technology. Happily, most risks related to this did not materialise. However, the adaptation towards a (flexible) return to work may now present new challenges. As of May 2023, most teams have returned to a

	<p>these changes, including the potential to transform services through effective use of data, technology and digital approaches and mind sets. As well as the risk of missing opportunities to deliver more cost effective services, this also risks Hackney failing to meet residents' expectations of the Council's services. Embracing new ways of working is important for the organisation. Failure to do this could result in the Council lacking the dynamism to succeed in effectively utilising opportunities open to it.</p> <p>There is also the additional risk that amidst an atmosphere of financial reductions and redundancies (and the aftermath of the pandemic), the Hackney workforce become demotivated, leading to a negative atmosphere amongst workers, impacting upon service delivery and leading to dissatisfied stakeholders. Also that restructures and significant senior leadership change may cause temporary loss in efficiency as officers are unsure of how new reporting arrangements, responsibilities and service provisions are put into practice. Knowledge could be lost with a large number of experienced staff taking redundancies or leaving the organisation.</p>			<p>hybrid approach to work, of two days in the office and the rest home working.</p> <p>The Cyberattack in October 2020 added a new level of challenges to this risk, which have been worked through over the last year with ongoing workstreams to ensure all services can return to running as normal. Some backlogs do remain however.</p> <p>There has been notable change within the Senior Leadership at the Council over the last couple of years and further restructures are planned or taking place in different services around the Council. These are being carried out for a variety of reasons including improving team's organisational efficiency, adapting to new ways of working and also in some areas due to cuts to funding.</p> <p>The latest Staff Engagement Survey was completed at the end of 2021 (with another scheduled for later in 2023) and the results shared with all staff. Overall, the results illustrate generally positive feedback from staff, but all areas are being analysed, with CLT pledging to take all issues on board. Also, March 2022, saw the completion of the latest Future Ways of Working survey, with very useful feedback helping this become a genuinely two-way process.</p>	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
<p>SRCR 0018 a Workforce & Skills</p>	<p>Investing in staff skills and digital leadership across all services</p> <p>Ensuring that the Council has a joined up approach to workplace - designing technology, workspace, policy and practice to ensure that these come together cohesively to support maximisation of these opportunities.</p> <p>The Council is piloting training for all managers with home/office staff to help them gain the skills to effectively manage a hybrid workforce. 65 managers took part in the initial pilot with the aim to use their feedback further adapt and tailor the course content for Hackney and deliver organisation wide. An organisation wide staff survey is currently underway to test staff engagement/morale levels. Data will be provided at Directorate and Dept level and support provided for Directors to shape action plans. Regular staff insight work has been carried out throughout the pandemic and has shaped the organisational response and future workforce plans. The workforce strategy has been updated in the light of the pandemic.</p>	<p>Mark Carroll, Ian Williams</p>	<p>Stuart Thorn, Rob Miller</p>	<p>Dec 2023</p>	<p>May 2023 - Updated and ongoing.</p>

SRCR 0018 b Workforce & Skills	There are detailed HR procedures and processes to deal with all relevant areas (including problems/instability created by restructures) and these are carefully adhered to by teams involved. All communication is regular and carefully considered. Staff are well supported in adapting to new ways of working (whether from an IT or HR perspective).	Mark Carroll, Ian Williams	Stuart Thorn,	Dec 2023	May 2023 – these controls are in place and continuing. Detailed guidance was drafted in March 2020 to provide staff with detailed instructions and special dispensations (if required) during the Coronavirus crisis. These have been consistently updated since then to reflect the latest position. Most recent guidance in 2022, points towards the current return to the office with a hybrid approach to work. Also clear guidance and support offered for restructures etc.
SRCR 0018 c Workforce & Skills	Ensuring that the Council's strategic plans reflect these opportunities. Also that internal communications effectively relay any developments and changes.	Mark Carroll, Ian Williams	Policy	Dec 2023	New Corporate and Community Strategy (2018-2028) reflect this.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
Page 96 FR IT 0001 Information Assets INTERNAL RISK FUTURE RISK	<p>The Council holds a wealth of information assets across its services. It is essential that this is managed in compliance with requirements such as the Data Protection Act, the NHS IG Toolkit and also the General Data Protection Regulation (which came into effect from May 2018). Failure to do this creates serious regulatory / legislative risks for the Council.</p> <p>It is also essential that the Council is able to use these information assets effectively to commission and deliver high quality services, reduce costs and work in partnership with other agencies and providers.</p>	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>May 2023 No substantive change to the risk.</p> <p>The Council continues to work to apply its information management policies and follow the requirements of the GDPR and other regulatory / partner requirements.</p> <p>The Council is continuing to work closely with the Information Commissioner's Office to support their investigation into the criminal cyberattack on the Council in October 2020.</p>	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
FR IT 0001a Information management	<p>Ensure effective information management policy and processes are in place so that the Council meets the requirements of the Data Protection Act / other legal and regulatory compliance arrangements.</p> <p>Ensure that the Council's information assets are managed robustly and used effectively to provide insight and to integrate Council and partner services, and deliver the maximum benefit to residents and businesses.</p>	Ian Williams	Rob Miller	May 2023	<p>May 2023 The Council continues to work to apply its information management policies and follow the requirements of the GDPR and other regulatory / partner requirements.</p>

	This will be an ongoing activity (no fixed end date).				
FR IT 0001d Third party information sharing	<p>Ensure that we can do business efficiently and seamlessly by having appropriate data sharing agreements in place.</p> <p>It will be critical to ensure that control requirements are assessed and the implications for Hackney users are clear and proportionate (eg. some third parties require controls that would excessively restrict the Council's use of systems and buildings etc, and these may be barriers to information sharing).</p> <p>This is an ongoing activity (no fixed end date).</p>	Ian Williams	Rob Miller	May 2023	<p>May 2023 Responsibility for appropriate information sharing is the responsibility of Information Asset Owners, supported by the Information Management Team who provide advice on the application of the relevant Council policies to services' information sharing arrangements.</p>

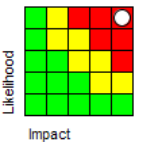

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 97</p> <p>SRCR 0020 Corporate (ICT / Business) Resilience. INTERNAL RISK FUTURE RISK</p>	<p>(Risk that) the Council does not have effective and up to date business continuity arrangements which are robust and tested to provide assurance of service continuity in the light of a major incident affecting its business. This could impact on service delivery throughout the organisation.</p> <p>There is also a risk that Business Continuity Plans across the Council's services do not accurately reflect the disaster recovery provision that is available. This could result in services not being able to invoke their continuity plans effectively due to incorrect assumptions.</p>	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>May 2023 - Since the cyberattack of 2020 our recovery work has accelerated progress in delivering the 'web first' systems model that we had set prior to the attack. This has significantly reduced dependencies between systems and moved services to the most modern cloud based platforms available, meaning that the potential broader impacts of systems outages are significantly reduced.</p> <p>The benefits of this approach were demonstrated during the COVID-19 lockdowns where services were able to continue operating effectively throughout the shift to home based working for many staff, and also following the cyberattack of October 2020 (which impacted on all of the Council's internally hosted systems but not cloud hosted services such as Google Workspace, the Council's website and intranet, and other critical systems).</p> <p>BC Plans continue to be consistently reviewed, coordinated by the Council's Emergency Planning team.</p> <p>The Council has plans for further exercising of its ICT recovery plans in 2023.</p>

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Date	Control - Latest Note
FR IT 0003a Resilience of ICT systems / Disaster Recovery	<p>Since the cyberattack of 2020 our recovery work has accelerated progress in delivering the 'web first' systems model that we had set prior to the attack. This has significantly reduced dependencies between systems and moved services to the most modern cloud based platforms available, meaning that the potential broader impacts of systems outages are significantly reduced.</p> <p>It must be noted that it is not possible to totally mitigate risks of systems being unavailable so Council services must ensure that their Business Continuity Plans include plans in the event that ICT systems are not available and include plans for extended unavailability of their ICT systems.</p>	Ian Williams	Rob Miller	May 2023	<p>May 2023 The ICT service's business continuity arrangements are kept under regular review and reported to the Council's Business Continuity Management Group which meets quarterly.</p> <p>While previous audit review in late 2019 provided a significant level of assurance in the Council's DR provision, this relates to the previous architecture which is no longer in use. The Council has plans for further exercising of its ICT recovery plans in 2023 and will work with internal audit to plan for review of the new cloud based platform arrangements in due course.</p>
Page 98 FR IT 0003b Review of Business Continuity Plans across the Council's services.	<p>The Corporate Business Continuity Manager is supporting service managers across the Council in carrying out a review of their Business Continuity Plans. This is designed to identify critical services and their continuity requirements, and will help ensure that their plans are based on accurate expectations of the provision available.</p> <p>It is planned to implement a rolling 18 month schedule of review for all the council's BCPs. This will be in place following the current review of BCPs across all services, which has pretty much been completed within the last six months.</p>	Ian Williams	Aled Richards	May 2023	<p>May 2023 No further specific update. The Council's business continuity arrangements are kept under regular review and reported to the Council's Business Continuity Management Group which meets quarterly.</p> <p>Also, the corporate review of Business Continuity Plans has been completed.</p>
SRCR 020A -Corporate Resilience Forum	<p>A Corporate Resilience forum has been established and will take overall strategic lead reporting to CLT. However the specific ICT issues are still managed by ICT themselves.</p>	Rob Miller	Cross Council	Ongoing	<p>From paragraph 1.1-1.2 of the CRF report:</p> <p>1:1 The CRF oversees the development of all systems and processes for Emergency Planning, Business Continuity Pandemic Planning and Resilience within Hackney Council. 1:2 This group will also ensure that appropriate links are made to other stakeholders in relation to Emergency Planning and Resilience such as NHS, LFB, MPS, EA AND VCS.</p> <p>Regular meetings continue to occur (most recently in April 2023).</p>

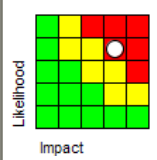

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
SRCR 0023 Person suffers significant harm, injury or death EXTERNAL RISK FUTURE RISK	If risks are not adequately assessed and protected, a child, young person or adult could suffer significant injury or death attributable to the Directorate's failure to take appropriate safeguarding and risk management measures. Additionally, general members of the public or Hackney staff could suffer harm due to a lack of general health and safety measures being in place.	Children and Education; Adults, Health and Integration		 Update May 2023 – This remains a high risk, and some recent incidents illustrate its importance.	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
CYP 006B Local Safeguarding Children Board (LSCB) reviewed and operating as an effective multi-agency forum.	The City & Hackney Safeguarding Children Partnership (LSCP) has a remit to monitor safeguarding across all partner agencies, including the local authority.	Jacqui Burke	Rory McCallum	Sept 2023	May 2023 - A range of measures have been put in place to ensure the CHSCP is operating as an effective multi-agency forum. Independent chairing is in place, defined governance arrangements, regular attendance from partners at Executive and relevant sub / working groups and Hackney-specific self-assessment. CHSCP also maintains a risk register covering all key statutory requirements; these actions and progress are regularly reviewed through the CHSCP Executive and full CHSCP.
CYP 006D Ensure staff have the necessary skills to ensure risk and need are properly assessed	The Directorate as a whole understands areas of high risk and works together to mitigate risk in relation to individual children by joint training and development and joint monitoring of practices across the services.	Jacqui Burke	Diane Benjamin	Sept 2023	May 2023 - Individual case supervision between managers and allocated social workers is the mechanism that ensures that children are safe and plans for them are progressing in timescales that meet their needs. Supervision timescales are monitored as a key deliverable by senior leaders in regular data reports. Work is currently underway to develop an additional reflective group supervision model that will enable sharing of best practice and encourage collective problem-solving. A Workforce Development hub established in the Safeguarding and Quality Assurance service to ensure that staff training needs are met and prioritised in terms of urgency.
CYP 006E Child Protection procedures in place	Children subject to Child Protection Plans and Looked After Children are visited in line with statutory guidance and care plans are monitored, updated and amended as appropriate. Children are to be seen alone.	Jacqui Burke	Diane Benjamin	Sept 2023	May 2023 - Ongoing, monitored through management oversight and audit, monthly, quarterly and annual performance reports, including statutory returns to DfE and by Independent Reviewing Officers. In April 2022, CFS resumed the use of Mosaic since the cyber attack in October 2020. In July 2022 our digital maturity journey reached another milestone with the resumed use of live reporting tools provided by Qlik Sense, enabling managers once again to closely

					monitor performance in real time to drive improvement in what we achieve for children.
CYP 006F Risk assessing activities for young people	All activities directly provided and commissioned by the directorate must be subject to rigorous risk assessments. These follow a consistent format. Also, the internal health and safety team conduct assessments and provide advice to mitigate risks of harm to staff in the course of work.	Jacqui Burke	Diane Benjamin	Sept 2023	<p>May 2023 - All providers of proposed activities, including the local authority, are required to submit a written risk assessment which is scrutinised and approved / not approved by the service area. Where a risk assessment is not approved, the activity is not able to proceed. Minimum ratios of adults to young people are required.</p> <p>Our external commissioned providers are also expected to demonstrate that they meet health and safety standards as part of their contract including systems and processes for conducting risk assessments of premises and activities.</p> <p>As a result of the pandemic - in-person activities have been subject to risk assessment to ensure that they can be delivered safely, with mitigating actions in place to minimise risk to children and staff such as changing venue, capping numbers and ensuring hygiene measures are in place. Other activities have been provided virtually and we remain responsive to Government guidance in relation to the fluctuating rates of Covid/changes in requirements.</p>
Page 100 CACH ASC 0005 Implementing a robust safeguarding approach across adult services	The City & Hackney Safeguarding Adults Board's (CHSAB) role is to monitor safeguarding across all partner agencies, including the local authority and has regular meetings of the Board to ensure safeguarding across the partners is being managed effectively and that relevant intelligence is appropriately shared. The Safeguarding Adults Board with the input and support of Adult Services' Head of Safeguarding will continue to oversee the delivery of the recommendations of the Safeguarding Adults Reviews. This will include working with existing projects within the Integrated Commissioning programme such as the Neighbourhood Programme to ensure they support the delivery of these recommendations.	Helen Woodland	Georgina Diba	Sept 2023	<p>May 2023 - ongoing.</p> <p>The City & Hackney Safeguarding Adults Board have continued to work together to embed the learning from SARs to help mitigate this risk further. This included delivery of SAR learning sessions to multi-agency groups, including voluntary agencies. The Board has also carried out awareness raising activities to help prevent adult safeguarding such as an awareness campaign co-produced with service users to raise awareness of financial abuse.</p>

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
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<p>SRCR 0028 CYPS, SEND funding –Escalating SEND spend has an adverse impact on Hackney Education and Council budgets.</p>	<p>The number of pupils eligible for EHC Plans continues to increase at a significant rate exceeding the population growth in the Borough, the effect of which is to place the SEND budget in deficit. This poses a serious and unsustainable financial risk.</p>		<p style="text-align: center;"></p> <p>May 2023: Actions continue to be appropriate, however, risk rating remains unchanged for the time being. Impact may reduce over time as control measures take effect. This is a national issue with other LAs experiencing similar funding challenges. The LA is now part of the Better Value Programme, which is currently in the logistics stage.</p>
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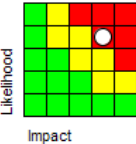
Control Title	Control Description	Service Manager	Control - Latest Note
<p>SRCR 0028 a Forecasting of financial impact of SEND budget pressures.</p>	<p>Rapid, significant short term reductions in SEND costs and outlays will be difficult to achieve. Ensuring that the policy changes in the action plan result in medium term cost savings that relieve the pressures on the SEND budget, whilst ensuring the operational effectiveness of HE is not detrimentally affected by the overspend, is imperative.</p>	<p>Jacqui Burke; Sajeed Patni</p>	<p>May 2023: Hackney is working with the DfE through the Better Value SEND programme to agree an action plan for the deficit. The statutory override which allows the deficit to be carried on the Councils balance sheet has also been extended to March 2026.</p>
<p>SRCR 0028 b Ongoing work to develop plans/strategies to control/manage SEND spending.</p>	<p>SLT has approved a cost management plan to address the pressures placed on the SEND budget by increasing numbers of children and young people being eligible for SEN statements.</p> <p>The cost management plan is regularly reviewed by STAG and via the Better Value DfE programme.</p>	<p>Jacqui Burke, Nick Wilson</p>	<p>May 2023: An external finance consultant has been commissioned to review funding to special schools. (completed 1st February 2023), additional resource provision and to update the business case for the expansion of places for children with EHC Plans.</p>
<p>SRCR 0028 c Risk 07 - Changing the culture of SEND in schools and Hackney Education to implement the action plan.</p>	<p>If the action plan is to control expenditure and distribute resources fairly, changes in the existing culture in Hackney Education teams and schools must also change to critical assessment and the equitable distribution of limited resources. Collaborative working with schools will be necessary to ensure pupils' SEND needs are met from delegated SEND resources, with EHCP referral only for exceptional needs.</p>	<p>Jacqui Burke, Nick Wilson</p>	<p>May 2023: The Graduated Approach and Team Around the School (TAS) commenced in September 2022. Positive engagement, however this is a long term programme to deliver the cultural change required.</p>
<p>SRCR 0028 d – The initiation of EHCP assessments is rigorously reviewed</p>	<p>The decision to initiate assessments needs to be rigorously reviewed to ensure the level of support is appropriate and sustainable. This may include senior managers signing off decisions, or refusing to do so.</p>	<p>Jacqui Burke, Joe Wilson</p>	<p>May 2023: Robust panel process is in place to consider all requests for assessment based on the LA's graduated response for SEND. Current data (2022) shows 30% of requests declined.</p>
<p>SRCR 0028 e – The costs of providing ECHPs is born equitably across agencies</p>	<p>All agencies need to contribute to the costs of the Education & Health Care Plans through the joint commissioning budget.</p>	<p>Jacqui Burke, Nick Wilson</p>	<p>May 2023: Joint Assessment Panel overseas bi and tri funding arrangements.</p>

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
<p>SRCR 0027 b – Risks posed to children not in school, particularly those attending unregistered schools and settings. EXTERNAL RISK FUTURE RISK</p>	<p>Safeguarding considerations for those pupils who are not registered at a school – Electively Home Educated pupils, children missing from education, children attending unregistered settings, children who are yet to be allocated a school place etc This is the particular focus for current Local Authority Safeguarding Inspection frameworks, and there is an expectation that HE must work with partners to ensure effective and robust identification, tracking, consultation and referral.</p> <p>Unregistered centres are neither known to, nor inspected by Ofsted, raising potential issues relating to the wellbeing and safeguarding of children and young people in the borough. HE does not have any statutory powers or reporting requirements in regard to the registration of independent schools.</p> <p>As well as the potential risk around safeguarding and lack of knowledge and intervention in regard to those young people attending such settings, there are clear reputational risks for HE in this area. Despite the fact that HE holds no powers in regard to either registration or closure, there remains the perception that the Local Authority has not presented sufficient challenge to the status of such settings.</p>		<p style="text-align: center;"></p> <p>May 2023: The schools bill was to address this area yet the bill has been cancelled and the DfE will not be pursuing additional powers. Work to implement the controls is ongoing, however the risk remains unchanged.</p> <p>This risk has been merged with the previous Corporate HE risk relating to Serious Safeguarding failure as both are connected.</p>

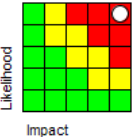

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Control Title	Control Description	Service Manager	Control - Latest Note
LT 1415 Risk 18: Co-ordinating multi-agency responses, Hackney Education escalates any issues relating to the safeguarding of children or young people attending unregistered schools or settings.	HE are aware of unregistered schools and settings within the borough, we are escalating to the appropriate authorities Children and Social Care any issues of concern reported to them. HE co-ordinates multi-agency responses in regard to those settings that do not comply with Ofsted registration requirements.	Jacqui Burke; Kate Cracknell	May 2023: On identification of a new unregistered education setting (UES), the UES protocol is enacted which ensures the partner with the most agency is able to take all actions possible within the current framework (12 UES protocols enacted in 2022). Any illegal school or unregistered schools (as opposed to UESs which are different and have a different landscape in terms of partners' leg
LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by Hackney Education to reduce the likelihood of pupils being put at risk.	In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue and the systems developed through the Out of School setting project which has now ceased, and the unregistered educational settings group.	Jacqui Burke; Kate Cracknell	May 2023: This risk continues to be very high - we have around 1000 known CYP in UESs in the Orthodox Jewish community (figures correct as of December 2022). The risks around this situation are shared at UES strategic group meetings, as well as to our Scrutiny Commission annually (report delivered on 16/1/23). CHSCP continues to work with partners to provide a safeguarding offer to UESs but there is no uptake to date.
LT 1617 Risk 03: Ongoing dialogue between HE, DfE and Ofsted around necessary legislation to ensure safeguarding duties can be effectively carried out.	Currently, the roles and responsibilities of LAs, DfE and Ofsted are not clearly defined with regard to safeguarding duties.	Jacqui Burke; Kate Cracknell	May 2023: This continues, Ofsted sit on our UES protocol meeting (when we identify a new UES) and CHSCP continue to lobby government around this issue. Jacquie Burke has also written to the secretary of state following the shelving of the Schools Bill in December 2022, which has meant we have now no possibility for progress in this area based on current government plans.

<p>LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by HE to reduce the likelihood of pupils being put at risk.</p>	<p>In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue.</p>	<p>Jacqui Burke; Kate Cracknell</p>	<p>May 2023: Hackney Education has a dedicated officer in this area of work, and much of their work is relational - it is through this work we are able to identify most of our now known UESs. However without clearly defined statutory responsibilities progress cannot be guaranteed towards establishing the safety of children in Hackney attending UESs</p>
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
<p>SRCR 0046 NEW RISK Surplus school places EXTERNAL / INTERNAL RISK CURRENT RISK</p>	<p>Surplus primary school places result in financial pressure on schools and threatens their long-term viability. Projected figures suggest this risk will intensify and increasingly affect secondary schools as the years pass. This places a serious financial burden on HE, and the Council.</p>	<p>Children and Education</p>		<p>NEW RISK May 2023: This risk was proposed by HE SLT to be escalated to the Corporate Risk register in March 2022. This was as a result of the clear reduction in demand for primary school places and the consequent financial impact that would create due to less funding for places. Within HE, the Risk Review Group noted the continued increase in surplus primary places. This risk will be continually reviewed, and maintains its current rating and impact.</p>	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
<p>Page 103 LT 1112 Risk 23 Regular review & oversight of various pupil demand data</p>	<p>Regular review of GLA school roll projections data allows oversight and summary of changes to the potential pupil cohort and ultimately potential future demand for places. School roll projections from GLA (for primary) and internally (for secondary) provide a good indication of future demand.</p>	<p>Jacqui Burke</p>	<p>Nick Wilson</p>	<p>Sept 2023</p>	<p>May 2023: GLA projection has been reviewed.</p>
<p>LT 1112 Risk 25 Regular monitoring of reception & secondary transfer applications</p>	<p>Whilst primary applications can be volatile in nature, secondary applications are more predictable. Regular monitoring of numbers of applications received compared to numbers expected allows the Admissions Team to identify and respond to any perceived under-submission. This also gives confidence in the projections being collated.</p>	<p>Jacqui Burke</p>	<p>David Court</p>	<p>Sept 2023</p>	<p>May 2023: Demand for secondary places remains stable for the 23/24 academic year. While there are 43 fewer on-time Hackney residents applying at secondary transfer (Sept 2023 admission) compared with the previous year, the number of first preferences expressed for Hackney secondary schools has increased by 38. View stats here. Demand for reception places continues on a downward trend. There were 38 fewer on-time Hackney residents applying at reception (Sept 2023 admission) compared with the previous year. This represents a 1.8% drop (against a 1.3% drop in numbers across all of London) The number of first preferences expressed for Hackney primary schools has dropped by 133 compared with the previous year. View stats here.</p>

LT EDU 2122 Risk 26 Regular monitoring by School Place Planning Group & SLT	Review data and make recommendations for SLT decision regarding proposals to manage surplus places	Jacqui Burke	Nick Wilson	Sept 2023	May 2023: Recommendations have been made to SLT.
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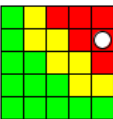

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 104</p> <p>SRCR 0030 Pressures on Temporary Accommodation INTERNAL RISK CURRENT RISK</p>	<p>The demand on temporary accommodation (TA) for homeless households exceeds the supply of property suitable for use, and also causes a clear shortfall between the subsidy provided and the actual cost of meeting TA need. This could result in serious difficulties in providing an effective provision for the accommodation of vulnerable children and adults, and also impact adversely on available budgets. This all produces financial, reputational and legislative (in terms of abiding by the Homelessness Reduction Act) risks. The risk is currently heightened by high numbers of homeless singles with multiple, complex and high risk needs, and often a dual diagnosis with no suitable accommodation offer of housing with support.</p>	Finance and Corporate Resources		<p style="text-align: center;"> May 2023</p> <p>Local authorities have a statutory duty to provide accommodation for homeless households that have been defined as being in priority need and unintentionally homeless, and are obliged to secure temporary accommodation (TA) for that household as an interim measure whilst a longer-term alternative becomes available.</p> <p>The number of households seeking advice and support with homelessness in the borough has risen by 52% since March 2018 and the introduction of the Homeless Reduction Act. The YTD figure shows that for 2022/23 the total number of approaches is up by 14% on the previous year.</p> <p>Overall for 2022/23 we have seen successful homelessness and relief outcomes fall by 22%, this has been exacerbated by the cost of living crisis and the lack of affordable housing.</p> <p>Family and friend exclusions are still the highest reason for approaches accounting for 39% of all approaches, followed by end of private tenant tenancy at 22%.with eviction from supported housing being the third highest reason for approaches at 6%. Since April 2022 we have seen a further 8% increase in households requiring temporary accommodation with an increase seen in those fleeing domestic violence and gang violence. Homeless households are still presenting on the day and are placed wherever there is accommodation available, currently Peterborough.</p> <p>The amount of temporary accommodation needed to fulfil demand for homeless households continues to increase. Current TA levels are on the increase, 3020 households, with 1000 placed outside the borough despite the use of all void properties and the creation of a number of new TA hostels and RTB buy back programmes to boost social housing availability. Despite c.2000 temporary accommodation units within the borough, demand far outstrips supply.</p> <p>We have seen major changes this quarter:</p> <ol style="list-style-type: none"> In Quarter 4 the number of Prevention assessments due to the issue of a valid Section 21 notice increased by 127% when compared to the average number for the

				<p>previous quarters. This is also reflected in the figures for the reason for the loss of main accommodation with an increase of 49% in the loss of AST or private rented accommodation when compared to the average figure for the previous 3 quarters.</p> <ol style="list-style-type: none"> 2. Temporary Accommodation providers are now leaving the market with currently 147 properties requested back from the Council. There is no alternative temporary accommodation available to move these families into and therefore the Council is being pursued legally for these properties to be returned. 3. Even procuring temporary accommodation, in Peterborough and further afield is becoming more difficult, with the Service unable to procure any provision on some days. Meeting rooms in hostels are being utilised with temporary shower pods and beds to provide emergency provision which is constantly full. 4. Out of Hours demand has increased. 5. Increased competition from the Home Office for their Asylum accommodation programme is affecting LA's ability to procure property and observe agreed Pan London rates across London. <p>The Benefits and Housing Needs Service in conjunction with Strategic Property Services and Housing Strategy team continue to look at ways to boost more affordable temporary housing in borough by pursuing hostel leases with private landlords and developers, to reduce the reliance on nightly paid accommodation and contain expenditure. Keen negotiating on new hostels, lease renewals and refurbishment deals for hostels in the borough is evidenced via cabinet reports.</p> <p>However, this programme is no longer enough and an urgent injection of stable temporary accommodation is needed. Purchasing of properties and negotiations with investment companies is progressing. Alternatively, investment in supported accommodation schemes would free up temporary accommodation and return it to its original purpose.</p> <p>The sheer volume of TA units, the increasing rates of providers, an increase in utilities and repairs and maintenance costs means that temporary accommodation expenditure will continue to rise this year and next. The score has now risen to the maximum reflecting the intense pressures.</p>
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Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0030a Utilising all available accommodation	Utilise 100% of all regeneration voids as additional temporary accommodation reducing the need for costly nightly paid TA provision.	Ian Williams	Jennifer Wynter	Sept 2023	May 2023- The Benefits and Housing Needs Service continues to utilise all Council owned regeneration void properties as temporary accommodation wherever possible and affordable to do so. The current figure is c.738 units. There are no further regeneration voids available as the surplus that were unusable for TA were brought into use for the Council Afghanistan refugees programme. Additionally, Phase 4 of the WDE regeneration project means the rehousing of 100+ TA households in the next year to provide for demolition.

<p>SRCR 0030b Make best use of the provision of discharge of duty into the private rented sector</p> <p>Page 106</p>	<p>Additional duty afforded LA's to discharge our homeless duty with provision of an affordable 1 year monthly PRS let, albeit if further homelessness within 2 years we retain the duty. TA strategy in place and agreed way forward with Mayor & Members on OOL placements.</p>	<p>Ian Williams</p>	<p>Jennifer Wynter</p>	<p>Sept 2023</p>	<p>May 2023 - The Benefits and Housing Needs Service has formally discharged the Councils housing duty by securing tenancies for 175 households into the private rented sector for 2022/23.</p> <p>For the first time we are starting to see the constriction of the private rented sector in Hackney.</p> <p>The number of private rented sector (PRS) lets achievable are dependant on three variables:</p> <ul style="list-style-type: none"> • Resident willingness to move into the PRS • Number of staff available with the right tools, including finance, to support the individual and the landlord with a move • rental market buoyancy. <p>The number of staff and tools to support residents moving has been boosted by the creation of a new team, Prevention to PRS (funded by Homeless Prevention Grant monies) to assist residents during the prevention stage of the statutory duty to move into the PRS and thereby avoid the usage of costly TA.</p> <p>However, the rental market in Hackney has recovered from the affects of the Covid pandemic and the ability to secure affordable rented properties is virtually impossible. Capital Letters (pan London provider of PRS properties) is also struggling to secure properties and Central Government has reduced their procurement targets from 4000 units pa to 1000 pa in recognition of the tough market and they have now allowed them to pursue out of London procurement for Privately Rented Properties. Capital Letters are averaging the provision of one property per month to the Council.</p> <p>Previous out turn is below: 2018-19 = 88 2019-20 = 118 2020-21 = 466 2021-22 = 391 2022-23= 175</p>
<p>SRCR 0030c Observe pan London cap on nightly paid accommodation procurement</p>	<p>Maintain influence on the rental market by continued observation and no breaches (except emergency disabled accommodation) of the agreed Pan London TA rent cap.</p>	<p>Ian Williams</p>	<p>Jennifer Wynter</p>	<p>Sept 2023</p>	<p>May 2023 - Reports issued quarterly to pan London Homeless group for monitoring purposes identify that Hackney now has one of the highest breach rates in the Capital. The reason for this number of breaches is to prevent families staying in B&B for more than 6 weeks (illegal practice) and to secure properties for disabled and large families. The Pan London rate has been increased by up to 10% which has had little effect in the current market due to the shortage of supply..</p>
<p>SRCR 0030d Provide appropriate accommodation with support for mental and physical needs</p>	<p>C.40% of all single homeless residents that approach for help have a support need and 19% of these have multiple and complex needs. Large supported schemes, rough sleeping pathway, general needs housing do not work for</p>	<p>Ian Williams</p>	<p>Adults Social Care Commissioning</p>	<p>Sept 2023</p>	<p>May 2023 - It is Adult Social Care who now provide and commission supported accommodation for Hackney.</p>

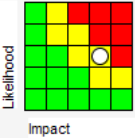

	<p>this client group and do nothing to mitigate the risk of further deterioration and suicide and in some cases increase the risk. Look to provide a housing option and support that suits mental, physical and behavioural needs - ie dual diagnosis specialist schemes and additional housing first. First chance, last chance saloon assessment model needed in addition.</p>				
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 107</p> <p>SRCR 0036 – Universal Credit full roll out EXTERNAL RISK FUTURE & FUTURE RISK</p>	<p>Financial: Universal Credit places the responsibility on the claimant to manage their claim and pay their rent from a one monthly payment. The five-week delay in first payment and monthly payment can lead to increased rent arrears for council tenants and make it more difficult for the council to recover other debts. Since the pandemic there has been an increase in the number of tenants not paying rent and cancelling direct debits (e.g. council tax). The impact of the Cyber Attack compounds these issues.</p> <p>Strategic: An increasing number of vulnerable residents struggling with their finances will put pressure on other public services. For example, employment and skills services as well as the health and care system. The five-week wait for a first payment remains and the use of an advanced payment reduces future income.</p> <p>Reputational: There is an expectation that the Council helps those who face barriers to making and maintaining a claim and those struggling to manage their finances. The Council's position as a large social landlord creates further pressure on the organisation to balance its approach between collecting payments and supporting residents who may be struggling financially. This is made even more the case by the impacts of the Cyber Attack and the approach the Council takes to debt recovery.</p>	<p>Chief Executive (leads on this)</p>	 <p>Likelihood</p> <p>Impact</p>	<p style="text-align: center;"></p> <p>May 2023 - Government confirmed on 9/5/22 that the full roll out of universal credit (UC) to all claimants by 2024. Nationally, about half of claimants who have not migrated to UC are on an out-of-work benefits that are health related. Most of the rest (38%), are in-work tax credit recipients. Just under half are likely to be worse off, including those who live alone or struggle with basic activities (IFS analysis, 2022). Government is committed to putting in place transitional protection.</p> <p>This development increases the level of risk which we will have to respond to.</p> <p>Universal Credit is the main welfare benefit for working age adults who are unemployed or on lower incomes and it is administered by the Department for Work and Pensions. Universal Credit combined six separate benefits into one: Housing benefit, income-related employment and support allowance (ESA), income-based Jobseeker's Allowance (JSA), child tax credit, working tax credit and income support. Universal Credit was introduced in Hackney from March 2016 for job-seeking singles only. Hackney was one of the last boroughs to move onto Universal Credit because of the numbers who would be affected. Universal Credit began for all new claimants in October 2018.</p>

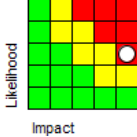

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
FR RV Impact of Universal Credit	A partnership involving DWP JCP, several Council services and external partners maintains a partnership plan which identifies and addresses key risks under review. Main actions include: Close partnership working with DWP, communications with Hackney tenants, resident sustainment activity, partnership working to ensure that claimants can access the DWP funded Help to Claim service delivered by the Citizens Advice Bureau, funding the advice sector and working closely with them to meet demand. Hackney is also adopting a poverty reduction framework which will help us to respond to the impacts arising from UC through better co-ordination of wider support.	Ian Williams	Sonia Khan	30-July-2023	May 2023 - DWP have confirmed that roll out will be phased and have shared which groups on which benefits will be impacted first. The initial cohorts are small. We have discussed further with DWP to understand what transitional support will be in place and identify actions to mitigate impacts together and have asked them to start briefing council services and partners, work that began this month.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0035 – Setting up Council owned companies INTERNAL RISK FUTURE RISK	<p>The Council has been setting up a number of (Council owned and controlled) companies for a variety of reasons - ranging from a need to explore commercial opportunities, to being a vehicle which can help to deliver the Mayor's housing objectives, or saving money and improving convenience for the residents of the borough.</p> <p>If the resources, governance, expertise and capacity needed to establish these functions is not satisfactorily in place, and/or the necessary legal due diligence is not done, these companies will not be fit for purpose and the Council may run the risk of severe financial and reputational impacts.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy		<p style="text-align: center;"></p> <p>May 2023 - The ways in which a Council can invest in or establish a company can vary depending on the type of delivery vehicle it seeks to set up. For the purposes of clarity, this risk covers the governance arrangements for Council Owned and Controlled Companies. This is where a company limited by shares is incorporated with the Council as the sole shareholder. Examples would include: Hackney Housing Company Ltd - encompassing PRS and HLR and fully operating since 2019. Hackney Commercial Services (London Limited) - which is a commercial waste company and was incorporated on 25th October 2021 and started trading in February 2022.</p> <p>Hackney Light and Power (HLP) was launched at the beginning of November 2019, promising some considerable future benefits for the Borough. HLP is an energy services arm of the Council which is still looking at options for operating as a separate entity.</p> <p>An area of concern relates to some PIRs (Public Interest Reports) that have been published within the last couple of years, specifically relating to Council owned companies / subsidiaries (at Nottingham, Croydon and Northampton). In each instance the Council has suffered severe losses due to poor decision making, a frequent lack of governance and a near complete lack of approved</p>

					<p>business cases. With public money clearly being lost here, the PIRs highlighted a regular lack of visible scrutiny and challenge - and these clearly serve as examples to avoid for Councils pursuing this course of action. The lessons learnt stress the importance of clear roles, scrutiny, challenges, business cases and overall decision making.</p> <p>Further commentary from professional service firms on this have suggested the quality of risk assessment and risk management arrangements when investing in commercial activities has often been poor at some councils. Sometimes the desire for them to be a success has overshadowed an appreciation of risk management, with large amounts borrowed to invest in companies, yet lacking the level of risk oversight one would expect to see at equivalent commercial investment management companies. Analysis suggested some councils chose to continue funding companies rather than face the reputational damage of winding up a loss making company. The importance of independent, high quality and impartial investment advice was stressed. Oversight and proper governance will always be essential here.</p>
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
<p>Page 109</p> <p>SRCR 0035a- Setting up Council Owned Companies</p>	<p>All companies are being developed in accordance with prescribed procedures which will ensure that the resources, expertise and capacity needed to establish these functions is in place, and the necessary legal due diligence is done, with appropriate support provided by relevant Senior Officers, and where necessary, external parties. At Hackney there is:</p> <ul style="list-style-type: none"> • Strong emphasis on the role of statutory officers, including regular meetings of Chief Finance Officer and Monitoring Officer with Mayor on governance matters. • Excellence in Governance Group supports CLT with strategic and operational governance considerations. • Revised Code of Conduct for Councillors in 2022, based on LGA Model Code. • A Code of Corporate Governance, Financial Management Code and Alternative Service Delivery Vehicle (ASDV) Framework to evidence how the Council's approach to governance, finance and ASDVs empowers Councillors and officers in decision-making. • Companies report to Cabinet as shareholder annually with a business plan and accounts, with Chief Finance Officer (Ian Williams) acting as "intelligent shareholder" 	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Louise Humphreys</p>	<p>Dec 2023</p>	<p>May 2023 -</p> <p>A guidance note on Alternative Service Delivery Vehicles was agreed by CLT in August 2021 for use when such vehicles are under consideration.</p> <p>This sits alongside a guidance note prepared by the Legal Service on Directors' Responsibilities.</p> <p>A protocol on the Governance of Council Interests in Companies has been developed for inclusion in the Council's Constitution. The revised edition of the Constitution is due for adoption by Full Council in July 2023. This Protocol will ensure:</p> <ul style="list-style-type: none"> - New or significant changes in the operations of a company must be agreed by Cabinet. This is in accord with the Mayor's Scheme of Delegation dated January 2017 which states that, "...the Council's representation on ...companies...where the representation relates to an executive responsibility or function" shall be undertaken by the Mayor and Cabinet." - Cabinet (in its capacity as representing the Council as shareholder) will receive, on an annual basis, a report from each local authority company for financial reporting and reporting as against the business plan. This enables Cabinet to maintain its oversight, ensure the Council is seeing a return on its investments where appropriate and ensure that there is transparency for the public.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
<p>SRCR 0036 Insourcing</p> <p>INTERNAL RISK FUTURE RISK</p> <p>Page 110</p>	<p>The Council makes a decision to insource more services that it can properly handle and this has a negative impact on service delivery. It also proves a false economy as initial savings become overtaken by increased costs when potentially unseen demands of bringing a service back in-house unfold.</p> <p>Yet, there is also an opportunity to this risk. If the decisions on insourcing are taken judiciously with regards to in-house capabilities, strategic objectives and potential savings, there is the chance for the Council to benefit from a decision to bring work back 'in-house'.</p>	<p>Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes and Economy</p>		<p style="text-align: center;"></p> <p>May 2023 - Contracts have been brought back in house in the past and in recent years in areas like Housing Benefit, Waste, Internal Audit and Payroll. The latest example is the parking enforcement contract which has been brought in-house when the current (outsourced) contract expired in March 2022. Also some internal cleaning contracts. There is a clear emphasis on this being a leading objective for the Council - to "reclaim" services worth close to £12 million a year from private firms.</p> <p>Between January 2020 and March 2022, five services worth £11.6m will have been insourced under the policy, including:</p> <p>School caretaking and cleaning services, worth £2.5m, with 116 staff brought back in-house to the council and schools in January 2020. Gully and winter cleansing service, worth £300,000, brought back in-house in September 2020. Office cleaning service, worth £1.8m, with 110 staff brought back in-house in January 2021</p> <p>Fleet maintenance service, worth £1.4m, with 10 staff due to be brought back in-house in April 2021 and a long-term commitment to bring close to 400 staff back into direct council employment overall.</p> <p>Parking enforcement, worth £5.6m, with 132 staff due to be brought back in-house in March 2022.</p> <p>In order to provide further assurance to Audit Committee about the Council's approach to Insourcing, a 'deep dive' was carried out (overseen by the Chair of the Audit Committee) into various elements of the approach and guidance papers, and this was signed off at the Committee meeting in January 2021, and distributed to all relevant parties.</p>	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
<p>SRCR 0036a Insourcing – approach.</p>	<p>The Council has produced a Guidance Paper that will ensure that before it makes a decision, questions will be asked under five key criteria. These include local policy and business strategies, the performance of the service, quality improvement and value for money, workforce issues and overall risks. Through a careful application of these criteria and asking</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Rotimi Ajilore</p>	<p>Sept 2023</p>	<p>May 2023 - this was newly escalated to the Corporate register in January 2020. The guidance paper has been reviewed. Plans for such projects are also committed to including extensive consultation with staff and trade unions.</p> <p>This emphasis on Insourcing is delivering on the Council's 2018 manifesto to look at how we step up our commitment to insourcing in Hackney. Officers and Councillors involved in this commitment are clear that the process will often involve service redesign, relocating services across different parts of the council, and taking quite a different approach to service delivery than might have been done in the past.</p>

	pertinent questions, any risks or opportunities concerning insourcing should be satisfactorily managed.				It's also been acknowledged that Coronavirus has shown the importance of flexibility and being able to turn services round rapidly. When you deliver them directly within your organisation, that can be done. Also, bringing staff back in on Hackney terms and conditions once they have moved over helps the organisation.
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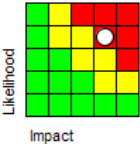

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
Page 11 SRCR 0039 Climate Change / Climate Emergency EXTERNAL RISK CURRENT & FUTURE RISK	<p>The Council fails to meet its own commitments to take constructive steps to tackle the climate emergency. The expectation of change required (conducting extensive work on decarbonisation) may not be matched by the available capital. This could be as a result of overly ambitious targets, a lack of overall awareness or 'buy in' to the concept or a lack of resources to proactively bring about change. Without a coordinated response, the task will be more difficult. Failure to achieve positive change would have reputational impacts but most importantly would contribute negatively to the continued emergency in climate matters, both within our local community and the world at large. With the likelihood of even more ambitious targets set by the Environment Bill 2021, this risk will continue to grow and increase in importance.</p>	Climate, Homes and Economy leading (but applying to all Directorates)		<p>May 2023 </p> <p>The impact is categorised as 5, as despite having our net zero targets, which are clear, the consequences of not achieving them (both operationally and reputationally) would be severe. The likelihood remains at level 3. The Climate Action Plan (CAP) is scheduled to be approved in May (and on target). The Council's actions for the next three years are set out in the Implementation Plan and this will go to Full Council in July. There is still a significant amount of cross organisational work to be undertaken to embed climate action, and whilst the funding and resourcing strategy identifies those actions that have planned spend, and those that have a sound business case, funding for decarbonisation on some other more ambitious actions remains a key issue.</p>
				<p>In light of the clear evidence of climate change only progressing ever more rapidly, along with time moving closer towards the 2040 target (2030 for net zero across key functions), it seemed reasonable to raise the likelihood from a 2 to a 3 at the end of last year (the score remains the same a few months into 2023) - the impact necessarily remains at the maximum score.</p> <p>The CAP provides the strategic framework to work through a number of key issues and challenges, utilising recently completed evidence assessments to underpin a more strategic approach for future delivery and integrate better with external stakeholders. The plan is for everyone - and, through our consultation and the ongoing actions in the plan, the CAP intention is that we want to make sure that everyone knows how they can influence and benefit from a greener Hackney.</p> <p>The CAP is set out under five key themes - consumption, buildings, transport, adaptation and environmental quality - it sets out how residents, businesses and institutions, community groups and organisations and the Council could work together to tackle the climate and ecological crisis.</p>

						<p>Alongside this plan is the Council's draft three year Implementation Plan (IP) that sets out the key actions that the Council will progress in the period of the CAP, considering where the Council has direct control and most influence to maintain momentum with its own climate response. The IP will be reviewed annually and form part of the current annual reporting commitments, detailed service delivery plans for the specific projects will sit underneath</p> <p>Further, whilst the Council's own emissions only contribute to 5% of the Borough's emissions. However, the Council must continue to lead by example, and is therefore rejoining the UK100 network of Councils, committing us to reaching net zero emissions by 2030 across key functions.</p> <p>The Council's ability to deliver capital and resource intensive actions within the implementation plan is largely contingent on the impact of recent economic shocks in the UK and beyond. These are likely to have a bearing on the capacity of the Council to deliver our climate responses in the short and medium term; particularly if there is a reinvigorated period of public sector austerity.</p>
Page 12						
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note	
<p>SRCR 0039a Councillors have approved motion committing to a series of actions</p>	<p>Council commitment:</p> <ul style="list-style-type: none"> - To tell the truth about the climate emergency we face, and pursue its declaration of a climate emergency with the utmost seriousness and urgency. - Pledge to do everything within the Council's power to deliver against the stretching targets set by the IPCC'S October 2018 1.50C Report, across the local authority's full range of functions, including a 45% reduction in emissions against 2010 levels by 2030 and net zero emissions by 2040, and seeking opportunities to make a greater contribution. - Call on the UK Government to provide powers and resources to make the 2030 and 2040 targets possible. - Actively campaign to change national policy where failure to tackle the challenge of heating our homes without fossil fuels, fossil fuel subsidies, insufficient carbon taxation, road-building, and airports expansion, for example, has actively undermined decarbonisation and promoted unsustainable growth. - Support the campaign to create a just transition for workers and users and be part of the creation nationally of a million public sector climate jobs with particular reference to extending sustainable accessible and integrated public transport, retrofitting housing stock, energy democracy, 	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Aled Richards</p>	<p>Ongoing</p>	<p>May 2023 - these are ongoing commitments but essential to adhere to in order to comply with ambitious targets. The Council are resolved to follow this. From a political level, these actions are being strongly supported by Members. An annual report on the progress on decarbonisation was considered by Council in July.</p> <p>The CAP is scheduled to be approved in July 2023, having been out for consultation for the previous six months.</p>	

	<p>heating and cooling from renewable energy and eco build, food and waste.</p> <ul style="list-style-type: none"> - Involve, support and enable residents, businesses and community groups to accelerate the shift to a zero carbon world, working closely with them to establish and implement successful policies, approaches and technologies that reduce emissions across our economy while also improving the health and wellbeing of our citizens. - Produce an annual update to Full Council on the progress made against the Council's decarbonisation commitments, and conduct an annual Citizens Assembly comprised of a representative group of local residents to allow for effective public scrutiny the Council's progress and to explore solutions to the challenges posed by global warming. - Work with other local governments (both within the UK and internationally) to determine and implement best practice methods to limit Global Warming to less 				
<p>PARC 0039b Hackney Light and Power.</p>	<p>Hackney Light and Power has been created to support the Council to meet declared target and become zero-net carbon borough by 2040. HLP is an energy services arm of the Council which is still looking at options for operating as a separate entity.</p> <p>To maximise carbon emission reduction the energy services arm will:</p> <ul style="list-style-type: none"> deliver the Green Homes Program – the first borough wide thermal efficiency housing program in London support the installation of innovating renewable heating measure support the rolling out of electric vehicle charging points supply the grid with green energy reduce fuel poverty improve residents' health and well being promote an inclusive economy and contribute to the nationwide green agenda help make Hackney a sustainable, green borough 	Corporate Directors		Ongoing	<p>Hackney Light and Power was officially unveiled as a publicly-owned energy services arm of the Council on November 1st (2019).</p> <p>From the off, the primary objective of the energy arm is to help deliver the ambitious decarbonisation pledges included in its climate emergency motion.</p> <p>At the launch of this, HLP confirmed it had already delivered 50% renewable electricity for the Council and many local schools' needs on 1 April, and would switch to 100% in 2020. The clear aim was to establish a publicly-owned clean energy company that will turn Hackney into a renewables power station; rapidly decarbonising the Council fleet of vehicles and addressing land transport sector emissions and decarbonising the built environment through changes to the planning system.</p> <p>The Council is investing extensively in green infrastructure to derive a wide variety of environmental benefits, from cooler streets to enhanced biodiversity; creating a model for drastically limiting the use of petrochemical plastics; and investing heavily in waste service to reduce resource consumption and increase recycling.</p>
<p>SRCR 0039c Communication</p>	<p>Communication is key, with the Council getting the correct message out both internally and externally</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	Comms	Ongoing	<p>May 2023 - There has already been lots of coverage in local papers and online about Hackney's progress. During the pandemic, there was the opportunity to close roads and convert more space for cyclists and pedestrians. There has also been an increase in school streets and lower traffic neighbourhoods.</p>
<p>SRCR 0039d Cross Council</p>	<p>Across all Divisions / services, any service plans or overall strategic documents need to pick up on this ongoing challenge and commitment. Any new projects / directives / initiatives need to consider climate change and our approach to it, in determining how to carry out work. Evidence of</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen</p>	Aled Richards	Ongoing	<p>May 2023 - This will become embedded as part of standard processes in the future. The Environmental Sustainability Board is meeting regularly to support the Council's approach here. A recent positive example was the Council winning a</p>

involvement at all levels	this happening can be seen within Fleet services and the ongoing work with the NLWA.	Woodland; Rickardo Hyatt			share of £2.5 million of government funding for more electric vehicle (EV) charging points. There are 346 charging points in bays and on lampposts in Hackney so far, and the Council has plans to reach 3,000 electric vehicle charge points by 2030. Hackney Council has been awarded £4,500,000 as part of the Social Housing Decarbonisation Fund and Home Upgrade Grant, which is expected to help improve the energy efficiency of homes and public buildings.
<p>SRCR 0039e North London Waste Authority (NLWA) Partnership</p>	<p>Hackney is a part of a seven borough partnership with the NLWA, who are currently procuring a large infrastructure project (North London Heat & Power Project) to deliver new facilities to manage waste and recycling from the constituent boroughs.</p> <p>An experienced Programme Director has been appointed by NLWA. Also, lead Member and Key Officer Groups, continue to manage Hackney's engagement with NLWA on the development of new facilities, recycling performance, waste prevention and operations' matters.</p> <p>A Programme Committee made up of members of each of the boroughs has been established to focus on the implementation of the North London Heat & Power Project. This is a decision-making Committee and is in addition to the various Steering Groups and Partnership Boards which Lead Members and Key Officers attend.</p> <p>The Vice Chair of the NLWA is Hackney's current Cabinet Member for Finance and Housing Needs, which ensures the Borough is directly involved in the leadership of the partnership.</p> <p>NLWA, with the boroughs, is undertaking a piece of work to produce a best estimated long term levy tonnage forecast, to establish likely levy costs for boroughs.</p> <p>Officers will review the current recycling service to ensure that it provides the best solution on the basis of technical, economic, environmental and practical factors</p> <p>Hackney's partners in NLWA (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest) work together to deliver services for over two million residents that live in the NLWA area. NLWA is responsible for helping the seven north London boroughs dispose of the 850,000 tonnes of waste they collect every year.</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Aled Richards; Sam Kirk</p>	<p>Ongoing</p>	<p>May 2023 - control in place and ongoing, and Lead Member for Environment and Transport now the Vice Chair of NLWA.</p>
<p>SRCR 0039f Restricting residual waste</p>	<p>In May 2020 Cabinet agreed to introduce fortnightly collections for residual waste for Hackney street properties. The drivers for this are not only to improve recycling performance and reduce the amount of residual waste being incinerated. This will help insulate the Council against the expected rise in residual waste disposal costs in the medium to long term. Further, and most importantly, by structurally reducing the amount of black bag waste sent for incineration we can eliminate the associated</p>	<p>Mark Carroll; Ian Williams; Jacqui Burke; Helen Woodland; Rickardo Hyatt</p>	<p>Aled Richards; Sam Kirk</p>	<p>30 June 2023</p>	<p>May 2023 This service is now business as usual.</p> <p>The recycling rate improved last year after the introduction of fortnightly waste collections, and reached a high of 31% but the end of year out turn was 29%. Reductions in recycling rates have been seen across North London boroughs, likely</p>

	<p>carbon dioxide emissions, reducing the carbon intensity of Hackney's waste system. Residual waste restriction will play an important role in helping the Council achieve the highly ambitious decarbonisation targets set out in the climate emergency motion passed at Full Council, June 2019.</p> <p>The expected outcomes of introducing fortnightly collections of residual waste include:</p> <ul style="list-style-type: none"> • Reduction of approx. 4,400 tonnes of street level black bag waste being incinerated against current levels by 2022, which is a 21% reduction of waste per household; • Reduction in disposal costs of £246k per annum (based on current tonnage and levy charges) by 2022. The scope to increase disposal savings will increase proportionately with the levy charge; • Increase in recycling rate to 31% by 2022/23. This will see Hackney move from position 8 of 13 inner London borough's recycling rates to 4th (based on current data); • Reduction in emissions associated with incinerating black bag waste, contributing to achieving the 45% reduction in emissions against 2010 levels by 2030 and net zero by 2040. Using Zero Waste Scotland's Carbon Metric Publications, directing 4,400 tonnes of black bag waste to recycling/composting, shows a benefit of -661 to -610kg CO2eq per tonne of material recycled/composted. This would indicate a potential benefit of around 2,910 to 2,680 tonnes CO2eq savings. 				<p>reasons due to light weighting of packaging, consumer choices, in part due to the cost of living crisis, and the impact of a very dry summer.</p> <p>The Reduction & Recycling Plan has been sent to GLA for approval, it contains recycling rate forecasts and a list of actions to reduce waste and increase recycling in the borough for the next three years</p>
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>SRCR 0043 Recruitment and Retention / Workforce. EXTERNAL / INTERNAL RISK CURRENT RISK</p>	<p>Within a competitive market, numerous Service Areas (particularly ICT) are struggling to successfully recruit for important positions, and seeing a high turnover adding to recruitment pressures. Failure to successfully tackle this could seriously impact service delivery.</p> <p>Also, with various restructures within the Directorate planned or ongoing, there is a period of uncertainty and adjustment which may affect the quality of service delivery and impact on overall objectives and targets.</p> <p>Additionally, the ability to carry out work efficiently, on time and in compliance with applicable standards could be affected by the loss of experienced staff following the Corporate level restructure and the possible long term absence of key staff.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>May 2023 This remains on the Corporate register, reflecting its severity. Previously, it had been recorded as a risk at Service level but was taken off this register following the successful completion of the ICT restructure in 2020.</p> <p>Significant market pressures and demand for digital skills, with high turnover within the Council (particularly at Senior level) and other employers who need similar skills, have necessitated its inclusion again. There are also similar pressures in other areas such as social work, highway engineers, school nurses and auditors.</p>

Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0043a Recruitment and Retention (ICT)	The ICT service will work with HR / OD to carry out the following suggested mitigations: - review recruitment strategy and identify other measures which can be taken to promote Hackney Council as a great place to work in technology and attract high quality candidates - review salary supplements to ensure that these are providing market competitive salaries and are also fair and transparent - review career development paths within the service and also ensure that apprenticeships / graduate trainee opportunities are being used effectively to develop internal talent.	Ian Williams	Rob Miller	31-Aug-2023	May 2023 The ICT restructure has completed and is in the final stages of implementation. This has included benchmarking of roles against the market and comparator councils and continuing the Council's substantial commitment to apprenticeships and career progression. The Council is continuing to work with the London Office of Technology & Innovation to develop a pan-London approach to developing digital skills and teams, including collaborative recruitment (https://loti.london/jobs/) and shared approaches to service development and career progression (https://loti.london/resources/jd-library/). Recruitment to vacant roles following the completion of the restructure is anticipated in late spring / early summer.
SRCR 0043b Training and development	Training and development needs for all staff have been captured from yearly appraisals and 1-2-1 documents. All HR procedures are followed correctly to ensure staff are valued and treated appropriately whilst at work. Where possible acting up and secondment opportunities are made available to staff. This helps contribute to an improved experience of working at Hackney and to an extent, mitigates the risks of absences and departures.	Ian Williams	All managers	31-Aug-2023 - Ongoing	May 2023 Staff training and development needs will be assessed as part of the work to deliver and embed the new service structure for ICT.


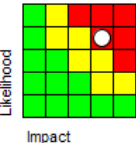

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
* SRCR - 0044 Major Power Outage	A serious power outage has the ability to severely disrupt all critical systems, resulting in greater consequences than typical utilities failures. The overall impact of this for the Council could be extremely severe with a potential loss of essential services, particularly transport, food, water, fuel, gas, security (CCTV), finance, communications and education. These losses of services could cause local people serious physical and psychological issues - particularly in winter (attempting to	ALL		 May 2023. The likelihood for this risk is comparatively low, although there are precedents of similar problems elsewhere in the world. The potential impact is sufficiently high however for this to be considered as a Corporate risk for Hackney. Also with the current energy crisis, international conflicts, increased usage and ongoing climate change, the external environment is more tumultuous than

	<p>keep warm) and especially for the more vulnerable members of the community. Additionally economic damage would also occur, particularly to business. The Council would find it extremely difficult to carry out even a threadbare version of its key services, and with anything longer than a short term outage, the risks and impacts would intensify massively.</p> <p>Hackney Council has identified two specific risks within this broader area. The first relates to a more regional outage where the Borough would suffer (pre planned) 3 hour postcode outages. This would be more easily survivable than the risk of an (up to) 7 days entire failure of the national grid, most likely after a winter storm, or during a cold snap. If this did occur, the impact on the Council would be extremely serious and incredibly challenging to manage. Disruption to service delivery would be extremely serious.</p>		<p>before. Clearly the short term regional outages would be more likely than the entire failure of the grid.</p> <p>On 1 December 2019, 8,000 homes in Falkirk, Scotland were left without gas for heating, cooking and hot water due to a system failure. The outage forced the closure of many schools the following day. The majority of properties were reconnected within 48 hours. The UK has never experienced an electricity failure affecting an entire region or the country as a whole. However, similar events have occurred internationally. In 2019, tens of millions of people in Argentina, Uruguay and Chile were left without power following a failure in the electricity system.</p> <p>During the winter of 2022/23, it was reported The UK was facing "a significant risk" of gas shortages, according to the industry regulator, which could impact electricity supplies. Ofgem said due to Russia's war with Ukraine, the UK could enter a "gas supply emergency". This would lead to supplies being cut to power stations which use gas to generate the country's electricity. It may place firms at risk of running out of money because of huge charges if they could not deliver electricity. Tentative plans for 3 hour blackouts were revealed within government documents, although this planning was speculative at this stage. The fact it was being seriously thought about suggests it was possible. These shortages did not materialise in the end but remain something on the radar, particularly for the winter of 2023/24. This was a new risk at the end of 2022, and will remain on the Corporate radar.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0044a	<ul style="list-style-type: none"> - Exercise Electric Lemur held in December 2021 that tested and explored our multi-agency response to a national power outage - A local Multi-Agency Power & Communications Outage plan has being developed. Lots of communication and planning with multi agency partners is taking place. - Additional backup generators have been acquired, along with other useful resources. - A 24hr load test of back up power arrangements has been tested at Stoke Newington Town Hall. Also a 6 hour power backup load testing is planned for Hackney Town Hall and Hackney Service Centre. - Work has commenced at providing backup power to Millfields bunkered fuel stocks - Issue - work has currently stalled due to asbestos issues. - Need identified to test HTH and HSC backup power, however no date yet set for a load test. - Strategically located power resilient rest centres have been identified - however the greenlight to proceed with works to make these sites power resilient has yet to commence. - 3 key things message being developed for all staff, to help them remember what to do in the event of a prolonged power outage - Scoping is underway to exercise all out of hours and 'P1' council services business continuity to a 3 hour power outage. 	Mark Carroll, Rickardo Hyatt, Ian Williams, Helen Woodland, Jacquie Burke	James Groom	31/9/2023	Most of these controls are in place to mitigate any potential impact, and managed within Hackney by the Emergency Planning & Response team.

SRCR 0044b - BCPs	For either of these risks becoming a reality, reference to Business Continuity Plans would be an important response. Across the organisation, the vast majority of BCPs are up to date, with an ongoing / rolling programme of reviews taking place amongst Services. A separate testing and maintenance regime should also be in place across the Council to provide assurance that methods to assist mitigate this risk are fit for purpose.	Mark Carroll, Rickardo Hyatt, Ian Williams, Helen Woodland, Jacque Burke	David Blair-Reid	31/9/2023	The BCPs are constantly being assessed and updated depending where they stand in the review cycle.
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
SRCR 0045 NEW RISK Reduction of the use of residential placements EXTERNAL / INTERNAL RISK CURRENT RISK 	The main areas of pressure for Children and Family Services continue to be on looked-after children (LAC) and leaving care (LC) care arrangements costs. Corporate Parenting is forecast to overspend by £2.8m after the use of £2m commissioning reserves (as at February 2023), largely driven by a change in the profile of care arrangements linked to the complexity of care for children coming into the service. There are also more children within high cost bespoke packages than in previous years and this has caused upward pressure on cost for the service this financial year. At the start of this financial year we have seen a reduction in the use of residential care arrangements, however the costs are increasing in residential care and semi-independent care arrangements due to care providers being faced with the challenges of rising inflation and the cost of living crisis. The risk relates to the increasing financial pressures this is placing on the Council.	Children and Education		 May 2023 - One of the main risks for the directorate is the cost of living and fuel price crisis, and the potential impact that it will have on the cost of service delivery going forward. It is difficult to estimate the impact that the cost of living crisis will have across services, however we can expect care providers to seek greater inflationary uplifts to care placements than in previous years. This risk is a new escalation to the Corporate register in Dec 2022 - a reflection of the intense pressures the economy is placing on Services.	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0043a Reduction of the use of residential placements	Management actions of £1.5m have been identified and these are factored into the forecast when delivered. These include reductions in the number of residential placements. A forensic review of the top 20 high cost placements; As part of the forensic analysis of residential placements, the service is targeting a reduction of five residential placements (costing on average £200k per annum, per placement).	Jacque Burke	Diane Benjamin	31/10/23	May 2023 - These controls will be assessed throughout 2023 with regular reporting on progress to SMT and through the monthly OFP report.



Title of Report	PERFORMANCE UPDATE - COVERING REPORT
For Consideration By	Audit Committee
Meeting Date	June 21st 2023
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Ian Williams, Group Director Finance and Corporate Resources

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This overview provides an updated set of reports that were selected to be reviewed by the Audit Committee on a regular basis as part of the Committee's overview of the Council's performance. It provides an updated set of key performance indicators along with an update on risk management with a Corporate Scorecard (summarising the highest risks to the organisation as a whole), and some accompanying commentary on the Council's risk approach.
- 1.2. The report also sets out the latest capital programme monitoring and, as was requested at the last Audit Committee, an additional analysis of forecast spend to the original and revised budgets is included along with explanations where there are significant variances.

2. RECOMMENDATION(S)

2.1 The Audit Committee is recommended to:

- Consider the performance indicators presented in Appendix 1, the Risk Management Scorecard in Appendix 2 and the current capital monitoring update in Appendix 3 (all attached to this report).

3. REASONS FOR DECISION

3.1 The Audit Committee are deemed to be “those charged with governance” in respect of the Council’s annual statement of accounts, treasury management strategy and other financial matters. As such, the Committee has asked for more overview of the Council’s performance and risk management in order that they can be assured that value for money is being achieved and that they can fulfil their governance role in the widest sense.

4. BACKGROUND

4.1 Policy Context

The review of performance and the risks arising from the delivery of the capital programme are key areas for consideration of the Audit Committee in order for them to fulfil their overall governance role.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment.

4.3. Sustainability

Not Applicable.

4.4 Consultations

The Chair of the Audit Committee has been consulted along with the Head of Business Intelligence and Members Services, Cabinet Member for Finance and the Group Director of Finance & Corporate Resources.

4.5 Risk Assessment

Not applicable

4.6 PERFORMANCE INDICATORS

4.6.1 Audit Committee have over several meetings discussed their requirement to be able to consider the performance of the Council on an ongoing basis. This leads on from the role of the Committee to approve the annual accounts of the authority, agree and monitor treasury management strategy and to keep under review risk management across the Council.

4.6.2 A set of high level indicators have been developed and agreed by the Committee. The attached report (Appendix 1) is a summary of the Indicators which were agreed. Consideration of these will help to strengthen the governance role of the Committee in its wider sense.

4.7 CAPITAL PROGRAMME MONITORING

4.7.1 As part of the regular review of treasury management activity and approval of the annual Treasury Management Strategy, the Audit Committee has sight of the capital financing requirement (underlying requirement to borrow) of the authority on an ongoing basis.

4.7.2 It has been noted by the Committee that the Council has moved from a debt free position to an external borrowing position over the last few years, mainly due to the delivery of an ambitious capital programme that requires forward funding, pending future sales of private residential units on completion of regeneration and other mixed use development schemes. Borrowing is forecast to increase further over the next few years as plans include bringing forward the next phases of both the Britannia scheme and our Regeneration programme.

4.7.3 Such a change brings additional risk to the delivery of the programme as well as potential impact on the finances of the Council. This risk arises mainly from two issues – potential volatility of the housing market affecting sales volume and value going forward, and increasing building costs.

4.7.4 This report includes a detailed update on the capital programme at **Appendix 3**. It is noted that, despite the additional challenge of capital forecasting along the original budget, the forecast capital outturn is significantly lower. This is largely driven by two main factors:

- construction industry inflation resulting in tender prices being above cost estimates and further work required on viability of schemes (e.g CCG Primary Care Project, Estate Regeneration & Housing Supply programme)
- external factors determining programme or requiring scheme review and re-profiling (Britannia Project, S106 highways works, Disabled Facilities Grant)

4.7.5 Clearly some of these issues remain and are likely to continue to affect capital delivery and spend forecasts. The corporate finance team works closely with the Head of Treasury to ensure that the impacts of these circumstances are mitigated as far as possible.

4.7.6 The Audit Committee has over several years been undertaking deep dives into specific areas of Council business which has a direct impact on the remit of the Committee's terms of reference. One of the proposals for this year is a review of the cost of capital and borrowing. This is to cover both the General Fund and the HRA and will focus on the impact on revenue budgets of the Council's capital investment decisions. This will follow detailed work on developing the capital programme over a longer period (currently 3 years) and is expected to report to the Audit Committee in April.

4.8 RISK MANAGEMENT

4.8.1 Audit Committee have over several meetings discussed their requirement to be able to also consider the wider picture of risk management within the Council on an ongoing basis. In addition to the Directorate and Corporate registers reviewed at Committee meetings, it was felt some additional information and commentary would be helpful in painting a fuller picture and also increasing levels of assurance regarding how risks are identified and managed. At each meeting, an updated scorecard of the Corporate Risks will be presented, and this will form the main part **Appendix 2**. This will ensure a continual overview is supplied of the Council's strategic risks. The full version of the Corporate risk register is presented to the Audit Committee every six months.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

5.1 The contents of this report are a result of a number of discussions with the Chair and members of the Audit Committee regarding future enhanced performance reporting in order to strengthen the governance role of the Committee.

5.2 Officers will continue to work with the Chair and members of the Audit Committee, in conjunction with the Cabinet Member for Finance and the Head of Business Intelligence and Members Services, in order to enhance the reporting offer to ensure that it provides the strategic overview of Council performance and risk that the Committee require.

6. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

6.1 The Council has a general duty as a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness under the Local Government Act 1999, section 3.

6.2 The Audit Committee has the responsibility to consider the Council’s arrangements to secure value for money and review the assurances and assessments on the effectiveness of these arrangements. This Report is part of those arrangements.

APPENDICES

- Appendix 1 - Performance Indicators
- Appendix 2 - Corporate Risk Scorecard
- Appendix 3 - Capital monitoring report

BACKGROUND PAPERS



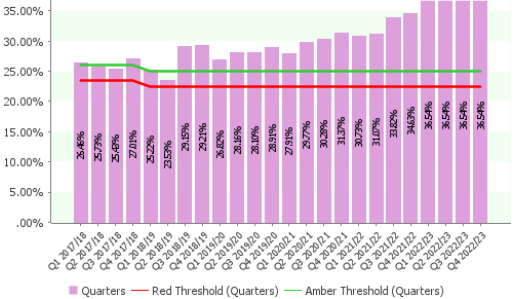


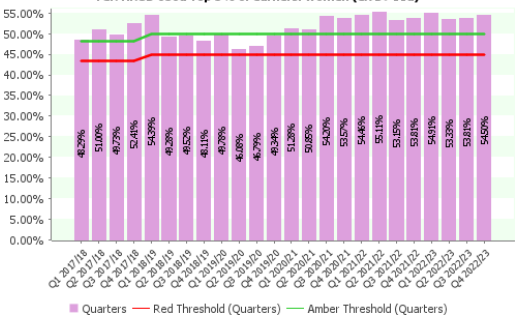

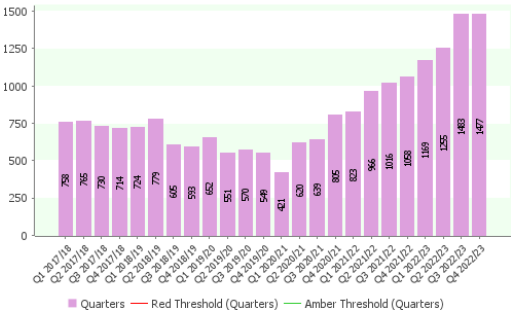
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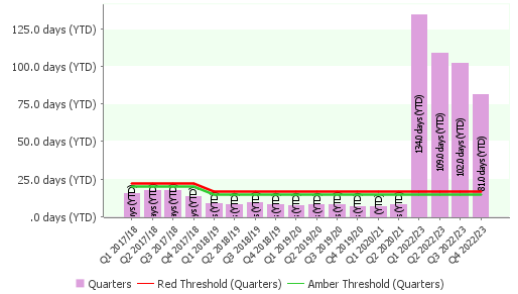

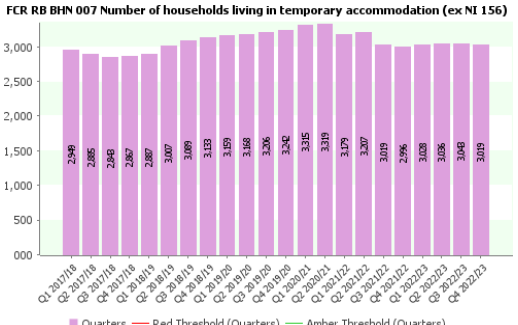
Report Author	Matt Powell ☎020-8356 2624 matthew.powell@hackney.gov.uk
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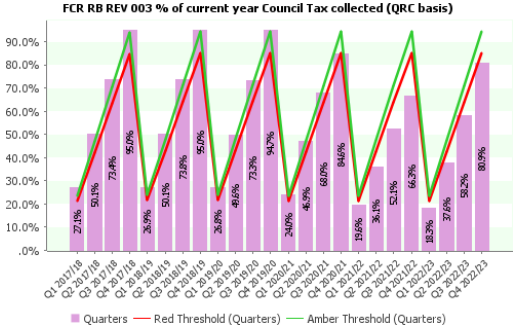


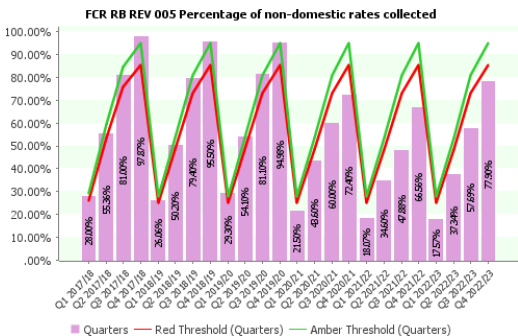
Comments of the Group Director, Finance and Corporate Resources	Jackie Moylan ☎020-8356 3332 jackie.moylan@hackney.gov.uk
Comments of Director, Legal	Dawn Carter-McDonald ☎020-8356 4817 dawn.carter-mcdonald@hackney.gov.uk

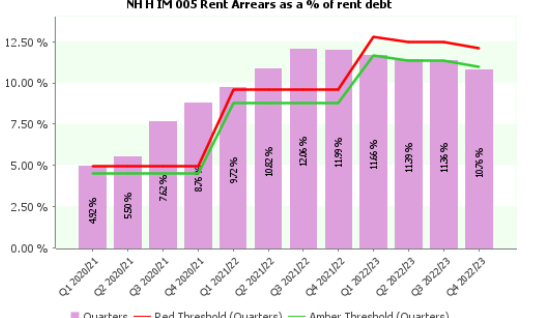
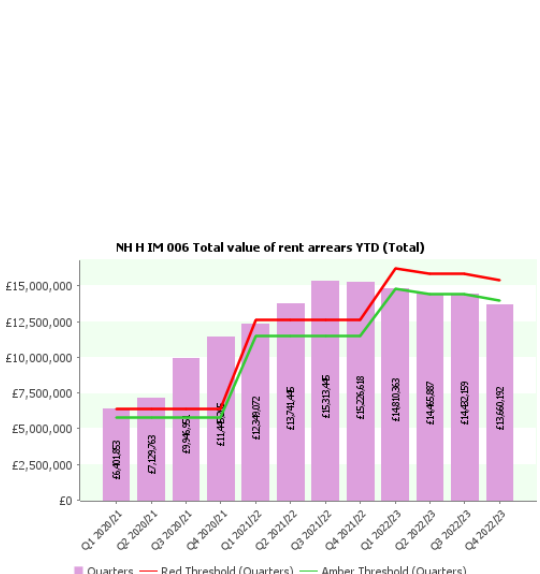
Q4 Audit Committee Report

PI Code	Short Name	2021/22	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Note	Traffic Light	DoT	Performance Data Trend Chart			
		Value	Value	Value	Value	Value							
Page 125 FCR HROD 001	Sickness 12 month rolling average	12.12	12.45	11.58	12.18	12.00	Sickness absence still causes concern. However, the average days sickness absence has stabilised at around 12 days per year. Long term sickness absence cases continue to be targeted in particular service areas and this should start to reduce the sickness figure over the next six months.			<p>FCR HROD 001 Sickness 12 month rolling average</p> <p>This bar chart shows the sickness absence rate in days per employee over 24 quarters. The y-axis ranges from 0.00 to 12.50. A red horizontal line represents the Red Threshold at approximately 8.5, and a green horizontal line represents the Amber Threshold at approximately 8.0. The data points for each quarter are: Q1 20/21: 6.53, Q2 20/21: 6.63, Q3 20/21: 6.94, Q4 20/21: 7.62, Q1 21/22: 7.79, Q2 21/22: 8.27, Q3 21/22: 8.80, Q4 21/22: 8.39, Q1 22/23: 9.17, Q2 22/23: 9.48, Q3 22/23: 9.71, Q4 22/23: 10.29, Q1 23/24: 10.77, Q2 23/24: 10.30, Q3 23/24: 9.74, Q4 23/24: 9.59, Q1 24/25: 9.68, Q2 24/25: 10.51, Q3 24/25: 11.37, Q4 24/25: 12.12, Q1 25/26: 12.46, Q2 25/26: 11.98, Q3 25/26: 12.18, Q4 25/26: 12.00.</p>			
		42.6%	43.4%	43.7%	44.3%	44.5%					Data only		<p>FCR HROD 023 % of employees aged 50 or over</p> <p>This bar chart shows the percentage of employees aged 50 or over over 24 quarters. The y-axis ranges from 0.0% to 45.0%. A red horizontal line represents the Red Threshold at approximately 40.5%, and a green horizontal line represents the Amber Threshold at approximately 38.0%. The data points for each quarter are: Q1 20/21: 37.0%, Q2 20/21: 38.0%, Q3 20/21: 38.1%, Q4 20/21: 38.1%, Q1 21/22: 38.6%, Q2 21/22: 39.0%, Q3 21/22: 38.8%, Q4 21/22: 38.6%, Q1 22/23: 38.8%, Q2 22/23: 38.8%, Q3 22/23: 38.8%, Q4 22/23: 38.8%, Q1 23/24: 38.8%, Q2 23/24: 39.6%, Q3 23/24: 39.7%, Q4 23/24: 39.8%, Q1 24/25: 40.7%, Q2 24/25: 41.3%, Q3 24/25: 41.5%, Q4 24/25: 41.5%, Q1 25/26: 41.5%, Q2 25/26: 41.8%, Q3 25/26: 42.4%, Q4 25/26: 42.7%, Q1 26/27: 44.5%.</p>

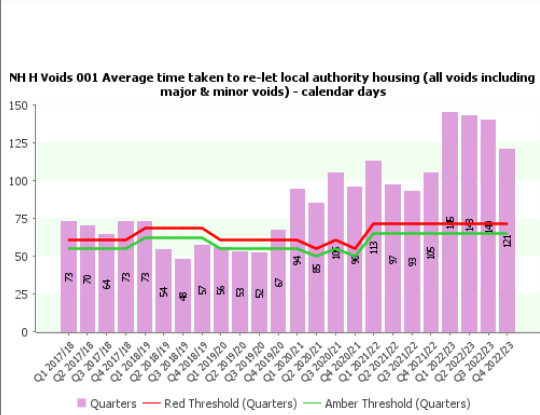
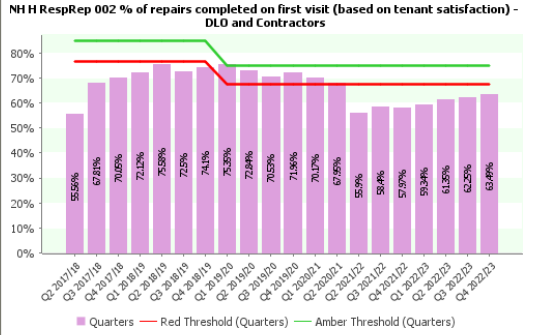
FCR HROD 029a	Top 5% of earners: Ethnic minorities (ex BV11b)	34.63%	36.54%	36.54%	36.54%	36.54%				<p>FCR HROD 029a Top 5% of earners: Ethnic minorities (ex BV11b)</p> 
FCR HROD 030a	Top 5% of earners: Women (ex BV 11a)	53.81%	54.91%	53.33%	53.81%	54.50%				<p>FCR HROD 030a Top 5% of earners: Women (ex BV 11a)</p> 
CE PPD 021	Number of Stage 1 complaints received by the Council	3863	1169	1255	1483	1477		Data only		<p>CE PPD 021 Number of Stage 1 complaints received by the Council</p> 

FCR RB BHN 002	Time taken to process Housing Benefit new claims and change events (ex NI 181) - reported as YTD figure	N/A	134.0 days (YTD)	109.0 days (YTD)	102.0 days (YTD)	81.0 days (YTD)	<p>The annual Speed of processing out turn for 2022/23 was 81 days. When coupled with the eradication of the benefit processing backlog as a result of the cyber attack this is a strong outcome. Clear improvements will be shown every quarter for the current year. It is unlikely that processing times will return to pre-cyber attack results until all the IT repair and recovery is fully complete. The Service is still working hard with lots of manual process and workaround until this can be achieved in late 2023/24.</p>			<p>FCR RB BHN 002 Time taken to process Housing Benefit new claims and change events (ex NI 181) - reported as YTD figure</p>  <table border="1"> <caption>FCR RB BHN 002 Time taken to process Housing Benefit new claims and change events (ex NI 181) - reported as YTD figure</caption> <thead> <tr> <th>Quarter</th> <th>Time taken (days YTD)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>~10</td></tr> <tr><td>Q2 2017/18</td><td>~10</td></tr> <tr><td>Q3 2017/18</td><td>~10</td></tr> <tr><td>Q4 2017/18</td><td>~10</td></tr> <tr><td>Q1 2018/19</td><td>~10</td></tr> <tr><td>Q2 2018/19</td><td>~10</td></tr> <tr><td>Q3 2018/19</td><td>~10</td></tr> <tr><td>Q4 2018/19</td><td>~10</td></tr> <tr><td>Q1 2019/20</td><td>~10</td></tr> <tr><td>Q2 2019/20</td><td>~10</td></tr> <tr><td>Q3 2019/20</td><td>~10</td></tr> <tr><td>Q4 2019/20</td><td>~10</td></tr> <tr><td>Q1 2020/21</td><td>~10</td></tr> <tr><td>Q2 2020/21</td><td>~10</td></tr> <tr><td>Q3 2020/21</td><td>~10</td></tr> <tr><td>Q4 2020/21</td><td>~10</td></tr> <tr><td>Q1 2021/22</td><td>~10</td></tr> <tr><td>Q2 2021/22</td><td>~10</td></tr> <tr><td>Q3 2021/22</td><td>~10</td></tr> <tr><td>Q4 2021/22</td><td>~10</td></tr> <tr><td>Q1 2022/23</td><td>~10</td></tr> <tr><td>Q2 2022/23</td><td>~10</td></tr> <tr><td>Q3 2022/23</td><td>~10</td></tr> <tr><td>Q4 2022/23</td><td>134.0</td></tr> </tbody> </table>	Quarter	Time taken (days YTD)	Q1 2017/18	~10	Q2 2017/18	~10	Q3 2017/18	~10	Q4 2017/18	~10	Q1 2018/19	~10	Q2 2018/19	~10	Q3 2018/19	~10	Q4 2018/19	~10	Q1 2019/20	~10	Q2 2019/20	~10	Q3 2019/20	~10	Q4 2019/20	~10	Q1 2020/21	~10	Q2 2020/21	~10	Q3 2020/21	~10	Q4 2020/21	~10	Q1 2021/22	~10	Q2 2021/22	~10	Q3 2021/22	~10	Q4 2021/22	~10	Q1 2022/23	~10	Q2 2022/23	~10	Q3 2022/23	~10	Q4 2022/23	134.0
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Page 127 FCR RB BHN 007	Number of households living in temporary accommodation (ex NI 156)		3,028	3,036	3,043	3,019	<p>The number has stayed broadly static due to officers finding move-on solutions for residents and the courts now catching up with evictions for those residents in temporary accommodation who won't pay. However, temporary accommodation placements have increased by 8% on last year and finding any further temporary accommodation in 2023/24 is proving impossible. The Council is struggling to find affordable temporary accommodation that does not breach the Pan London agreement or meets fire and safety standards and therefore this number is artificially low as there are currently 26 families waiting for temporary accommodation.</p>	Data only		<p>FCR RB BHN 007 Number of households living in temporary accommodation (ex NI 156)</p>  <table border="1"> <caption>FCR RB BHN 007 Number of households living in temporary accommodation (ex NI 156)</caption> <thead> <tr> <th>Quarter</th> <th>Number of households</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>2,548</td></tr> <tr><td>Q2 2017/18</td><td>2,885</td></tr> <tr><td>Q3 2017/18</td><td>2,848</td></tr> <tr><td>Q4 2017/18</td><td>2,867</td></tr> <tr><td>Q1 2018/19</td><td>2,887</td></tr> <tr><td>Q2 2018/19</td><td>3,007</td></tr> <tr><td>Q3 2018/19</td><td>3,088</td></tr> <tr><td>Q4 2018/19</td><td>3,118</td></tr> <tr><td>Q1 2019/20</td><td>3,159</td></tr> <tr><td>Q2 2019/20</td><td>3,168</td></tr> <tr><td>Q3 2019/20</td><td>3,206</td></tr> <tr><td>Q4 2019/20</td><td>3,245</td></tr> <tr><td>Q1 2020/21</td><td>3,315</td></tr> <tr><td>Q2 2020/21</td><td>3,319</td></tr> <tr><td>Q3 2020/21</td><td>3,179</td></tr> <tr><td>Q4 2020/21</td><td>3,207</td></tr> <tr><td>Q1 2021/22</td><td>3,075</td></tr> <tr><td>Q2 2021/22</td><td>2,996</td></tr> <tr><td>Q3 2021/22</td><td>3,028</td></tr> <tr><td>Q4 2021/22</td><td>3,038</td></tr> <tr><td>Q1 2022/23</td><td>3,048</td></tr> <tr><td>Q2 2022/23</td><td>3,075</td></tr> <tr><td>Q3 2022/23</td><td>3,043</td></tr> <tr><td>Q4 2022/23</td><td>3,019</td></tr> </tbody> </table>	Quarter	Number of households	Q1 2017/18	2,548	Q2 2017/18	2,885	Q3 2017/18	2,848	Q4 2017/18	2,867	Q1 2018/19	2,887	Q2 2018/19	3,007	Q3 2018/19	3,088	Q4 2018/19	3,118	Q1 2019/20	3,159	Q2 2019/20	3,168	Q3 2019/20	3,206	Q4 2019/20	3,245	Q1 2020/21	3,315	Q2 2020/21	3,319	Q3 2020/21	3,179	Q4 2020/21	3,207	Q1 2021/22	3,075	Q2 2021/22	2,996	Q3 2021/22	3,028	Q4 2021/22	3,038	Q1 2022/23	3,048	Q2 2022/23	3,075	Q3 2022/23	3,043	Q4 2022/23	3,019
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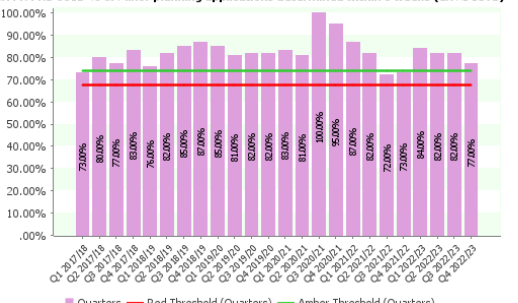


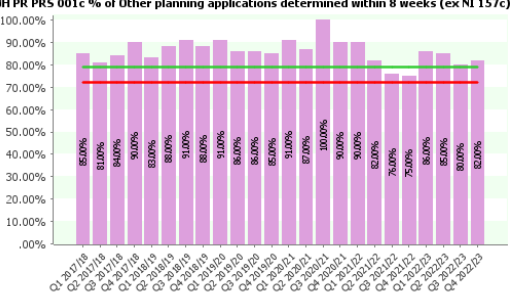
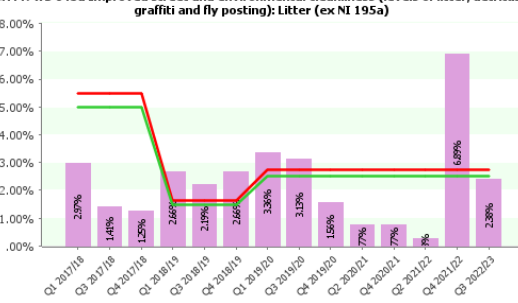
<p>FCR RB REV 003</p>	<p>% of current year Council Tax collected (QRC basis)</p>	<p>66.3%</p>	<p>18.3%</p>	<p>37.6%</p>	<p>58.2%</p>	<p>80.9%</p>	<p>Collection levels for 2022/23 increased above the 2021/22 levels, but remained below the 2019/20 levels (the last year not impacted by COVID or cyber). Collection slightly exceeded the 80% in year target.</p> <p>With arrangements in place and recovery action now back in place it is estimated that the overall Council Tax collection rate for 2022/23 is expected to be 91% to 92% over the next three to four years as we continue to collect the monies outstanding.</p> <p>A collection target for 2023/24 has been set at 92.50%.</p>			
<p>FCR RB REV 005</p>	<p>Percentage of non-domestic rates collected</p>	<p>66.56%</p>	<p>17.57%</p>	<p>37.34%</p>	<p>57.69%</p>	<p>77.90%</p>	<p>Collection levels increased above the 2021/22 levels, but remained below the 2019/20 levels (the last year not impacted by COVID or cyber). Collection was just under the lower end of our target of 78%.</p> <p>With arrangements in place and recovery action now back in place it is estimated that the overall NNDR collection rate for 2022/23 is expected to be 88% to 90% over the next three to four years</p> <p>A collection target of 91.50% has been set for 2023/24.</p>			

<p>NH H IM 005</p>	<p>Rent Arrears as a % of rent debt</p>	<p>11.99 %</p>	<p>11.66 %</p>	<p>11.39 %</p>	<p>11.36 %</p>	<p>10.76 %</p>	<p>The annual debit is approximately £127m. As the rent arrears are at £13,660,192, this means that the Rent Arrears as a % of Rent Debt is calculated to be 10.76% for Q4 2022/23.</p> <p>This is a decrease of 0.60% on the Q3 2022/23 outturn of 11.36%.</p>	<p>✔</p>	<p>↑</p>	 <p>NH H IM 005 Rent Arrears as a % of rent debt</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Quarters (%)</th> <th>Red Threshold (%)</th> <th>Amber Threshold (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2020/21</td><td>4.82%</td><td>5.00%</td><td>7.50%</td></tr> <tr><td>Q2 2020/21</td><td>5.59%</td><td>5.00%</td><td>7.50%</td></tr> <tr><td>Q3 2020/21</td><td>7.42%</td><td>5.00%</td><td>7.50%</td></tr> <tr><td>Q4 2020/21</td><td>8%</td><td>5.00%</td><td>7.50%</td></tr> <tr><td>Q1 2021/22</td><td>9.72%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q2 2021/22</td><td>10.82%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q3 2021/22</td><td>11.8%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q4 2021/22</td><td>11.59%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q1 2022/23</td><td>11.66%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q2 2022/23</td><td>11.36%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q3 2022/23</td><td>11.36%</td><td>9.50%</td><td>7.50%</td></tr> <tr><td>Q4 2022/23</td><td>10.76%</td><td>9.50%</td><td>7.50%</td></tr> </tbody> </table>	Quarter	Quarters (%)	Red Threshold (%)	Amber Threshold (%)	Q1 2020/21	4.82%	5.00%	7.50%	Q2 2020/21	5.59%	5.00%	7.50%	Q3 2020/21	7.42%	5.00%	7.50%	Q4 2020/21	8%	5.00%	7.50%	Q1 2021/22	9.72%	9.50%	7.50%	Q2 2021/22	10.82%	9.50%	7.50%	Q3 2021/22	11.8%	9.50%	7.50%	Q4 2021/22	11.59%	9.50%	7.50%	Q1 2022/23	11.66%	9.50%	7.50%	Q2 2022/23	11.36%	9.50%	7.50%	Q3 2022/23	11.36%	9.50%	7.50%	Q4 2022/23	10.76%	9.50%	7.50%
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Q2 2021/22	10.82%	9.50%	7.50%																																																											
Q3 2021/22	11.8%	9.50%	7.50%																																																											
Q4 2021/22	11.59%	9.50%	7.50%																																																											
Q1 2022/23	11.66%	9.50%	7.50%																																																											
Q2 2022/23	11.36%	9.50%	7.50%																																																											
Q3 2022/23	11.36%	9.50%	7.50%																																																											
Q4 2022/23	10.76%	9.50%	7.50%																																																											
<p>NH H IM 006</p>	<p>Total value of rent arrears YTD (Total)</p>	<p>£15,226,618</p>	<p>£14,810,363</p>	<p>£14,465,887</p>	<p>£14,432,159</p>	<p>£13,660,192</p>	<p>As at the end of Q4 2022/23, the rent arrears are £13,660,192 - hence, the 2022/23 year end target of £14.0m has been exceeded. The rent arrears decreased by £771,967 in the last quarter - the arrears at the end of Q3 2022/23 were £14,432,159.</p> <p>£13,660,192 includes TMO arrears of £1,538,781. The TMO's arrears have increased by £29,839 in the last quarter - their arrears at the end of Q3 2022/23 were £1,508,942.</p> <p>In 2022/23, total cash received - including DWP payments - is £75,990,011. This is £5.26m higher than what was received last year - £70,728,278 in 2021/22. Additionally, in 2022/23, Housing Benefit (HB) income is £2.46m higher than last year - despite there having been a decrease of 242 in the number of HB claimants, mainly due to the move to Universal Credit, however, the processing of backdated claims</p>	<p>✔</p>	<p>↑</p>	 <p>NH H IM 006 Total value of rent arrears YTD (Total)</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Quarters (£)</th> <th>Red Threshold (£)</th> <th>Amber Threshold (£)</th> </tr> </thead> <tbody> <tr><td>Q1 2020/21</td><td>6,301,099</td><td>6,500,000</td><td>10,000,000</td></tr> <tr><td>Q2 2020/21</td><td>6,842,174</td><td>6,500,000</td><td>10,000,000</td></tr> <tr><td>Q3 2020/21</td><td>9,346,613</td><td>6,500,000</td><td>10,000,000</td></tr> <tr><td>Q4 2020/21</td><td>9,981,113</td><td>6,500,000</td><td>10,000,000</td></tr> <tr><td>Q1 2021/22</td><td>12,096,313</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q2 2021/22</td><td>9,414,613</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q3 2021/22</td><td>9,413,513</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q4 2021/22</td><td>8,192,213</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q1 2022/23</td><td>8,361,813</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q2 2022/23</td><td>10,829,413</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q3 2022/23</td><td>14,432,159</td><td>12,000,000</td><td>10,000,000</td></tr> <tr><td>Q4 2022/23</td><td>13,660,192</td><td>12,000,000</td><td>10,000,000</td></tr> </tbody> </table>	Quarter	Quarters (£)	Red Threshold (£)	Amber Threshold (£)	Q1 2020/21	6,301,099	6,500,000	10,000,000	Q2 2020/21	6,842,174	6,500,000	10,000,000	Q3 2020/21	9,346,613	6,500,000	10,000,000	Q4 2020/21	9,981,113	6,500,000	10,000,000	Q1 2021/22	12,096,313	12,000,000	10,000,000	Q2 2021/22	9,414,613	12,000,000	10,000,000	Q3 2021/22	9,413,513	12,000,000	10,000,000	Q4 2021/22	8,192,213	12,000,000	10,000,000	Q1 2022/23	8,361,813	12,000,000	10,000,000	Q2 2022/23	10,829,413	12,000,000	10,000,000	Q3 2022/23	14,432,159	12,000,000	10,000,000	Q4 2022/23	13,660,192	12,000,000	10,000,000
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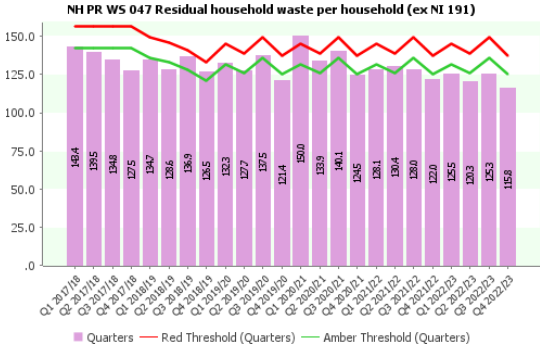
							and higher rents in 2022/23 has meant increased income. One area of significant improvement during the last quarter has been the percentage of Universal Credit claimants in arrears, who have their rent paid directly to Hackney. It has improved by 4.31% since Q3 2022/23 - a net increase of 124 tenants with direct payments.		
NH H RespRep 002 Page 130	% of repairs completed on first visit (based on tenant satisfaction) - DLO and Contractors	57.57%	59.34%	61.35%	62.25%	63.49%	In Q4, 63.49% of residents reported that their repair was completed on the first visit. Whilst this is still somewhat off the 75% target, this PI has improved in all four quarters throughout the year.	🔴	📈
NH H Voids 001	Average time taken to re-let local authority housing (all voids including major & minor voids) - calendar days	102	145	143	140	121	During Quarter 4, there were 108 re-lets, with an average turnaround time of 120.9 days. This compares to an average of 140.9 days in Quarter 3, from 82 relets. The decrease was driven by a fall in the works period, from 123 days in Quarter 3 to 96.1 days. However, the full extent of these gains were not transferred to the turnaround time, as the time between the works being completed and the property being re-let increased to 28.2 days, compared to 17.6 days in Quarter 3. This relates to the resource	🔴	📈



							shortage within the Voids Coordinator Team.																																																					
NH PR PMS 007a	Number of PCNs issued - total	286471	67124	70298	70876	52603		Data only	↓	<p>NH PR PMS 007a Number of PCNs issued - total</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Number of PCNs issued</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>32684</td></tr> <tr><td>Q2 2017/18</td><td>31683</td></tr> <tr><td>Q3 2017/18</td><td>30642</td></tr> <tr><td>Q4 2017/18</td><td>27124</td></tr> <tr><td>Q1 2018/19</td><td>38960</td></tr> <tr><td>Q2 2018/19</td><td>44008</td></tr> <tr><td>Q3 2018/19</td><td>36997</td></tr> <tr><td>Q4 2018/19</td><td>44191</td></tr> <tr><td>Q1 2019/20</td><td>45534</td></tr> <tr><td>Q2 2019/20</td><td>34690</td></tr> <tr><td>Q3 2019/20</td><td>33190</td></tr> <tr><td>Q4 2019/20</td><td>42870</td></tr> <tr><td>Q1 2020/21</td><td>26838</td></tr> <tr><td>Q2 2020/21</td><td>54855</td></tr> <tr><td>Q3 2020/21</td><td>56090</td></tr> <tr><td>Q4 2020/21</td><td>59573</td></tr> <tr><td>Q1 2021/22</td><td>71854</td></tr> <tr><td>Q2 2021/22</td><td>67933</td></tr> <tr><td>Q3 2021/22</td><td>78104</td></tr> <tr><td>Q4 2021/22</td><td>67930</td></tr> <tr><td>Q1 2022/23</td><td>67124</td></tr> <tr><td>Q2 2022/23</td><td>70298</td></tr> <tr><td>Q3 2022/23</td><td>70876</td></tr> <tr><td>Q4 2022/23</td><td>52603</td></tr> </tbody> </table>	Quarter	Number of PCNs issued	Q1 2017/18	32684	Q2 2017/18	31683	Q3 2017/18	30642	Q4 2017/18	27124	Q1 2018/19	38960	Q2 2018/19	44008	Q3 2018/19	36997	Q4 2018/19	44191	Q1 2019/20	45534	Q2 2019/20	34690	Q3 2019/20	33190	Q4 2019/20	42870	Q1 2020/21	26838	Q2 2020/21	54855	Q3 2020/21	56090	Q4 2020/21	59573	Q1 2021/22	71854	Q2 2021/22	67933	Q3 2021/22	78104	Q4 2021/22	67930	Q1 2022/23	67124	Q2 2022/23	70298	Q3 2022/23	70876	Q4 2022/23	52603
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Page 131 NH PR PMS 010a	PCN recovery rate – including estates	74.6%	72.8%	68.9%	73.6%	69.9%		Data only	↓	<p>NH PR PMS 010a PCN recovery rate – including estates</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Recovery Rate (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>70.2%</td></tr> <tr><td>Q2 2017/18</td><td>60.9%</td></tr> <tr><td>Q3 2017/18</td><td>65.9%</td></tr> <tr><td>Q4 2017/18</td><td>63.4%</td></tr> <tr><td>Q1 2018/19</td><td>64.4%</td></tr> <tr><td>Q2 2018/19</td><td>65.4%</td></tr> <tr><td>Q3 2018/19</td><td>71.6%</td></tr> <tr><td>Q4 2018/19</td><td>71.6%</td></tr> <tr><td>Q1 2019/20</td><td>74.9%</td></tr> <tr><td>Q2 2019/20</td><td>81.4%</td></tr> <tr><td>Q3 2019/20</td><td>80.6%</td></tr> <tr><td>Q4 2019/20</td><td>74.9%</td></tr> <tr><td>Q1 2020/21</td><td>79.5%</td></tr> <tr><td>Q2 2020/21</td><td>75.2%</td></tr> <tr><td>Q3 2020/21</td><td>75.2%</td></tr> <tr><td>Q4 2020/21</td><td>73.8%</td></tr> <tr><td>Q1 2021/22</td><td>76.2%</td></tr> <tr><td>Q2 2021/22</td><td>74.6%</td></tr> <tr><td>Q3 2021/22</td><td>74.6%</td></tr> <tr><td>Q4 2021/22</td><td>72.8%</td></tr> <tr><td>Q1 2022/23</td><td>68.9%</td></tr> <tr><td>Q2 2022/23</td><td>73.6%</td></tr> <tr><td>Q3 2022/23</td><td>69.9%</td></tr> <tr><td>Q4 2022/23</td><td>69.9%</td></tr> </tbody> </table>	Quarter	Recovery Rate (%)	Q1 2017/18	70.2%	Q2 2017/18	60.9%	Q3 2017/18	65.9%	Q4 2017/18	63.4%	Q1 2018/19	64.4%	Q2 2018/19	65.4%	Q3 2018/19	71.6%	Q4 2018/19	71.6%	Q1 2019/20	74.9%	Q2 2019/20	81.4%	Q3 2019/20	80.6%	Q4 2019/20	74.9%	Q1 2020/21	79.5%	Q2 2020/21	75.2%	Q3 2020/21	75.2%	Q4 2020/21	73.8%	Q1 2021/22	76.2%	Q2 2021/22	74.6%	Q3 2021/22	74.6%	Q4 2021/22	72.8%	Q1 2022/23	68.9%	Q2 2022/23	73.6%	Q3 2022/23	69.9%	Q4 2022/23	69.9%
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NH PR PRS 001b	% of Minor planning applications determined within 8 weeks (ex NI 157b)	78.00%	84.00%	82.00%	82.00%	77.00%				<p>NH PR PRS 001b % of Minor planning applications determined within 8 weeks (ex NI 157b)</p>  <table border="1"> <caption>NH PR PRS 001b % of Minor planning applications determined within 8 weeks (ex NI 157b)</caption> <thead> <tr> <th>Quarter</th> <th>%</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>70.00%</td></tr> <tr><td>Q2 2017/18</td><td>80.00%</td></tr> <tr><td>Q3 2017/18</td><td>77.00%</td></tr> <tr><td>Q4 2017/18</td><td>83.00%</td></tr> <tr><td>Q1 2018/19</td><td>76.00%</td></tr> <tr><td>Q2 2018/19</td><td>82.00%</td></tr> <tr><td>Q3 2018/19</td><td>85.00%</td></tr> <tr><td>Q4 2018/19</td><td>87.00%</td></tr> <tr><td>Q1 2019/20</td><td>85.00%</td></tr> <tr><td>Q2 2019/20</td><td>81.00%</td></tr> <tr><td>Q3 2019/20</td><td>82.00%</td></tr> <tr><td>Q4 2019/20</td><td>83.00%</td></tr> <tr><td>Q1 2020/21</td><td>81.00%</td></tr> <tr><td>Q2 2020/21</td><td>100.00%</td></tr> <tr><td>Q3 2020/21</td><td>95.00%</td></tr> <tr><td>Q4 2020/21</td><td>87.00%</td></tr> <tr><td>Q1 2021/22</td><td>82.00%</td></tr> <tr><td>Q2 2021/22</td><td>70.00%</td></tr> <tr><td>Q3 2021/22</td><td>78.00%</td></tr> <tr><td>Q4 2021/22</td><td>86.00%</td></tr> <tr><td>Q1 2022/23</td><td>82.00%</td></tr> <tr><td>Q2 2022/23</td><td>77.00%</td></tr> </tbody> </table>	Quarter	%	Q1 2017/18	70.00%	Q2 2017/18	80.00%	Q3 2017/18	77.00%	Q4 2017/18	83.00%	Q1 2018/19	76.00%	Q2 2018/19	82.00%	Q3 2018/19	85.00%	Q4 2018/19	87.00%	Q1 2019/20	85.00%	Q2 2019/20	81.00%	Q3 2019/20	82.00%	Q4 2019/20	83.00%	Q1 2020/21	81.00%	Q2 2020/21	100.00%	Q3 2020/21	95.00%	Q4 2020/21	87.00%	Q1 2021/22	82.00%	Q2 2021/22	70.00%	Q3 2021/22	78.00%	Q4 2021/22	86.00%	Q1 2022/23	82.00%	Q2 2022/23	77.00%				
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NH PR PRS 001c	% of Other planning applications determined within 8 weeks (ex NI 157c)	81.00%	86.00%	85.00%	80.00%	82.00%				<p>NH PR PRS 001c % of Other planning applications determined within 8 weeks (ex NI 157c)</p>  <table border="1"> <caption>NH PR PRS 001c % of Other planning applications determined within 8 weeks (ex NI 157c)</caption> <thead> <tr> <th>Quarter</th> <th>%</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>85.00%</td></tr> <tr><td>Q2 2017/18</td><td>87.00%</td></tr> <tr><td>Q3 2017/18</td><td>90.00%</td></tr> <tr><td>Q4 2017/18</td><td>83.00%</td></tr> <tr><td>Q1 2018/19</td><td>89.00%</td></tr> <tr><td>Q2 2018/19</td><td>91.00%</td></tr> <tr><td>Q3 2018/19</td><td>88.00%</td></tr> <tr><td>Q4 2018/19</td><td>91.00%</td></tr> <tr><td>Q1 2019/20</td><td>88.00%</td></tr> <tr><td>Q2 2019/20</td><td>86.00%</td></tr> <tr><td>Q3 2019/20</td><td>85.00%</td></tr> <tr><td>Q4 2019/20</td><td>85.00%</td></tr> <tr><td>Q1 2020/21</td><td>91.00%</td></tr> <tr><td>Q2 2020/21</td><td>87.00%</td></tr> <tr><td>Q3 2020/21</td><td>100.00%</td></tr> <tr><td>Q4 2020/21</td><td>90.00%</td></tr> <tr><td>Q1 2021/22</td><td>90.00%</td></tr> <tr><td>Q2 2021/22</td><td>82.00%</td></tr> <tr><td>Q3 2021/22</td><td>76.00%</td></tr> <tr><td>Q4 2021/22</td><td>75.00%</td></tr> <tr><td>Q1 2022/23</td><td>86.00%</td></tr> <tr><td>Q2 2022/23</td><td>85.00%</td></tr> <tr><td>Q3 2022/23</td><td>80.00%</td></tr> <tr><td>Q4 2022/23</td><td>82.00%</td></tr> </tbody> </table>	Quarter	%	Q1 2017/18	85.00%	Q2 2017/18	87.00%	Q3 2017/18	90.00%	Q4 2017/18	83.00%	Q1 2018/19	89.00%	Q2 2018/19	91.00%	Q3 2018/19	88.00%	Q4 2018/19	91.00%	Q1 2019/20	88.00%	Q2 2019/20	86.00%	Q3 2019/20	85.00%	Q4 2019/20	85.00%	Q1 2020/21	91.00%	Q2 2020/21	87.00%	Q3 2020/21	100.00%	Q4 2020/21	90.00%	Q1 2021/22	90.00%	Q2 2021/22	82.00%	Q3 2021/22	76.00%	Q4 2021/22	75.00%	Q1 2022/23	86.00%	Q2 2022/23	85.00%	Q3 2022/23	80.00%	Q4 2022/23	82.00%
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NH PR WS 045a	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (ex NI 195a)	N/A	N/A	N/A	2.38%	N/A	The Service engaged Keep Britain Tidy (KBT) to conduct a single Environmental Quality Survey for 2022/23, in November 2022. This means that there is only one outturn for the year, reported in Qtr 3.	N/A	N/A	<p>NH PR WS 045a Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (ex NI 195a)</p>  <table border="1"> <caption>NH PR WS 045a Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (ex NI 195a)</caption> <thead> <tr> <th>Quarter</th> <th>%</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>2.97%</td></tr> <tr><td>Q2 2017/18</td><td>1.41%</td></tr> <tr><td>Q3 2017/18</td><td>1.27%</td></tr> <tr><td>Q4 2017/18</td><td>2.66%</td></tr> <tr><td>Q1 2018/19</td><td>2.19%</td></tr> <tr><td>Q2 2018/19</td><td>2.66%</td></tr> <tr><td>Q3 2018/19</td><td>3.36%</td></tr> <tr><td>Q4 2018/19</td><td>3.13%</td></tr> <tr><td>Q1 2019/20</td><td>1.99%</td></tr> <tr><td>Q2 2019/20</td><td>0.77%</td></tr> <tr><td>Q3 2019/20</td><td>0.77%</td></tr> <tr><td>Q4 2019/20</td><td>0.6%</td></tr> <tr><td>Q1 2020/21</td><td>6.89%</td></tr> <tr><td>Q2 2020/21</td><td>2.38%</td></tr> </tbody> </table>	Quarter	%	Q1 2017/18	2.97%	Q2 2017/18	1.41%	Q3 2017/18	1.27%	Q4 2017/18	2.66%	Q1 2018/19	2.19%	Q2 2018/19	2.66%	Q3 2018/19	3.36%	Q4 2018/19	3.13%	Q1 2019/20	1.99%	Q2 2019/20	0.77%	Q3 2019/20	0.77%	Q4 2019/20	0.6%	Q1 2020/21	6.89%	Q2 2020/21	2.38%																				
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NH PR WS 045b	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus (ex NI 195b)	N/A	N/A	N/A	2.76%	N/A	The Service engaged Keep Britain Tidy (KBT) to conduct a single Environmental Quality Survey for 2022/23, in November 2022. This means that there is only one outturn for the year, reported in Qtr 3.	N/A	N/A	<p>NH PR WS 045b Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus (ex NI 195b)</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Detritus (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>4.25%</td></tr> <tr><td>Q2 2017/18</td><td>1.85%</td></tr> <tr><td>Q3 2017/18</td><td>2.65%</td></tr> <tr><td>Q4 2017/18</td><td>4.80%</td></tr> <tr><td>Q1 2018/19</td><td>5.70%</td></tr> <tr><td>Q2 2018/19</td><td>5.10%</td></tr> <tr><td>Q3 2018/19</td><td>2.25%</td></tr> <tr><td>Q4 2018/19</td><td>0.20%</td></tr> <tr><td>Q1 2019/20</td><td>1.55%</td></tr> <tr><td>Q2 2019/20</td><td>0.50%</td></tr> <tr><td>Q3 2019/20</td><td>0.50%</td></tr> <tr><td>Q4 2019/20</td><td>1.25%</td></tr> <tr><td>Q1 2020/21</td><td>7.65%</td></tr> <tr><td>Q2 2020/21</td><td>2.76%</td></tr> </tbody> </table>	Quarter	Detritus (%)	Q1 2017/18	4.25%	Q2 2017/18	1.85%	Q3 2017/18	2.65%	Q4 2017/18	4.80%	Q1 2018/19	5.70%	Q2 2018/19	5.10%	Q3 2018/19	2.25%	Q4 2018/19	0.20%	Q1 2019/20	1.55%	Q2 2019/20	0.50%	Q3 2019/20	0.50%	Q4 2019/20	1.25%	Q1 2020/21	7.65%	Q2 2020/21	2.76%
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NH PR WS 045c	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Graffiti (ex NI 195c)	N/A	N/A	N/A	16.96%	N/A	N/A	N/A	<p>NH PR WS 045c Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Graffiti (ex NI 195c)</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Graffiti (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>2.66%</td></tr> <tr><td>Q2 2017/18</td><td>0%</td></tr> <tr><td>Q3 2017/18</td><td>2.66%</td></tr> <tr><td>Q4 2017/18</td><td>4.40%</td></tr> <tr><td>Q1 2018/19</td><td>4.40%</td></tr> <tr><td>Q2 2018/19</td><td>0%</td></tr> <tr><td>Q3 2018/19</td><td>2.66%</td></tr> <tr><td>Q4 2018/19</td><td>2.07%</td></tr> <tr><td>Q1 2019/20</td><td>4.65%</td></tr> <tr><td>Q2 2019/20</td><td>0.02%</td></tr> <tr><td>Q3 2019/20</td><td>0.02%</td></tr> <tr><td>Q4 2019/20</td><td>0%</td></tr> <tr><td>Q1 2020/21</td><td>13.92%</td></tr> <tr><td>Q2 2020/21</td><td>16.96%</td></tr> </tbody> </table>	Quarter	Graffiti (%)	Q1 2017/18	2.66%	Q2 2017/18	0%	Q3 2017/18	2.66%	Q4 2017/18	4.40%	Q1 2018/19	4.40%	Q2 2018/19	0%	Q3 2018/19	2.66%	Q4 2018/19	2.07%	Q1 2019/20	4.65%	Q2 2019/20	0.02%	Q3 2019/20	0.02%	Q4 2019/20	0%	Q1 2020/21	13.92%	Q2 2020/21	16.96%	
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NH PR WS 045d	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Fly-posting (ex NI 195d)	N/A	N/A	N/A	1.19%	N/A	N/A	N/A	<p>NH PR WS 045d Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Fly-posting (ex NI 195d)</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Fly-posting (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>0.5%</td></tr> <tr><td>Q2 2017/18</td><td>1.65%</td></tr> <tr><td>Q3 2017/18</td><td>0%</td></tr> <tr><td>Q4 2017/18</td><td>1.65%</td></tr> <tr><td>Q1 2018/19</td><td>5.94%</td></tr> <tr><td>Q2 2018/19</td><td>1.88%</td></tr> <tr><td>Q3 2018/19</td><td>0%</td></tr> <tr><td>Q4 2018/19</td><td>0%</td></tr> <tr><td>Q1 2019/20</td><td>0.36%</td></tr> <tr><td>Q2 2019/20</td><td>0.36%</td></tr> <tr><td>Q3 2019/20</td><td>0%</td></tr> <tr><td>Q4 2019/20</td><td>2.69%</td></tr> <tr><td>Q1 2020/21</td><td>1.19%</td></tr> </tbody> </table>	Quarter	Fly-posting (%)	Q1 2017/18	0.5%	Q2 2017/18	1.65%	Q3 2017/18	0%	Q4 2017/18	1.65%	Q1 2018/19	5.94%	Q2 2018/19	1.88%	Q3 2018/19	0%	Q4 2018/19	0%	Q1 2019/20	0.36%	Q2 2019/20	0.36%	Q3 2019/20	0%	Q4 2019/20	2.69%	Q1 2020/21	1.19%			
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<p>NH PR WS 047</p>	<p>Residual household waste per household (ex NI 191)</p>	<p>508.5</p>	<p>125.5</p>	<p>120.3</p>	<p>125.3</p>	<p>115.70</p>	<p>The Quarter 4 outturn relies on some provisional data, pending reconciled information from the North London Waste Authority (NLWA) which reports with a three month time lag.</p> <p>Total volumes of waste fell in Quarter 4, largely due to the shorter month of February, and a significant fall in bulky waste volumes after a peak in Q3.</p> <p>This period repeated the pattern seen throughout the year of reduced waste and recycling arisings compared with last year - albeit with greater falls in recycling tonnages than in residual.</p> <p>Q4 2022/23 saw us collect 3.1% less tonnes of residual waste than the same period a year ago. Across the year, residual waste tonnages are down by just over 1000 tonnes (1.6%). This fall is also reflected in our direct collections at the kerbside and on estates - tonnes of waste are down by 1.9% on the former and 3.4% on the latter.</p>			 <table border="1"> <caption>NH PR WS 047 Residual household waste per household (ex NI 191)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>146.4</td></tr> <tr><td>Q2 2017/18</td><td>148.5</td></tr> <tr><td>Q3 2017/18</td><td>148.0</td></tr> <tr><td>Q4 2017/18</td><td>147.5</td></tr> <tr><td>Q1 2018/19</td><td>147.0</td></tr> <tr><td>Q2 2018/19</td><td>146.6</td></tr> <tr><td>Q3 2018/19</td><td>146.3</td></tr> <tr><td>Q4 2018/19</td><td>145.9</td></tr> <tr><td>Q1 2019/20</td><td>145.5</td></tr> <tr><td>Q2 2019/20</td><td>145.3</td></tr> <tr><td>Q3 2019/20</td><td>145.0</td></tr> <tr><td>Q4 2019/20</td><td>144.7</td></tr> <tr><td>Q1 2020/21</td><td>144.4</td></tr> <tr><td>Q2 2020/21</td><td>144.1</td></tr> <tr><td>Q3 2020/21</td><td>143.9</td></tr> <tr><td>Q4 2020/21</td><td>143.7</td></tr> <tr><td>Q1 2021/22</td><td>143.5</td></tr> <tr><td>Q2 2021/22</td><td>143.4</td></tr> <tr><td>Q3 2021/22</td><td>143.3</td></tr> <tr><td>Q4 2021/22</td><td>143.2</td></tr> <tr><td>Q1 2022/23</td><td>143.1</td></tr> <tr><td>Q2 2022/23</td><td>143.0</td></tr> <tr><td>Q3 2022/23</td><td>142.9</td></tr> <tr><td>Q4 2022/23</td><td>142.8</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	146.4	Q2 2017/18	148.5	Q3 2017/18	148.0	Q4 2017/18	147.5	Q1 2018/19	147.0	Q2 2018/19	146.6	Q3 2018/19	146.3	Q4 2018/19	145.9	Q1 2019/20	145.5	Q2 2019/20	145.3	Q3 2019/20	145.0	Q4 2019/20	144.7	Q1 2020/21	144.4	Q2 2020/21	144.1	Q3 2020/21	143.9	Q4 2020/21	143.7	Q1 2021/22	143.5	Q2 2021/22	143.4	Q3 2021/22	143.3	Q4 2021/22	143.2	Q1 2022/23	143.1	Q2 2022/23	143.0	Q3 2022/23	142.9	Q4 2022/23	142.8
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Percentage of household waste sent for reuse, recycling and composting (ex NI 192)

28.70%

26.60%

26.29%

25.61%

25.92%

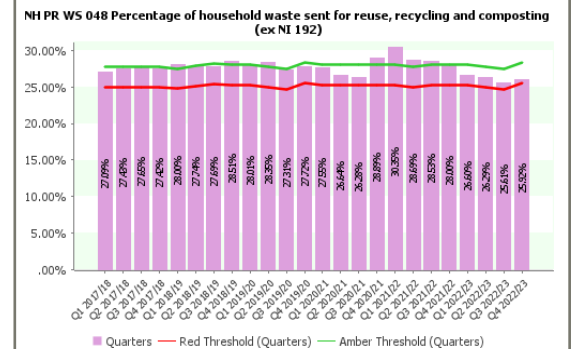
Our recycling rate (which is based on provisional data) was 25.9% for Quarter 4, a slight rise on the previous quarter. This was largely due to falls in a number of household residual waste streams (most notably bulky waste). Recycling volumes were also down on the previous quarter but to a lesser extent.

The above leaves us with an estimated recycling rate of 26.1% for 2022/23, a fall from 29.0% in 2021/22.












As mentioned in previous papers, this is due to falls in household waste but greater proportionate (and actual) falls in recycling volumes. This is part of a common trend across London.

For Hackney, household waste volumes are expected to be 1.6% lower than in 2021/22, whereas recycling is expected to be 16.3% lower. This is reflective of falls across most of the different recycling streams - including mixed dry recycling (-9.8%), food waste (-14.9%), garden waste (-13.8%), recycling recovered in reuse and recycling centres (-59.6%) and in the materials recovered and processed by our own Waste Transfer Station (-45.4%).

Changes in behaviour and trends amongst packaging producers are likely to be driving these changes.



							<p>Consumer behaviour could be influenced by the cost of living crisis with people ensuring food waste is reduced and possibly consuming less in general. Others in Hackney may be adopting more sustainable behaviours, like reusing and refilling instead of purchasing items in glass or plastic packaging and using plastic film recycling points in supermarkets. Meanwhile, manufacturers are changing packaging types and switching to lighter weight materials. Most of these measures target the materials that can be recycled rather than materials in the general waste stream, contributing to recycling rates.</p>			
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PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				



Corporate Risk Management Performance Overview June 2023 (Appendix 2)

1. INTRODUCTION

- 1.1 This report summarises the latest position in respect of Corporate Risk Management across the Council, providing an update on the overall Council's strategic risks, as well as some additional commentary on relevant areas of interest.

2. CORPORATE RISK REGISTER

- 2.1 The table below is a scorecard of the Council's Corporate Risks, as ratified by the Corporate Leadership Team (CLT) Team in June 2023:

	Corporate	Current Risk	Direction of Travel	Previous Score	Target Risk
1	Cost of living crisis COUNCIL / SERVICE IMPACT - financial deficits & arrears/pressure on resources/threats to effective service delivery RESIDENT IMPACT - poverty, homelessness BUSINESS IMPACT -closures / inability to pay bills / loss of staff STAFF IMPACT - increased travel / energy costs. Anxiety about cost of living.	25	↔	25	15
2	Cyber Security	20	↔	20	10
3	National / International Economic Downturn (SRCR001)	25	↔	25	12
4	Management of Major Capital Programmes (SRCR002)	15	↔	15	9
5	Pension fund (SRCR 0010)	12	↓	15	12
6	Impact of New Legislation / Welfare reform (SRCR 0013)	12	↔	12	12
7	Workforce (SRCR 0018)	12	↔	12	9
8	Information Assets (SRCR 0020)	16	↔	16	9
9	Corporate Resilience (SRCR 0020B)	15	↔	15	12
10	Person suffers significant harm, injury or death (SRCR 0023)	15	↔	15	12
11	Risks posed by unregistered schools and settings (SRCR 0027b)	16	↔	16	12
12	SEND funding (SRCR 0028)	25	↔	25	12
13	Pressures on Temporary Accommodation (SRCR31)	25	↑	20	12
14	Setting up Council owned companies (SRCR 0035)	12	↔	12	9
15	Insourcing (SRCR 0036)	12	↔	12	9
16	Universal Credit (SRCR 0037)	20	↔	20	12
17	Climate Change/Climate Emergency (SRCR 0039)	15	↔	15	8
18	Recruitment pressures	16	↔	16	12
19	Major Power Outage - (SRCR44)	10	NEW(Jan)	-	8
20	Reduction in the use of residential placements. (SRCR45)	16	NEW(Jan)	-	12
21	Surplus school places (SRCR46)	16	NEW(April)	-	12

- 2.2 The Scorecard provides a quarterly overview of the Council's Corporate risks. These are assessed in advance of each Audit Committee meeting and after being ratified by CLT, are updated accordingly. There is sometimes as little as two months between updates which means that scores can remain static for periods of time. This is not a reflection of a lack of dynamism within the approach, but rather the fact that high level scores are unlikely to change dramatically within short spaces of time. New risks are regularly incorporated into the Corporate Register and will always be marked as 'new'. The Scorecard will contain clear reference as to the movement (of the score) of the risk, and clarity as to the exact nature of the risk (whether it is of an internal or external nature to the Council).
- 2.3 In terms of this latest iteration of the (Corporate) register, there are 15 red risks and 6 amber risks. Clearly, numerous external events and influences are having a considerable impact on the Council's objectives, notably the fragile economy and accompanying cost of living crisis, the continuing impact of the Coronavirus pandemic, along with the Cyberattack which although it occurred in October 2020, had a massive impact on Services. Areas like finances (with budget cuts, and especially current challenges like the volatile energy market and rapid increases in cost of living) were already problematic before the pandemic, and they have intensified now, and the Cyberattack has severely affected the effective operation of some Services. The current international instability following Russia's invasion of Ukraine has increased financial pressures, with multiple new risks being posed in the future regarding food, energy, supply chain and overall peace.

CLT have found it beneficial to look at some of the major, overarching risks (the primary example being the current cost of living crisis) from the perspective of not only Services in the Council and residents, but also businesses in the Borough as well as Council staff. The cost of living crisis can be clearly seen to be posing direct risks to all four of these categories. The Council's services themselves are handling a dramatic upsurge of work required to support the Borough in these challenging times whether in providing direct / advisory support, handling increased rent arrears, more vulnerable children in care, increased packages of care for adults or increasing homelessness. All these pressures on resources threaten effective service delivery. For residents, the risk of poverty leading to an array of problems (relating to physical and mental health, care, facilities) is very high. There are concerns from the internal perspective of staff encountering higher cost pressures from living in or travelling to London and this in turn may lead to future wage inflation pressures. For businesses, there are already examples of this crisis forcing companies to fold, with others demanding urgent support. This threatens the stability and cohesion of the wider community.

Two new risks appeared in January's iteration and remain in this version. The first relates to the potential of a power outage. The likelihood of this remains low however it has been on the radar of both central and local government, and some planning and preparation has occurred (even amidst the low likelihood.). The impact of this outage (more likely for a planned 3 hour regional outage, then a major failure) would be undoubtedly high for the community however. The risk relating to residential placements has been raised by Children's services and reflects the current financial pressures causing the numbers of residential placements having to be reduced. This ultimately impacts on vulnerable children and could challenge effective service delivery. A further risk has just been escalated in April 2023 by Hackney Education. This relates to the increasing risk of surplus school places and

the impact on the overall Estate Strategy of HE. The Education Sufficiency and Estate Strategy is clearly an important document in outlining the medium term approach to this.

Some risks have remained red with no change – this score reflects the continued severity of both the impact and likelihood of the risk. For example, financial cuts (and their effects) are likely to remain a significant risk, simply because they will always have a high impact on service delivery, and in the light of the current economic uncertainty, the chances of this continuing remain very probable. However, even in the light of this continued red rating, the controls should still be able to provide assurance that the risk is being managed so far as is possible, and that the Council is taking appropriate action to best position itself in the light of challenging circumstances. It is thought appropriate that the Pandemic risk now drops off the Corporate register. Clearly further associated risks and controls remain, but in the main, business has returned to usual, as it was operating pre-March 2020. Areas which are alluded to in the Corporate register, such as Integrated Commissioning and major programmes like Britannia, have their own separate registers going into much more detail with regards to all areas of risk.

3. FUTURE REPORTING TO AUDIT COMMITTEE

- 3.1 The reporting of the Corporate risks to the Audit Committee will continue at future meetings, on a quarterly basis. With twice yearly updates of the full Corporate Register, the next one is scheduled for January 2024, so the full details on all risks will be provided then.

Capital Programme Update

1.0 Overview

1.1 This is the third OFP Capital Programme monitoring report for the financial year 2022/23 which was presented to Cabinet in April with the final outturn due to go to June Cabinet. The actual year to date capital expenditure for the eleven months April 2022 to February 2023 is **£70m** and the forecast is currently **£139.8m**, **£28.9m** below the revised budget of **£168.7m**. This also compares to the approved budget of £244.3m set in February 2022 (Council's Budget Report). The main reasons for this variance are:

- Economic factors - construction industry inflation resulting in tender prices being above cost estimates and further work required on viability of schemes.
- Other External factors - determining programme or requiring scheme review and re-profiling.

1.2 As part of closedown for 2022/23 officers have undertaken an analysis of variances against original profiled budget at project level impacted by these factors:

- Economic factors - CCG Primary Care Project £4.9m, Estate Regeneration £22m & Housing Supply programme £18m - a total of £45m re-profiled spend driven by economic factors.
- Other external factors - Britannia Project particularly in relation to the S77 application £24m, Streetscene Section 106 funded Highway Schemes £0.5m, Disabled Facilities Grant £0.4m - a total of £25m of re-profiled spend driven by other external factors.

1.3 A summary of the forecast by the directorate is shown in the table below along with brief details of the reasons for the major variances

Table 1 Summary

Capital Programme 2022/23	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance (Under/Over)	New Bids	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	4,035	408	56	93	(315)	0	408
Adults, Health & Integration	30	0	0	0	0	0	0
Children & Education	14,862	16,388	7,817	15,739	(648)	0	16,388
Finance & Corporate Resources	28,668	21,666	8,650	12,873	(8,793)	0	21,666
Mixed Use Development	32,382	8,707	3,205	7,791	(916)	0	8,707

Climate, Homes & Economy	40,318	26,057	13,239	21,016	(5,041)	(175)	25,882
Total Non-Housing	120,297	73,225	32,968	57,513	(15,713)	(175)	73,050
AMP Housing Schemes HRA	43,886	42,689	20,254	40,214	(2,475)	0	42,689
Council Schemes GF	6,999	4,426	2,777	4,317	(108)	0	4,426
Private Sector Housing	2,164	1,210	899	1,057	(153)	0	1,210
Estate Regeneration	30,003	12,928	3,594	9,032	(3,896)	0	12,928
Housing Supply Programme	33,406	24,923	8,199	18,792	(6,131)	0	24,923
Woodberry Down Regeneration	7,595	9,294	1,295	8,897	(397)	0	9,294
Total Housing	124,052	95,469	37,018	82,309	(13,160)	0	95,469
Total Capital Budget	244,349	168,695	69,985	139,822	(28,873)	(175)	168,520

2.0 CHIEF EXECUTIVE'S

2.1 The current forecast for the overall Chief Executive's is £93k, £315k below the revised budget of £408k. Below is a brief update on the main variance:

CX Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Libraries and Archives	4,035	408	56	93	(315)
Total Non-Housing	4,035	408	56	93	(315)

Library Capital Works - The forecast is nil spend against the in-year respective budget of £152k. This forecast is the expected emergency capital works due in the Council's Library buildings in quarter 4. Any surplus budget will be utilised in the next financial year.

Stoke Newington Library - The forecast is £93k, £124k below the in-year budget of £217k. The expenditure this year will be consultancy fees. Any underspend at year end will go towards the next phase of the programme in 2023/24.

3.0 CHILDREN AND EDUCATION

3.1 The current forecast for the overall Children and Education is £15.8m, £0.6m below the revised budget of £16.4m. More detailed commentary is outlined below.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Children & Family Services	0	477	72	82	(394)
Education Asset Management Plan	4,095	2,547	1,197	1,914	(633)
Building Schools for the Future	38	91	29	82	(9)
Other Education & Children's Services	1,328	1,651	323	1,119	(532)
Primary School Programmes	6,368	8,393	4,495	9,742	1,349
Secondary School Programmes	3,033	3,228	1,701	2,800	(428)
TOTAL	14,862	16,388	7,817	15,739	(648)

Children and Family Services

3.2 The forecast for the overall Children and Family Services is £82k, £394k below the in-year budget of £477k. Below is a brief update on the main variance:

Shoreditch Play Adventure Project - The forecast is £18k, £327k below the in-year budget of £345k. The project is currently on hold due to issues with the original contractor. The Project manager is unable to go back out to procurement due to an ongoing legal dispute. The Project manager anticipates the project will resume in the next financial year.

Education Asset Management Plan

3.3 The forecast for the overall Education Asset Management Plan is £1.9m, £0.6m below the in-year respective budget of £2.5m. Most of the AMP programme works are near completion for this financial year. Below is a brief update on the main variance:

Shoreditch Park AMP (Art Block snagging, main roof and partial soft play) - The forecast is nil spend against the in-year respective budget of £121k. The scheme is complete so any underspend will cover any overspends in the overall programme at year end or offered up as savings.

Sir Thomas Abney AMP - The forecast is £151k, £344k below the in-year budget of £495k. The project has been delayed due to late submission of tender reports. The budget will be utilised in the next financial year for the on-going works.

Building Schools for the Future

- 3.4 There is no material variances to the budget.

Other Education & Children's Services

- 3.5 The forecast for the overall Other Education and Children's Services is £1.2m, £0.5m below the in-year respective budget of £1.7m. Below is brief update on the main variance:

The Garden School (Expansion and Provision of Sixth Form (SEND) inc Roof and Pipework and asbestos) - The forecast is £22k, £418k below the in-year respective budget of £440k. The project is complete. The variance is due to a delay in the receipt and agreement of the final account proposed by the consultant and that of the contractor. It is unlikely that we will have an agreed position until the new financial year. Hence the variance.

Primary School Programmes

- 3.6 The forecast for the overall Primary School Programme is £9.7m, £1.3m above the in-year respective budget of £8.4m. Below is a brief update on the main variance:

Woodberry Down Children Centre - Relocation - The forecast is £4.9m, £2.4m above the in-year respective budget of £2.5m. But the Project Manager has confirmed that in fact it is likely that only £2.5m will be spent this financial year. On that basis the balance on the Purchase Order of £2.4m will be cancelled at year end and moved to the new year. The contractor is currently on site but the project is behind schedule due to materials found underground on site.

Colvestone Façade - The forecast is £0.6m, £0.2m below the in-year respective budget of £0.8m. Completion is scheduled for April 2023. The variation is as a result of the costs allocated to this project being less than originally anticipated because some of the works were transferred to AMP. The variance will support any underspends in the overall programme at year end.

Gayhurst Façade - The forecast is £0.5m, £0.5m below the in-year respective budget of £1m. This project is part of 'Batch 3 scheme works' and was delayed due to increased cost in the tender return. The variance will be moved to 2023/24 budget in line with revised programme of works.

Springfield Façade - The forecast is £0.4m, £0.1m below the in-year respective budget of £0.5m. This project is part of 'Batch 4 scheme works'. The variance is due to the Contractor's resourcing issues identified in quarter 3. Any surplus budget from this year will be moved to the 2023/24 budget to support the revised programme of works.

Secondary School Programmes

- 3.7 The forecast for the overall Secondary School Programme is £2.8m, £0.4m below the in-year respective budget of £3.2m. Below is a brief update on the main variances:

Lifecycle Early Failure Contingency budget - The forecast is £1.3m, £0.3m below the in-year respective budget of £1.6m. This budget is to cover reactive works across the overall programme. The spend forecast is based on the emergency and health and safety work expected to be completed by the end of quarter 4. The variance will either cover any identified overspends across the overall programme at year end or be carried over into 2023/24 to cover future works.

Haggerston School Lifecycle - The forecast is £0.8m, £0.1m below the in-year respective budget of £0.9m. The works have been scheduled to complete by the end of quarter 4. Any surplus budget from this year will be moved to the 2023/24 budget to support any future works.

4.0 FINANCE AND CORPORATE RESOURCES

- 4.1 The forecast for the overall Finance and Corporate Resources is £20.7m, £9.7m below the in-year respective budget of £30.4m. Below is a brief update on the main variances:

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Property Services	23,772	16,126	4,594	8,135	(7,991)
ICT	4,243	4,143	3,892	4,143	(0)
Other Schemes	654	1,398	163	596	(802)
Total	28,668	21,666	8,650	12,873	(8,793)
Mixed Use Development	32,382	8,707	3,205	7,791	(916)
TOTAL	61,051	30,373	11,855	20,664	(9,709)

Strategic Properties Services - Strategy & Projects

- 4.2 The forecast for the overall Strategic Properties Services is £8.1m, £8m below the in-year respective budget of £16.1m. Below is a brief update on the main variances:

Acquisition 2a Woodberry Grove (Temporary Accommodation) - This is the most significant variance in Strategic Properties Services. The forecast is nil spend against the in-year budget of £4.4m. The acquisition to purchase this hostel for temporary accommodation did not proceed. The vendor sold the property to another party.

Stoke Newington Assembly Hall - The forecast is £0.3m, £0.9m below the in-year budget of £1.2m. Phase 1 of the project is replacing the ceiling of the Assembly Hall but asbestos was discovered resulting in an additional quotation. There are £95k commitments for asbestos clearing work to the ceiling. There are also plans to design a new fire alarm, emergency lighting and internal fees. The remaining budget will be moved at year end to 2023/24 to support the continued works.

The City & Hackney Clinical Commissioning Group (CCG) Primary Care Project - The forecast is £3.6m, £0.4m below the in-year respective budget of £4m. The project is currently in the construction phase. Belfast Road (new build) is scheduled to complete at the end of October 2023. The Portico (repair and refurbishment of existing Grade II listed building and new build extension) is scheduled to complete at the end of November 2023. Any variance from this year will be utilised in 2023/24.

Asbestos Surveys - The forecast is £30k, £506k below the in-year respective budget of £536k. This forecast reflects the number of surveys and emergency asbestos removal works expected for this quarter. Any surplus budget from this year will be utilised in 2023/24 to support the rolling programme of surveys.

Vehicle Maintenance Workshop - The forecast is £22k, £409k below the in-year budget of £431k. The new reception is in the initial stages of design. The Project Manager is unable to progress purchasing the items for the workshop until the new reception building is built. The underspend will be utilised in the next financial year.

Kings Hall Leisure Centre - The forecast is £0.5m, £0.3m above the in-year budget of £0.2m. This project is at the initial feasibility and design stage. The Design Team was appointed in October 2022 and the forecast this quarter covers consultancy costs. The Contractors will be appointed in 2023/24. Any overspend will therefore be funded from the 2023/24 budget.

ICT

- 4.3 There is no material variances to the budget.

Corporate Resources Other Schemes

- 4.4 The forecast for the overall Corporate Resources Other Schemes is £0.6m, £0.8m below the in-year respective budget of £1.4m. Below is a brief update on the main variances:

Solar Project (Commercial) - The forecast is £0.2m, £0.4m below the in-year respective budget of £0.6m. Solar installation is complete at Hackney Marshes Centre. Roof works are complete at Concorde Centre & Wrens Park

Community Hall with electrical works remaining. Solar installation at a further four sites: Webb Estate Community Hall, Queensbridge Leisure, Gascoyne House and Rose Lipman Community Hall are planned for completion in 2023. Any surplus budget from this year will be utilised in 2023/24 to support the programme of installations.

As of the 15th of March 2023, the total solar PV generation on completed sites was 315.63 MWh which equates to 67.02 tCO2e of carbon savings (from switch on dates).

Hackney Green Homes Programme - Phase 3 is now live. The forecast spend is £200k in 2023/24.

Mixed Use Developments

The forecast for the overall Mixed Use Developments is £7.8m, £0.9m below the in-year respective budget of £8.7m. This forecast largely relates to the Britannia site as Tiger Way and Nile Street are now complete with only retention and final payments due.

Tiger Way - The Nightingale Primary school is completed and occupied. The final account for the Design and Build element of the project remains in draft agreement as anticipated. The final account value includes adjustments for variations and value engineering.

Nile Street - New Regents College is completed and occupied. The final account for the Design and Build element of the project has been agreed.

Britannia Site - Phase 1a (new Leisure centre) remaining snagging items are being addressed with the retention to be paid in March 2023. Phase 1b (CoLASP) retention is mostly paid. Phase 2b (Residential Private & Social) is in the initial stages. The design and build contractor tenders received in February 2023 are under final commercial evaluation and moderation. Construction is due to commence next financial year.

5.0 CLIMATE, HOMES & ECONOMY

5.1 The overall forecast in Climate, Homes & Economy is £21m, £5.1m under the revised budget of £26.1m. More detailed commentary is outlined below.

Climate, Homes & Economy Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Leisure, Parks & Green Spaces	22,934	12,659	5,949	8,159	(4,500)
Streetscene	12,765	10,130	4,726	8,978	(1,152)
Environmental Operations & Other	734	254	0	87	(167)

Public Realms TfL Funded Schemes	0	1,058	2,045	2,464	1,406
Parking & Market Schemes	308	70	0	0	(70)
Community Safety, Enforcement & Business Regulations	493	488	20	355	(132)
Area Regeneration	3,084	1,399	500	973	(425)
Total	40,318	26,057	13,239	21,016	(5,041)

Leisure, Parks and Green Spaces

5.2 The forecast for the overall Leisure, Parks and Green Spaces is £8.2m, £4.5m below the in-year respective budget of £12.7m. Below is the brief update on the main variances.

Essential Maintenance of Leisure Centres - The forecast is £0.3m, £1.7m below the in-year budget of £2m. This budget is to cover reactive works and repairs that may occur at any time in the Leisure Centres across the borough. The spend forecast is based on the work expected to be completed by the end of quarter 4. Any surplus budget from this year will be utilised in 2023/24.

Parks Strategy and Infrastructure - The forecast is £0.7m, £0.6m below the in-year budget of £1.3m. This budget is to cover both reactive and planned works in this quarter. The majority of work usually takes place in quarter 4 which is the quieter period of the year. The team are progressing with the upgrade of parks equipment and machinery but are still experiencing supplier issues resulting in an underspend this quarter.

Abney Park - The forecast is £2m, £1.8m below the in-year respective budget of £3.8m. As reported in the previous quarter the team have experienced delays due to unexpected additional underpinning works required to stabilise the Chapel and delays in supplies causing the variance. These underpinning works have commenced. The contractor has completed installing the windows and rooflights doors in the new building. The roofing membranes are being installed on the new building ready for the Bauder green/brown roof. The underfloor heating and floor screed is completed in the North Lodge and new building. Insulation has been installed to the exterior walls of the new buildings ready for the pre-cast concrete cladding panels to be installed. The new Chapel windows will be installed in March. The roofs have been installed on the new Chapel welfare units. The Church Street entrance gate and new railings are installed. The current expected completion date is the end of May 2023 for all other buildings apart from the Chapel which is expected to be completed at the end of June 2023.

West Reservoir Improvements - The forecast is £0.2m, £0.2m below the in-year budget of £0.4m. A Design Team has been appointed, and they have started producing initial designs. A Development Board has been established, which has met twice so far to review the designs. To allow for the consultation period the likely date for submitting a planning application will be autumn

2023. Overall the programme needs additional funding and will be progressed in 2023/24.

Streetscene

- 5.3 The forecast for the overall Streetscene is £8.9m, £1.2m below the in-year respective budget of £10.1m. The estimated underspend is largely due to new S106 schemes that will begin in the new year, as work can only be done once the developer's work is completed. Other schemes have been delayed due to lengthy consultations and the prioritisation of larger grant-funded schemes.

Environmental Operations & Other

- 5.4 The overall forecast for Environmental Operations & Other is nil spend against the in-year respective budget of £254k. This budget is the contingency budget held for the replacement of waste and fleet operating vehicles required during the year and as it stands there is not a call to use this causing the variance. Any underspend at year end will be reviewed and either be offered up as savings or carried forward to support future replacement plans.

Public Realms TfL Funded Schemes

- 5.5 The overall forecast for Public Realms TfL Funded Schemes is £2.5m, £1.4m above the in-year respective budget of £1.1m. The projected spending is based on work that is expected to be completed by the end of the fourth quarter. The allocation for 2022/23 was confirmed at the end of February due to TfL funding constraints. As a result, we were unable to complete the required budget realignments, leading to the variance. The grant allocation for 2022/23 will fully reimburse any excess spending this year.

Community Safety, Enforcement & Business Regulations

- 5.6 There is no material variances to the budget.

Area Regeneration

- 5.7 The overall forecast for Area Regeneration is £1m, £0.4m below the in-year respective budget of £1.4m. Below is a brief update on the main variance:

Hoxton Public Realm - The forecast is nil spend against the in-year respective budget of £232k. The project implementation date is pushed back to align with the UK Shared Prosperity Fund (UKSPF) timeframe, which is the Government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. Additional funding will be added to the Hoxton public realm scheme via the UKSPF funding and also S106 receipts (subject to separate approval). The scheme is likely to be completed in the 2024/2025 financial year as it is required to be designed and subject to community engagement before it can start on site. Start on site is estimated for February 2024

6.0 HOUSING

6.1 The overall forecast in Housing is £82.3m, £13.2m below the revised budget of £95.5m. More detailed commentary is outlined below.

Housing Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at Feb 2023	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
AMP Housing Schemes HRA	43,886	42,689	20,254	40,214	(2,475)
Council Schemes GF	6,999	4,426	2,777	4,317	(108)
Private Sector Housing	2,164	1,210	899	1,057	(153)
Estate Regeneration	30,003	12,928	3,594	9,032	(3,896)
Housing Supply Programme	33,406	24,923	8,199	18,792	(6,131)
Woodberry Down Regeneration	7,595	9,294	1,295	8,897	(397)
Total Housing	124,052	95,469	37,018	82,309	(13,160)

AMP Housing Schemes HRA

6.2 The overall forecast is £40.2m, £2.5m below the in-year respective budget of £42.7m. Below is a brief update on the main variances:

Wates - HiPs North West - The forecast is £2.9m, £0.6m below the in-year budget of £3.5m. New discoveries have pushed forward works into next year so that they can be properly timetabled for completion that includes asbestos removals, water piping networks and connections.

Equans - HiPs Central - The forecast is £7.4m, £0.4m above the in year budget £7m. The costs continue to escalate at Seaton Point and Fermain Court following the discovery of asbestos and window frames that are not fire compliant and so there are price increases.

Estate Lighting - The forecast is £0.0m, £0.1m below the in-year budget of £0.1m. A full programme will start next year following procurement of a new contractor.

Domestic Boiler Replacements - The forecast is £2.5m, £0.5m above the in-year budget of £2m. It is expected that a higher volume of replacements will result due to an increased programme of inspections this year.

Disabled Adaptation - The forecast is £1.7m, £0.2m above the in-year budget of £1.5m. There has been an increase in the volume of children's adaptations and an increase in the team to manage down the back-log of assessments.

Health & Safety Major Replacements - The forecast is minimal spend against the in-year budget of £0.1m. Currently there are no major emergency works identified.

Community Halls - The forecast is £0.3m, £0.2m below the in-year budget of £0.5m. The programme has been pushed into next year due to the prioritisation of resources for the repairs on the housing stock.

Integrated Housing Management Systems - The forecast is £4.1m, £1.4m above the in-year budget of £2.7m. A contract extension has been granted to a consultancy that is providing additional staff to augment the Hackney ICT development teams working on the Modern Tools for Housing Programme.

Boiler House Major Works - The forecast is £0.3m, £0.1m above the in-year budget of £0.2m. The variance is due to emergency replacement works identified at Gooch House and Welshpool House.

Fire Risk Assessments - The forecast is £0.5m, £2.3m below the in-year budget of £2.8m. The fire safety works scheduled for Fellows Court are now on hold due to a review of the gas supply network by Cadent. The aim is to bring Fellows Court onto an overall 'Front Entrance Doors' contract also deferred to next year. The underspend will be carried forward at year-end as these works will start early in the new financial year.

High Value Repairs - The forecast is £2.4m, £0.3m below the in-year budget of £2.7m. The first half of the year witnessed a higher volume of repairs and a contingency was anticipated for the second half. The repairs have since steadied and the contingency is not expected to be used.

Capitalised Salaries - The forecast is £5.4m, £0.1m below the in-year budget of £5.5m. There are lower than anticipated recharges for interim consultants and agency leavers.

Lateral Mains - The forecast is £0.2m, £0.1m below the in-year budget of £0.3m. The newly appointed contractor has revised its number of tests to be completed each month.

Hardwire Smoke Alarms - The forecast is £0.05m, £0.1m below the in-year budget of £0.15m. A full programme is to be implemented next year following the procurement of a new contractor.

Commercial Properties - The forecast is £0.05m, £0.2m below the in-year budget of £0.3m. The programme has been revised following approval of a comprehensive schedule of works with funding starting next year.

Bridport - The forecast is £2.8m, £0.5m below the in-year respective budget of £3.3m. This year's spend has been revised downwards due to uncertainties in costing estimates for rotting timber, water ingress and re-levelling of windows. The costs of repairing further defects are continuing to emerge and the timeline for completion is estimated to be mid 2024/25. The total capital spend estimate is now £10.6m (of which contract sum of works is £8.25m).

Council Schemes GF

- 6.3 The forecast for the overall Council Schemes GF is £4.3m, £0.1m below the in year respective budget of £4.4m. Below is a brief update on the main variances:

Temporary accommodation void works - The forecast is £2.2m, £0.4m above the in year respective budget of £1.8m. The majority of the spend relates to voids on Regeneration sites that are to be used as Temporary Accommodation. The current estimate is 150 units at an average cost of £13k per unit. This number has increased since last quarter. These units are checked on an individual basis to ensure that the works are financially viable.

Hostels - Major Repairs - The forecast is £0.2m, £0.3m below the in year respective budget of £0.5m. Some previously forecast costs relating to fire safety are now not likely to be incurred until early 2023/24. The budget will therefore be utilised next financial year.

Purchase Leasehold Properties - The forecast is £1.9m, £0.2m below the in year respective budget of £2.1m. 3 Buybacks have completed to date with a further 2 forecast to complete before 31 March 2023. These will be part funded by either GLA grant or RTB subsidy and will form part of the Local Space agreement.

Private Sector Housing Schemes

- 6.4 The forecast for the overall Private Sector Housing Schemes is £1.1m, £0.1m below the in year respective budget of £1.2m. The spend forecast is based on applications for Disabled Facilities, General Repairs and Warmth and Security Grant received so far in the year and the works expected to complete in the last quarter of 2022/23. All of the spend is externally grant funded.

Estate Regeneration Programme (ERP)

- 6.5 The overall forecast for the Estate Regeneration Programme is £9.0m, £3.9m below the in year budget of £12.9m. Below is a brief update on the main variances:

Estate Renewal Implementation - The forecast is £2.9m, £1.7m below the in-year respective budget of £4.6m. The main reason for the variance to budget is due to a number of the Mayor of Hackney's Housing Challenge site payments now not likely to take place until early 2023/24. The budget will therefore be utilised next financial year.

Tower Court - The forecast is £1.8m, £0.3m below the in-year respective budget of £2.0m. The project is nearing completion. Final handover of the expected units is expected to take place in March 2023. Discussions are still ongoing about how to best utilise the commercial space moving forwards, but this will likely have cost and time implications. Spend allowance had

previously been made for these works in 2022/23, but these are now unlikely to take place until next financial year.

Kings Crescent 3&4 - The forecast is £0.2m, £0.5m below the in-year respective budget of £0.7m. The project should be going into a cost optimisation period with the preferred contractor in March 2023, with a view to reducing costs and improving viability. The cost optimisation period has been delayed slightly and so no costs are expected to be incurred this financial year.

Marian Court - The forecast is £1.9m, £0.3m below the in-year respective budget of £2.2m. The project should be going into a cost optimisation period with the preferred contractor in Mar 2023, with a view to reducing costs and improving viability. The cost optimisation period has been delayed slightly and so no costs are expected to be incurred this financial year.

Nightingale Block E - The forecast is £0.1m, £0.2m below the in-year respective budget of £0.3m. The project should be going into a cost optimisation period with the preferred contractor in Mar 2023, with a view to reducing costs and improving viability. The cost optimisation period has been delayed slightly and so no costs are expected to be incurred this financial year.

Colville Phase 2C - The forecast is £1.1m, £0.4m below the in-year respective budget of £1.5m. A PCSA period commenced in Jan 2023 and is expected to last around 7 months.

Colville Phase 4 - The forecast is £0.4m, £0.4m below the in-year respective budget of £0.8m. 1 Buyback has completed during the year. This has reduced from the 2 buybacks forecasted last period and explains the reduction in spend this quarter. Buybacks will continue to complete in 2023/24.

Housing Supply Programme

6.6 The forecast for the overall Housing Supply Programme is £18.8m, £6.1m below the in-year respective budget of £24.9m.

Wimbourne Street and Buckland Street - The forecast is £13.8m, £6.0m below the in-year respective budget of £19.8m. The sites are now under contract and works are progressing. The estimated completion date is June 2024. The reduction in spend compared to budget is due to updated cash flow forecasts being received from the contractor, which show a lower level of spend than initially expected. Spend will accelerate as the project progresses and the budget will be utilised in future years.

Murray Grove - The forecast is £10k, £196k below the in-year respective budget of £206k. Options are being considered after the initial tender exercise resulted in bids significantly higher than expected. Minimal spend has been forecast this year as options are considered.

De Beauvoir Phase 2 - The forecast is £110k, £118k below the in-year respective budget of £228k. Planning submission expected in Spring 2023. The works are ongoing with the design team trying to find value engineering savings and look at delivery options. The variance in the period is due to a reduction in the forecast spend on architects and asbestos removal which will now take place during 2023/24.

Woodberry Down Regeneration

- 6.7 The forecast is £8.9m, £0.4m below the in-year respective budget of £9.3m. 8 Buybacks are now expected to complete this financial year, based on current activity levels and sales to date. Early indications suggest that there appears to have been a slow down in sales as Leaseholders stay put for longer due to the current uncertain financial climate and high mortgage rates.



Title of Report	Treasury Management Update Report
For Consideration By	Audit Committee
Meeting Date	21st June 2023
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Ian Williams, Group Director Finance and Corporate Resources

1. Introduction

1.1. This report provides Members of the Audit Committee with an update on treasury management activities over the period April 2023 to May 2023.

2. Recommendations

2.1. There are no recommendations arising from this report as the purpose is to update the Audit Committee on past events.

3. Reason(s) for decision

3.1. This report is an update on the past events.

4. Background

Policy Context

4.1. To help ensure that the treasury management function is governed effectively it is essential for those charged with governance to review the operations of treasury management on a regular basis. This report is the first of the treasury reports relating to the financial year 2023/24 for the Audit Committee. It sets out the background for treasury management activity from April 2023 to May 2023 and the action taken during this period.

Equality impact assessment

4.2. There are no equality impact issues arising from this report.

Sustainability and climate change

4.3. There are no sustainability and climate changes issues arising from this report.

Consultations

- 4.4. No consultations are required in respect of this report.

Risk assessment

- 4.5. There are no risks arising from this report as it reports on past events. Clearly though the treasury management function is a significant area of potential risk for the Council if the function was not properly carried out and monitored by those charged with responsibility for oversight. Regular reporting on treasury management ensures that the Committee is kept informed.

5. Comments of the Group Director of Finance and Corporate Resources.

- 5.1. There are no direct financial consequences arising from this report as it reflects the performance from April 2023 to May 2023. Whilst investment interest is not currently used to underpin the Council's base revenue budget, as in some other authorities, it does impact on the ability to fund additional discretionary expenditure and capital programmes. The information contained in this report will assist Members of this Committee in monitoring the treasury management activities and enable better understanding of such operations. Officers continue to pay close attention to the council cashflow making sure there is enough liquid cash to meet any unexpected situation as a result of a highly volatile economy at present.

- 5.2. The Committee is requested to note this report.

6. Comments of the Director of Legal, Democratic and Electoral Services

- 6.1. The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. In addition, the Council within its Annual Treasury Management Strategy has agreed to comply with the CIPFA Code of Practice on Treasury Management. This report sets out the work that Treasury Management is undertaking to ensure that it is meeting these requirements and adapting to changes as they arise.

- 6.2. There are no immediate legal implications arising from the report.

Appendices

None

Background documents

None

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Treasury Management Update Report

Treasury Management Activities from April 2023 to May 2023

1. Economic Highlights

- 1.1 Growth:** First estimates suggest that UK GDP increased very slightly in Q1 2023 to grow by 0.1%. On a monthly basis, GDP is expected to have grown by 0.5% in January 2023 followed by flat growth in February and a fall of 0.3% in March. This of course is only the first estimate and the ONS has noted additional challenges they faced measuring GDP this quarter.
- 1.2 Inflation:** CPI rose by 8.7% year-on-year in April 2023. This is a fall from last month's reading of 10.1%. Core CPI rose by 6.8% in the year to April 2023. Both measures were well above forecasts.
- 1.3 Labour Market:** The UK employment rate reached 75.9%, which was 0.2% higher compared to the previous three-month period. The rise in employment was mainly due to an increase in part-time employees and self-employed workers. Additionally, in April 2023, the estimate of pay-rolled employees showed the first monthly fall since February 2021 of 136,000, to 29.8 million.
- 1.4 Monetary Policy Committee:** The Bank of England's Monetary Policy Committee on the 10th May 2023 voted by a majority of 7-2 to increase the official Bank Rate by 0.25 percentage points, to 4.5%. Two members preferred to maintain the Bank Rate at 4.25%.

2. Borrowing & Debt Activity

- 2.1** The Authority currently has £72.6m in external borrowing. This is made up as a single LEEF loan of £1.2m from the European Investment Bank to fund housing regeneration, £66.4m borrowed from Public Work Loan Board for housing capital programme, particularly in respect of housing regeneration and £5m short term borrowing for the purpose of managing cash flow.

3. Investment Policy and Activity

- 3.1** The Council held average cash balances of £69 million during the reported period, compared to an average £137 million for the same period last financial year. Decrease in cash balance is generally due to higher year end bacs, sec 31 payments.

Movement in Investment Balances 01/04/23 to 31/05/23

	Balance as at 01/04/2023 £'000	Average Rate of Interest %	Balance as at 31/05/2023 £'000	Average Rate of Interest %
Short Term Investments	5,059	-	59	-
Long Term Investments	200	-	200	-
Housing Associations	15,000	-	15,000	-
Money Market Funds	24,900	-	49,500	-
	45,159	2.73	64,759	3.43

3.2 Due to the volatility of available creditworthy counterparties, longer and short term investments have been placed in highly rated UK Government institutions, thus ensuring creditworthiness of investments.

4. Counterparty Update

4.1 FMoody's has withdrawn the ratings of Guildford Borough Council for its own business reasons. This is because Guildford BC has chosen to discontinue with a credit rating. Arlingclose remains comfortable with clients lending to Guildford Borough Council for periods up to 2 years without further due diligence. S&P has revised the United Kingdom's outlook to Stable from Negative and affirmed the short and long-term sovereign ratings. Arlingclose remains comfortable with clients making investments of unlimited amounts for up to 50 years with the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. S&P has affirmed the short and long-term ratings for Greater London Authority (GLA) and revised the outlook to stable from negative. Arlingclose remains comfortable with clients lending to Greater London Authority for up to two years without further due diligence. Following an External Assurance Review into Woking Council governance arrangements, financial situation and commercial investments prompted by further disclosures from the council, the Secretary of State for Levelling Up, Housing and Communities has appointed Commissioners to take over significant council functions. Arlingclose advises clients against new lending to Woking Borough Council until its financial situation stabilises.

4.2 Whilst the ongoing investment strategy remained cautious counterparty credit quality remains strong, as can be demonstrated by the Credit Score Analysis summarised below.

5. **Credit Score Analysis**

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating Score	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating Score
01/04/2023	A+	5.4	A-	6.9
31/05/2023	A	5.6	A-	6.9

5.1 The Council continues to utilise AAmmf/Aaa/AAAm rated Money Market Funds for its very short, liquidity-related surplus balances. This type of investment vehicle has continued to provide very good security and liquidity, although yield suffers as a result.

5.2 Council continues to invest in highly rated UK Government institutions, Building Society and Housing Associations. These investment vehicles offer a good level of security and increases diversification for the Council's portfolio whilst achieving a reasonable yield.

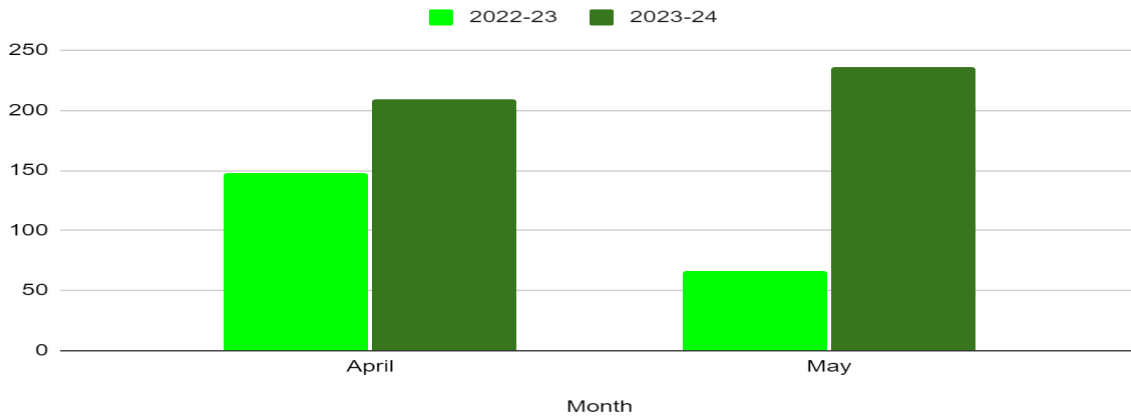
6. **Comparison of Interest Earnings**

6.1 The Council continues to adopt a fairly cautious strategy in terms of investment counterparties and periods. Due to the volatility of available creditworthy counterparties, long term and short term investments have been placed in highly rated UK Government institutions and Housing Associations, thus ensuring creditworthiness whilst increasing yield's through the duration of the deposits.

6.2 The graph below provides a comparison of interest earnings for April 2023 to May 2023 against the same period for 2022/23.

6.3 Interest received for the period Apr 2023 to May 2023 was £223k compared to £107k for the same period last financial year. Increased interest received this year is due to increase in interest rates.

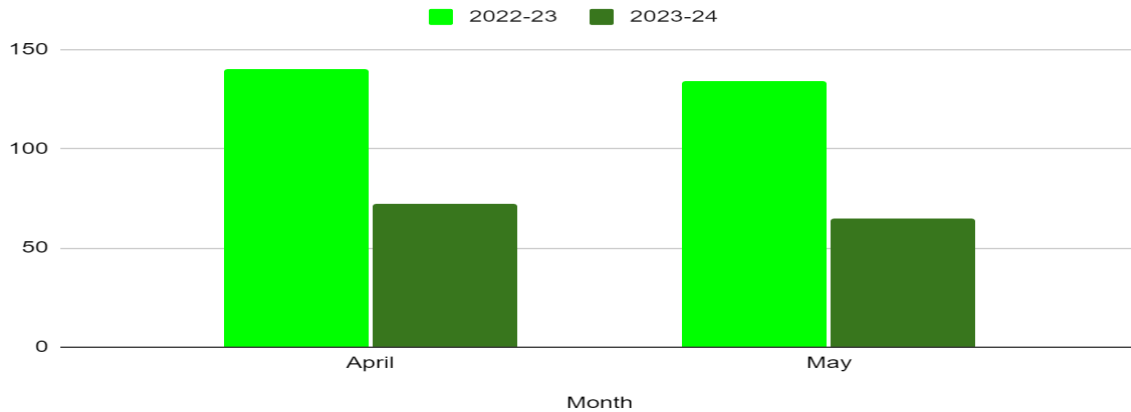
Interest Received Apr-May 22 vs Apr-May 23



7. Movement in Investment Portfolio

7.1 Investment levels have decreased to £65 million at the end of May 2023 in comparison to the end of May 2022 last year of £134 million. It is anticipated that overall levels of investment balance will reduce as the capital programme continues to be delivered, although we need to maintain liquidity for day-to-day operational purposes.

Investment Portfolio Apr-May 22 vs Apr-May 23



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Title of Report	Internal Audit Annual Report 2022/23
For Consideration By	Audit Committee
Meeting Date	21 June 2023
Classification	Open
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Ian Williams, Group Director of Finance and Corporate Resources

1. **Introduction**

- 1.1 This report provides details of the performance of Internal Audit during 2022/23 and the areas of work undertaken, together with an opinion on the soundness of the control environment in place to minimise risk to the Council.
- 1.2 This report is presented for information and comment and is part of the Committee's role in overseeing corporate governance.

2. **Recommendations**

The Audit Committee is recommended to: -

- 2.1 **To comment upon and note this report of Internal Audit's performance and opinion of the Council's framework of governance, risk management and internal control.**
- 2.2 **Approve the updated Internal Audit Charter and Strategy.**

3. **Reason(s) for decision**

- 3.1 The Public Sector Internal Audit Standards (PSIAS) came into force in April 2013 and apply to all internal audit service providers. These standards were revised in 2017.
- 3.2 PSIAS require the Chief Audit Executive (or equivalent) to report functionally to a board and to deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

- 3.3 The Annual Report must incorporate: -
- the opinion
 - a summary of the work that supports the opinion
 - a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

3.4 This report fulfils this requirement.

4. **Background**

4.1 Annual Report

- (i) The annual report of the Internal Audit Service is provided in Appendices 1 - 8 and includes a summary of managers' implementation of agreed audit high and medium priority recommendations. In addition, the following are presented:
- Internal Audit progress against key performance indicators (Appendix 2)
 - Analysis of assurance levels arising from reviews carried out in 2022/23 (Appendix 3)
 - Comparison of assurances for key financial systems, comparing results over four years (Appendix 4)
 - Definitions of assurance levels (Appendix 5)
 - Internal Audit Charter (Appendix 6, **for approval**)
 - Internal Audit Strategy (Appendix 7, **for approval**)
 - Draft Annual Governance Statement 2022/23 (Appendix 8)
- (ii) The Audit Annual Plan was formulated by: -
- Analysis of the corporate and directorate risk registers
 - Consultation with chief officers and senior managers to ensure that account is taken of any concerns they raise
 - New council initiatives, government initiatives and legislation
 - A review of past Internal Audit work
 - Strategic risks as identified in discussions with the Corporate Director of Finance and Resources
- (iii) This report provides details of the performance of the Council's Internal Audit Service and seeks to give reassurance that the service is being delivered in accordance with statutory responsibilities and is continually seeking to improve the standards of its service.
- (iv) During 2022/23 the internal audit service was restructured, resulting in development opportunities and the introduction of permanent staffing solutions at the management level. In addition, the impact of the 2020 cyber attack, which had severely impacted audit work during 2021/22, receded and the volume of audit work increased accordingly. Resources have focussed on reviews that provide evidence to support the Corporate Head of Audit, Anti-Fraud & Risk Management's annual assurance statement.

- (v) Using the cumulative knowledge and experience from the audit review of the systems and controls in place over many years, including the results of previous audit work and the work undertaken to date, it is considered that overall, throughout the Council there remains an adequate internal control environment despite the challenges experienced. The roll-out of new systems to replace legacy systems, designed to take account of current service requirements, emerging risks and new working arrangements, will considerably enhance the internal control systems of the Council.

4.2 Internal Audit Charter

The Internal Audit Charter (Appendix 6) sets out the nature, role, responsibility, status and authority of internal auditing within the Council, and outlines the scope of internal audit work. To ensure that the Charter remains relevant and current, it is reviewed annually, the last review took place in May 2023.

4.3 Internal Audit Strategy

The Internal Audit Strategy (Appendix 7) is a high level document which outlines how the Internal Audit Service will be delivered to meet the requirements contained within the Internal Audit Charter.

4.4 Policy Context

The work of the Internal Audit Service complies with the Public Sector Internal Audit Standards. Internal Audit reviews consider all applicable policies of the Council.

Equality Impact Assessment

- 4.5 This report does not require an equality impact assessment, but where applicable equality issues and adherence to corporate policies would be considered in audit reviews.

Sustainability and climate change

- 4.6 Not applicable

Consultations

- 4.7 Consultation on the 2022/23 internal audit plan took place with senior management throughout the Council.

Risk assessment

- 4.8 The work of Internal Audit was based upon a risk assessment which covers all areas of the Council's activity and is continually changing to reflect new initiatives, risk areas and legislation. There was also continuous

reassessment of risk as audits were undertaken, plus regular consultation with directors, chief officers and senior managers to ensure that account was taken of any concerns they raised during the year.

5. Comments of the Group Director of Finance and Corporate Resources.

- 5.1 There are no financial implications arising from this report as the costs of providing the audit service are included within the Council's base budgets.
- 5.2 An effective audit service is important in order to ensure that key internal controls are assessed, thereby aiding the prevention and detection of fraud and other occurrences that could otherwise result in budget pressures. It is noted that the results of internal audit work indicate that, overall, the Council's control framework is adequate, despite the challenges experienced throughout the pandemic and as a result of the cyber attack. In addition, as stated at paragraph 4.3 the roll-out of new systems to replace legacy systems, designed to take account of current service requirements, emerging risks and new working arrangements, will considerably enhance the internal control systems of the Council.

6. Comments of the Director of Legal, Democratic and Electoral Services

- 6.1 The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. An adequate system of internal audit is inherent. This report demonstrates how the Council is fulfilling its obligations in this regard.
- 6.2 The Audit Committee is asked to note the report on Internal Audit's performance and opinion. There are no immediate legal implications arising from the report.

Appendices

- Appendix 1 - Internal Audit Service Annual Report 2022/23
Appendix 2 - Internal Audit Performance in 2022/23
Appendix 3 - Detailed analysis of internal audit reviews 2022/23
Appendix 4 - Key Financial Systems – analysis of audit findings
Appendix 5 - Definitions of Assurance Levels
Appendix 6 - Internal Audit Charter
Appendix 7 - Internal Audit Strategy 2020-2025
Appendix 8 - Draft Annual Governance Statement 2022/23

Background documents

None

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Audit & Anti-Fraud Division

Internal Audit Annual Report 2022/23

June 2023

**Finance & Corporate Resources Directorate
Audit & Anti-Fraud Division**

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Introduction

Purpose of this report

This report summarises the results of the work performed by Internal Audit during the financial year 2022/23, including the key themes that can be identified across the Council. It also highlights progress made by management in implementing internal audit recommendations.

Based upon the results of this programme of work, an Audit opinion is provided on the Council's systems of risk, governance and internal control. This Audit opinion is a key source of assurance in the preparation of the Council's Annual Governance Statement.

The work of Internal Audit helps to inform the production of the Annual Governance Statement which sets out the Council's corporate governance arrangements, attached at the end of this document as Appendix 8.

Overview of work done

The original plan for 2022/23 included a total of 59 audits. There has been close communication with senior management throughout the year to ensure that the audits actually undertaken continued to focus on high risk areas in the light of new and ongoing developments in the Council, and best use of our resources.

As a result of this liaison, some changes were agreed to the plan during the year as follows: -

Total number of projects per original plan	59
Audits added to the plan	4
Cancelled audits as no longer relevant	1
Deferred to 2023/24 or later	21
Total number of projects per revised plan	41
Projects completed from 2022/23 plan	27
Projects carried forward from 2021/22 plan completed	14

The majority of audits were scoped to provide assurance to management on the adequacy and effectiveness of the Council's internal control environment. Others were geared more towards the provision of specific advice and support to management to enhance the efficiency, effectiveness and economy of the services and functions for which they are responsible. Where Internal Audit identified areas for improvement, recommendations were made to further minimise the level of risk, all of which were agreed by management. If implemented, the actions will further enhance the control environment and the operation of the controls in practice.

Structure of Report

This report sets out the results of the work performed as follows: -

- **Overall summary** – work done by Internal Audit including an analysis of report ratings, priority of recommendations and performance of the service.
- **Key themes identified** during internal audit work in 2022/23.
- **Managers' response to internal audit recommendations** – providing a summary of progress with the implementation of recommendations.
- **Directorate analysis** – providing details of assurances for each directorate.

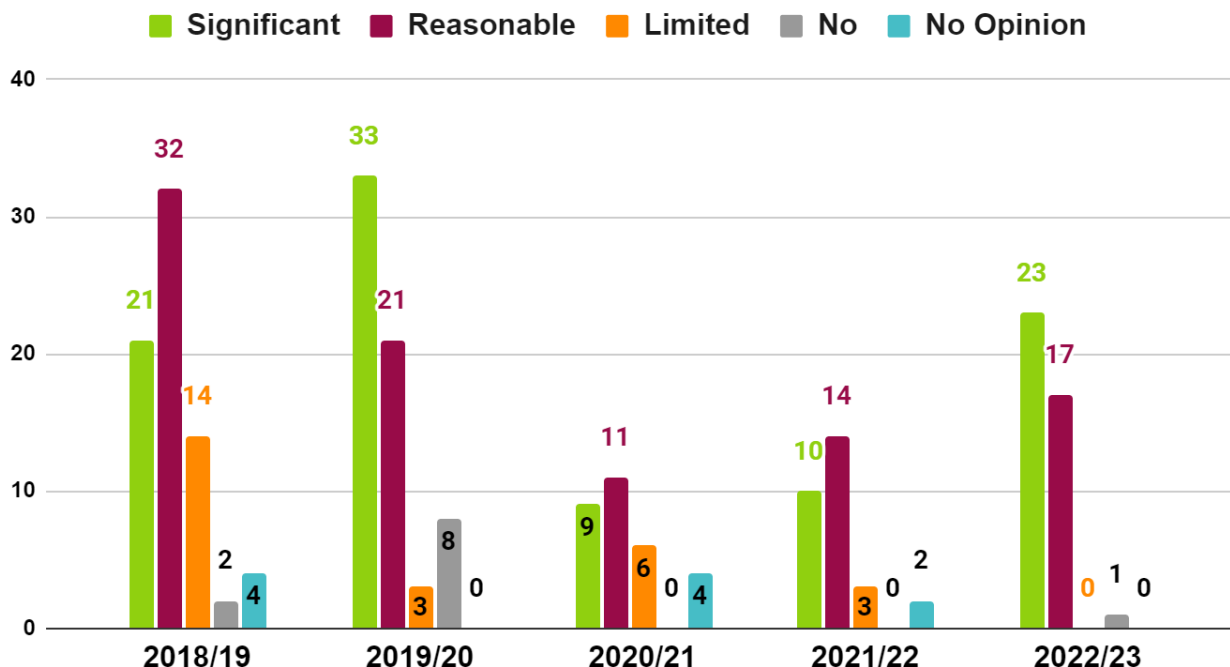
Overall Summary

Assurance Levels

This report has drawn on the findings and assessments included in all of the reports issued during the period. A summary of the assurances provided for audits completed during 2022/23 is provided in the table below, compared with assurances for audits completed since 2018/19. The 2022/23 data includes 14 of 2021/22 audits which were completed during the year and not previously reported in the 2021/22 statistics.

Assurance	2022/23		2021/22		2020/21		2019/20		2018/19	
	No of Audits	%	No of Audits	%	No of Audits	%	No of Audits	%	No of Audits	%
Significant	23	56	10	37	9	35	33	58	21	33
Reasonable	17	42	14	52	11	42	21	37	32	48
Limited	0	-	3	11	6	23	3	5	14	18
No	1	2	0	-	0	-	0	-	2	1
Subtotal	41		27		26		57		69	
No Opinion Given	0		2		4		8		4	
Total	41		29		30		65		73	

Assurances 2018/19 - 2022/23



The percentage of 'Significant' and 'Reasonable' assurance rated audits has increased since last year (98% compared to 89%), although it should be noted that in the past two years the number of audit reviews completed was significantly lower than originally planned as a result of the pandemic and cyber attack. Overall, the number of reviews receiving a 'significant' or

'reasonable' assurance rating has remained relatively consistent over the 5 year period. This indicates that the level of assurance over the Council's control environment has remained stable in recent years. Comparisons should be treated with some caution as the differing nature of the risks and associated reviews covered by Internal Audit each year may slightly skew the figures. See Appendix 3 for a detailed analysis of assurances from reviews completed during 2022/23.

Priority of Recommendations

Where Internal Audit work identifies areas for improvement, recommendations are made to manage the level of risk. These are categorised as Critical, High, Medium or Low priority. The number of recommendations made during 2022/23 to address critical, high and medium priority issues is shown in the following table:

Categorisation of Risk	Definition	Number	Percentage
Critical	Major issues that we consider could have a significant impact upon not only the system, function or process objectives, but also the achievement of the Council's objectives	0	0
High	Major issues that we consider need to be brought to the attention of senior management.	8	6%
Medium	Important issues which should be addressed by management in their areas of responsibility.	132	94%
Total		140	

A total of 140 audit recommendations were made and agreed (this compares with 56 made in 2021/22) of which 6% were high priority. These figures, as at 31 May 2023, do not include the recommendations from audits still in progress, including 3 draft reports.

Definitions of the report ratings for each audit can be found at Appendix 5.

Internal Audit Annual Opinion

Internal audit is satisfied that sufficient audit work has been performed to enable an opinion to be given on the adequacy and effectiveness of the Council's risk, governance and control framework. In providing this opinion, it should be recognised that the assurance given represents an assessment of risks to be addressed. The most that Internal Audit is able to provide is reasonable assurance that there are no major weaknesses in the system of internal control.

The audit opinion is based upon: -

- Audits undertaken during the year
- Follow up actions in respect of previous years' audits
- Any significant recommendations not accepted by management and the resulting risks
- Effects of any significant changes in the Council's objectives or systems
- Any reliance being placed upon third party assurances

Internal Audit work performed during 2022/23 supports a conclusion that there is adequate assurance that the Council's control framework is operating effectively. In support of this conclusion: -

- Weaknesses identified in individual audits were not significant in aggregate to the overall system of internal control
- 'High' risk rated weaknesses identified during individual audits are isolated to specific systems or processes
- Appropriate remedial actions have been taken by managers during the year to implement audit recommendations and hence strengthen the Council's control framework

- A consistently low percentage of audit reviews that are rated as either 'limited' or 'no' assurance over recent years.

Overall Assurance

The results of internal audit work indicate that, overall, the Council's control framework is adequate, remains robust despite the challenges the Council has faced during the year and continues to display the levels of assurance to the control, risk and governance environment that have been achieved over recent years. The limitations placed on the ability to undertake audit reviews due to the lack of access to systems and data as a result of the impact of the cyber attack in relation to the key financial systems has abated during the reporting year, but some reliance has needed to be placed on the knowledge formed in previous years. The reviews that have taken place, the governance and management of emerging risks and the interim arrangements introduced to enable the Council to continue to provide key services indicates that the control systems in place have been generally sound.

Performance and Effectiveness of Internal Audit

Key Performance Indicators for Internal Audit have been established and targets set as part of the annual planning process. Performance against the targets set for 2022/23 are shown in Appendix 2.

In total, 100% of audits in the revised plan were completed or are in progress (compared to 100% at the equivalent stage in 2021/22). On average draft audit reports were issued within 5 days of completing fieldwork, against our target of 15 days. The performance of the service was impacted by the Council wide directorate restructures as well as the continuing impact of the cyber attack and the effect both these circumstances had on services and resources.

High levels of satisfaction with audit services have been reflected in the management feedback obtained from questionnaires throughout the year, which were returned after audits were completed. These showed that 74% of managers felt that audits were good, excellent or exceeded expectations.

Conformance with Standards

The audit service works in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS), which came into effect in 2013, and the supplementary Local Government Application Note published by CIPFA. An updated version of the PSIAS was published on 1 April 2017.

To meet the requirements of the PSIAS, Internal Audit is subject to a quality assurance and improvement programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service, ongoing performance monitoring, an improvement plan and an external assessment at least once every 5 years by a suitably qualified, independent assessor. Under pan-London arrangements a peer review of the Council's audit service was last conducted in April 2016. This assessment concluded that overall the internal audit service 'generally conforms' to the criteria as set out in the PSIAS. We were due to undergo an assessment in 2021 however, due to the pandemic all assessments were deferred at that time. Although external assessments have now resumed the cyber attack has further delayed our inspection which will now take place in July 2023. This delay will mean that along with a number of other local authorities we will not fully conform to the standards until the assessment is able to be undertaken. The self assessment was last completed in February 2023 to ensure compliance as far as is possible in the circumstances in which the Council is currently operating, detailed findings were reported to the April Audit Committee meeting and these have informed the current Internal Audit Quality Assurance & Improvement Programme (QAIP).

Key Themes

Internal auditors have continued to work closely with officers during 2022/23 and have been engaged in open and challenging discussions about issues raised in Internal Audit reports. These discussions have shown good engagement from management and this has helped to ensure the outputs from Internal Audit work assist management in addressing any issues identified and adds value to the organisation. The key themes identified in 2022/23 are set out below.

Cyber Attack

The Internal Audit Service has significantly recovered from the October 2020 cyber attack. The loss of data and access to systems as a result of the cyber attack and the challenges this posed when undertaking audit reviews has impacted upon the level of assurance that can be given under what are extraordinary circumstances. It was recognised that the use of interim measures across multiple Council functions involved accepting a greater level of risk than under normal circumstances but these were unprecedented times and the risks needed to be accepted in order for the Council to deliver essential services.

The delivery of the planned ICT audits continues to be significantly hindered by the response to the cyber attack. We are continuously in discussions with senior management to facilitate these reviews and several audits have now started to progress since the last Committee update was provided, albeit that these remain at an early stage.

Using the cumulative knowledge and experience from the audit review of the systems and controls in place over many years, including the results of previous audit work and the work undertaken to date, it is considered that overall, throughout the Council there remains an adequate internal control environment despite the challenges the Council experienced during the year. The ongoing roll-out of new systems to replace legacy systems, designed to take account of current service requirements, emerging risks and new working arrangements, will considerably enhance the internal control systems of the Council.

Restructuring

As result of the lack of resources in some service areas and organisational restructures, there have been various reviews across the Council that have needed to be deferred. The Internal Audit Service was restructured during the reporting year which has resulted in development opportunities for staff. Following this process one post remains vacant but is being covered by agency staff after an unsuccessful external recruitment campaign. Our resources focused on the areas necessary to provide evidence to support the Chief Audit Executive's annual assurance statement.

Key Financial Systems

The audit of key financial systems assists the Council's external auditors with their audit planning and provides the necessary confidence that key financial controls in the fundamental systems are operating satisfactorily and support a robust internal control environment.

The Audit Plan 2022/23 included ten reviews as part of the continuous review of different aspects of the Council's key financial systems, to enable an assurance opinion to be determined for these significant systems which are core to the Council's achievement of its objectives. The findings of audits for similar key areas undertaken in previous years are summarised below. A more detailed analysis is provided at Appendix 4.

Assurances for Key Financial Systems	2022/23		2021/22		2020/21		2019/20		2018/19	
	No. of projects	%	No. of projects	%	No. of projects	%	No. of projects	%	No. of projects	%
Significant	7	70	-	-	1	50	6	67	6	67
Reasonable	3	30	-	-	1	50	3	33	3	33
Limited	-	-	-	-	-	-	-	-	-	-
No	-	-	-	-	-	-	-	-	-	-
N/a	-	-	-	-	-	-	-	-	-	-
Total	10		0		2		9		9	

Risk Management

Internal Audit planning continues to rely upon the Council's risk management processes, not only by being embedded in the production of the Annual Audit Plan but also as part of the scoping and execution of each individual audit. In preparing the Internal Audit Annual Plan, the Council's corporate and directorate risk registers are used to ensure that there is focus on those areas where there is significant risk to the Council's achievement of its objectives. Each area of activity is evaluated against the relevant risk register assessment to identify the impact and likelihood of concerns that management have identified, including any existing or anticipated material changes to systems, legislation, resources, etc., and also the last audit assurance rating, when the system was last audited and its financial value. When scoping each audit and producing the terms of reference, the auditors refer to the directorate or divisional risk registers to ensure that key risks are identified and considered, and that no major risks are missed out.

Regular communication has been undertaken with the Corporate Risk Manager on areas which could be of particular interest. The Corporate Risk Manager sits with the Internal Audit Team and regularly contributes at Internal Audit meetings to ensure a clear linkage is achieved between management of risks and internal audit, and an emphasis is given to the importance of effective internal controls across the Council.

The Corporate Risk Manager is informed of all 'high' priority recommendations so that these can be taken into account as part of the regular review of the Council's risk registers.

Management's Response to Recommendations

Implementation of agreed audit recommendations

In order to ensure that managers are responsive to addressing identified system weaknesses and that the Council's control framework is continuously being strengthened, progress with implementing agreed recommendations is tracked. For all high priority recommendations raised since 1 April 2018 and due for implementation by 31 May 2023 results are shown below: -

High Priority Recommendations

Directorate	Implemented (including no longer relevant)	Partially Implemented*	Not implemented/ No response	Not Yet Due	Total*
Adults, Health & Integration	2	2	1	0	5
Chief Executives	0	0	0	0	0
Children & Education (excl Schools)	4	0	0	0	4
Climate, Homes & Economy	16	5	3	1	24
Corporate/Cross-Cutting	2	1	0	0	3

Finance & Corporate Resources	3	1	0	0	4
Total number	27	9	4	0	40
Percentage (%)*	68%	22%	10%	n/a	100%

*Does not include Not Yet Due

The target for 2022/23 is for 90% of high priority recommendations to be implemented by the agreed timescale. The percentage currently stands at 68% fully implemented and 22% partially implemented. This compares with 96% implementation (full and partial) in 2021/22 and 98% in 2020/21.

Medium Priority Recommendations

Of the medium priority recommendations made and due to be implemented, 77% were verified as implemented, which compares with 85% in 2021/22 and 87% in 2020/21.

Directorate	Implemented (including no longer relevant)	Partially Implemented*	Not implemented /No Response	Not yet due	Total*
Adults, Health & Integration	13	1	1	0	15
Chief Executives	7	0	0	0	7
Children & Education (excl Schools)	28	2	1	0	31
Climate, Homes & Economy	78	5	25	1	108
Corporate/Cross-Cutting	12	6	5	0	23
Finance & Corporate Resources	69	6	10	6	85
Total number	207	20	42	7	269
Percentage (%)*	77%	7%	16%	n/a	100%

*Does not include Not Yet Due

Directorate Analysis

The number of audits completed during 2022/23 (i.e. 27 from the 2022/23 audit plan and also 14 listed on the 2021/22 plan that were completed during this reporting year) for each directorate and the overall report ratings are summarised in the table below (Appendix 5 provides definitions of the assurance ratings).

Directorate	Significant	Reasonable	Limited	No	No Opinion or N/A	Total	2022/23 Overall Assurance	2021/22 Overall Assurance
Cross Cutting	1	1	-	-	-	2	Significant/Reasonable	No reviews
Children & Education	1	-	-	-	-	1	Significant	N/A
Adults, Health & Integration	2	-	-	-	-	2	Significant	Reasonable
Climate, Home & Economy	2	4	-	1	-	7	Reasonable	N/A
Chief Executives	1	1	-	-	-	2	Significant/Reasonable	Reasonable

Finance & Corporate Resources (including ICT)	7	4	-	-	-	11	Significant	Significant
Schools	8	8	-	-	-	16	Significant/Reasonable	Significant
Total	22	18	-	1	-	41	Significant/Reasonable	Significant/Reasonable

N.B. This should be read with caution as the same areas are not audited each year.

Schools and Children's Centres

Hackney Schools are audited in rotation and on a risk basis. During the year 11 schools were reviewed plus 5 from the 2021/22 internal audit plan. Of these seven were given 'Significant' assurance, and four were assessed as 'Reasonable'. The general direction of travel has continued to be positive. There were three high priority and 56 medium priority recommendations made to management.

The results of schools' audits are reported to Hackney Education (HE) within the Children's and Education Directorate. In addition, progress with the implementation of agreed recommendations are regularly followed up and reported to Hackney Education management.

The table below provides an analysis of the common high and medium priority issues emerging from the school audits arising from the 2022/23 internal audit plan.

Risk Area	Number of high priority issues	Number of medium priority issues
Governance Issues (approved procedures, register of interests, Terms of Reference and whistleblowing arrangements)	-	8
Budgets (planning, monitoring, reporting, budget setting & approval)	-	0
Administration and management of monies/bank account (includes petty cash arrangements and voluntary fund)	-	5
Purchasing arrangements (includes supplier arrangements, selection, use of purchase orders and contractor arrangements)	-	10
Safeguarding of assets (including asset registers and insurance)	-	8
Payroll issues (including IR35 & self employment)	-	1
Income	-	1
Total	-	33

The table below provides an overview of Schools' recommendations for the period 2018/23.

High and Medium Priority Recommendations 2018/19 - 2022/23

Recommendation Priority	Implemented (including no longer relevant)	Partially Implemented*	Not implemented/ No response	Not Yet Due	Total*
High	21	1	1	0	23
Medium	112	5	27	15	144
Total number	133	6	28	15	167
Percentage (%)*	80%	3%	17%	n/a	100%

*Does not include Not Yet Due

Internal Audit Performance 2022/23

Objective	KPIs	Targets	Actual
<p>Cost & Efficiency</p> <p><i>To ensure the service provides Value for Money</i></p>	<p>1) Percentage of planned audits completed to final/draft report stage</p> <p>2) Average days between the end of fieldwork & issue of the draft report.</p>	<p>1) 90% by year end</p> <p>2) Less than 15 working days</p>	<p>1) 100% complete or in progress</p> <p>2) 5 days</p>
<p>Quality</p> <p><i>To ensure recommendations made by the service are agreed and implemented</i></p>	<p>1) Percentage of significant recommendations made which are agreed</p> <p>2) Percentage of agreed high priority recommendations which are implemented</p>	<p>1) 100%</p> <p>2) 90%</p>	<p>1) 100%</p> <p>2) 68% - fully implemented 22% - partially implemented</p>
<p>Client Satisfaction</p> <p><i>To ensure that clients are satisfied with the service and consider it to be good quality</i></p>	<p>1) Results of Post Audit Questionnaires</p> <p>2) Results of other Questionnaires</p> <p>3) No. of Complaints / Compliments</p>	<p>1) Responses meeting or exceeding expectations</p> <p>2) Satisfactory</p> <p>3) Actual numbers reported</p>	<p>1) 74% (26% exceeded expectations and excellent)</p> <p>2) N/A</p> <p>3) None</p>

Detailed Analysis of Internal Audit Reviews 2022/23

Internal Audit Annual Plan Progress to 31 May 2023 (including 2021/22 audits completed in the current year)					
Code	Description	High Priority	Medium Priority	Audit Assurance	Status
2021/22 Audits					
Corporate / Cross Cutting					
2122LBH01	AGS co-ordination 2021/22	N/A	N/A	Reasonable	Final
2122LBH02	Co Management/ Governance	0	3	Significant	Final
Chief Executive's					
2122CEX01	Electoral Services	0	4	Reasonable	Final
2122CEX02	Grants	0	1	Significant	Final
FINANCE & CORPORATE RESOURCES					
Customer Services					
2122FCR06	Searchlight System Review - Data security	0	2	Significant	Final
2122FCR07	Procurement of Homelessness Provision	0	2	Significant	Final
ICT					
2021ICT03	Mobile Device Management	0	4	Reasonable	Final
Neighbourhoods & Housing					
Housing					
2122NH01	Clapton Park TMO	4	11	No	Final
2122NH02	Wyke TMO	1	2	Reasonable	Final
Schools					
Primary Schools					
2122SCH01	Colvestone	1	2	Reasonable	Draft
2122SCH03	Parkwood	1	4	Reasonable	Final
2122SCH05	St Dominic's	0	6	Reasonable	Final
Secondary Schools					
2122SCH12	New Regent's College	0	0	Significant	Final
2122SCH14	Yesodey Hatorah Senior Girls School	1	7	Reasonable	Final

Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2022/23 Audits					
Corporate / Cross Cutting					
2223LBH01	AGS co-ordination 2022/23	N/A	N/A		Draft
2223LBH02	Climate Change/Zero Tolerance	-	-		Deferred to 2023/24
2223LBH03	Equal Pay	-	-		Deferred to 2023/24
2223LBH04	Organisational Culture	-	-		Deferred to 2023/24
Chief Executive					
2223CEX01	Council Meetings - Governance	-	-		Deferred IA Capacity
Adults, Health & Integration					
Adult Services/Public Health					
2223AHI01	Mortuary	0	0	Significant	Final
2223AHI02	Integrated Learning Disabilities Service (ILDS)	-	-		Deferred to 2023/24
2223AHI03	Commissioned Services - Sexual Health Services	0	2	Significant	Final
2223AHI04	Safeguarding Adults	-	-		WiP
2223AHI05	Procurement of Homecare	-	-		Deferred to 2023/24
Children & Education					
Children & Families					
2223CE01	LAC Incidentals	-	-		WiP
2223CE02	Local Safeguarding Children's Partnership	0	1	Significant	Final
2223CE03	NRPF	-	-		Draft
2223CE04	Development of Children & Family Hubs (Advisory)	-	-		WiP
2223CE05	Joint Agency Funding - Children with Complex Needs	-	-		Deferred to 2023/24
2223CE06	Schools overview report 2019/20	-	-		Deferred to 2023/24

2223CE07	Cost of Children in Alternative Provision	-	-		Deferred to April 2023
2223CE08	Public Health CYP Commissioning	-	-		Deferred to 2023/24
Schools					
Children's Centres					
Primary Schools					
2223SCH01	Harrington Hill Primary	0	2	Significant	Final
2223SCH02	Holmleigh Primary	0	5	Reasonable	Final
2223SCH03	London Fields Primary	0	3	Significant	Final
2223SCH04	Millfields Primary	0	3	Significant	Final
2223SCH05	Nightingale Primary	0	3	Significant	Final
2223SCH10	Betty Layward	0	6	Reasonable	Final
2223SCH11	Oldhill Primary	0	6	Reasonable	Final
Secondary Schools					
2223SCH06	Stoke Newington Secondary	0	1	Significant	Final
2223SCH07	Haggerston Secondary	0	4	Reasonable	Final
2223SCH08	Stormont House	0	1	Significant	Final
2223SCH09	Clapton Girls Academy	0	3	Significant	Final
FINANCE & CORPORATE RESOURCES					
Financial Management					
2223FCR01	Banking Team - Refunds of Income	0	3	Significant	Final
2223FCR02	Treasury Management	0	3	Significant	Final
2223FCR03	Main Accounting System	0	8	Reasonable	Final
2223FCR04	Accounts Receivable	0	5	Reasonable	Final
2223FCR05	Pensions	-	-		Draft
2223FCR12	Accounts Payable	0	3	Significant	Final
Human Resources					
2223FCR06	Matrix ICT Contract (Digital market place)	n/a	n/a	n/a	Deferred to 2023/24 - mgmt request
Procurement					
2223FCR07	Supplier Set-up on Cedar	0	3	Significant	Final
2223FCR08	IR35 Follow up	0	0	Significant	Final

Revenues & Benefits					
2223FCR09	Council Tax	0	4	Reasonable	Final
2223FCR10	NNDR/Business Rates	-	-		Draft
Strategic Property					
2223FCR11	Commercial Property Income	-	-		Deferred to 2023/24
2223ICT01	3 year ANA	-	-		Deferred to 2023/24
2223ICT02	ICT Governance	-	-		Deferred to 2023/24
2223ICT03	ICT Security	-	-		WiP
2223ICT04	Home Working Support	-	-		Draft
2223ICT05	Cloud Platform	-	-		Deferred to 2023/24
2223ICT06	FOI	-	-		Deferred to 2023/24
2223ICT07	Follow-up of Recommendations	-	-		Deferred to 2023/24
Climate, Homes & Economy					
Housing					
2223CHE01	Cranston TMO	-	-		WiP
2223CHE02	Clapton Park TMO - Follow Up	-	-	Significant	Final
2223CHE03	Streetscene	-	-		Deferred to 2023/24
2223CHE04	Fire Safety Risks	0	4	Reasonable	Final
2223CHE05	Rent Arrears - Incl. Effect of UC on Tenant Arrears	-	-		Deferred to 2023/24
2223CHE06	Repairs Backlog	-	-		Draft
2223CHE07	Assurance on New Systems, Repairs, Asset Management & Community Safety	-	-		Deferred to 2023/24
2223CHE08	Use of Infrastructure Levy/Section 106	-	-		Deferred 2023/24
2223CHE09	LTN Process	0	2	Significant	Final
Regeneration					
2223CHE10	Housing Supply Programme	0	8	Reasonable	Final

22223CHE11	Area Regeneration	0	1	Significant	Final
2223CHE12	Processes & Procedures	-	-		Cancelled - Covered by 2223CHE11

Internal Audit Annual Plan		
<i>Cancelled/Deferred at 31 May 2023</i>		
Code	Description	Status
2022/23 Audits		
2223LBH02	Climate Change/Zero Tolerance	Deferred at Management Request
2223LBH03	Equal Pay	Deferred at Management Request
2223LBH04	Organisational Culture	Deferred at Management Request
2223CEX01	Council Meetings - Governance	IA Capacity
2223AHI02	Integrated Learning Disabilities Service (ILDS)	Deferred at Management Request
2223AHI04	Safeguarding Adults	Deferred at Management Request
2223AHI05	Procurement of Homecare	Deferred at Management Request
2223CE05	Joint Agency Funding - Children with Complex Needs	Deferred at Management Request
2223CE07	Cost of Children in Alternative Provision	Deferred at Management Request
2223FCR06	Matrix ICT Contract (Digital market place)	Deferred at Management Request
2223FCR11	Commercial Property Income	Deferred at Management Request
2223ICT01	3 year ANA	Deferred at Management Request
2223ICT02	ICT Governance	Deferred at Management Request
2223ICT05	Cloud Platform	Deferred at Management Request
2223ICT06	FOI	Deferred at Management Request
2223ICT07	Follow-up of Recommendations	Deferred at Management Request
2223CHE03	Streetscene	Deferred at Management Request
2223CHE05	Rent Arrears - Incl. Effect of UC on Tenant Arrears	Deferred at Management Request
2223CHE07	Assurance on New Systems, Repairs, Asset Management & Community Safety	Deferred at Management Request
2223CHE08	Use of Infrastructure Levy/Section 106	Deferred at Management Request
2223CHE12	Processes & Procedures	Cancelled - Covered by 2223CHE11

Key Financial Systems Analysis of Audit Findings

System		Internal Audit Findings						
		2022/23	2021/22*	2020/21*	2019/20	2018/19	2017/18	2016/17
Main Accounting System/General Ledger		Reasonable	N/a	N/a	Significant	Significant	N/a	N/a
Capital Asset Accounting/Capital Programme		N/a	N/a	N/a	N/a	Significant	N/a	N/a
Treasury Management		Significant	N/a	Significant	N/a	Significant	N/a	N/a
Pensions		Significant Draft Report	N/a	N/a	N/a	N/a	N/a	Significant
Cash Receipting/Banking		Significant Banking - Refund of Income	N/a	N/a	Significant Self-service Payment Centre	N/a	Online – Significant Bank accounts - Reasonable	Reasonable
Commercial Property		N/a	N/a	N/a	Reasonable Debt Mgmt	N/a	N/a	N/a
Procurement		Significant Supplier Set up on Cedar	N/a	Reasonable Contract Performance Monitoring	Reasonable Single Tender Action	N/a	Limited e-tendering	Reasonable
NNDR	Billing	Significant Draft Report	N/a	N/a	N/a	Significant	N/a	N/a
	Valuation, Liability & Collection	N/a	N/a	N/a	N/a	Significant	Significant	N/a
	Liability – Charitable Relief	N/a	N/a	N/a	N/a	Reasonable	N/a	Reasonable
	Liability –	N/a	N/a	N/a	N/a	N/a	N/a	Reasonable

	Empty Rating							
	Recovery & Enforcement	N/a	N/a	N/a	N/a	Reasonable	N/a	N/a
Housing	Benefit Application	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Benefit	Overpayments	N/a	N/a	N/a	N/a	Significant	N/a	N/a
	Reclaim of Grants	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Benefits Admin	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Appeals	N/a	N/a	N/a	Significant	N/a	N/a	N/a
	Reconciliations	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	CTRS	N/a	N/a	N/a	N/a	N/a	Significant	N/a
	Accounts Payable	Central Systems	Significant	N/a	N/a	Significant	Reasonable	Significant
Directorate Systems		N/a	N/a	N/a	N/a	N/a	N/a	N/a
Payroll	Overall (key controls)	N/a	N/a	N/a	Reasonable	N/a	N/a	N/a
	Starters and Leavers	N/a	N/a	N/a	N/a	N/a	Reasonable	N/a
	Recruitment & Retention	N/a	N/a	N/a	Significant	N/a	N/a	N/a
	Variations to Pay	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Computer System	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	Processing	N/a	N/a	N/a	N/a	N/a	N/a	N/a

	Payments							
	Deductions	N/a	N/a	N/a	N/a	N/a	Limited	N/a
	Payroll Tax Management	Significant IR35	N/a	N/a	N/a	N/a	N/a	N/a
Accounts Receivable	Billing	Reasonable	N/a	N/a	N/a	N/a	Significant	Significant (Rent collection – billing & collection)
	Collection		N/a	N/a	Significant ASC Debt F/up	N/a	Significant	Reasonable (HLT debt)
Council Tax	Tax Setting	Reasonable	N/a	N/a	N/a	N/a	N/a	N/a
	Billing		N/a	N/a	N/a	N/a	N/a	N/a
	Valuation, liability, collection		N/a	N/a	N/a	N/a	Significant	N/a
	Discounts and Exemptions		N/a	N/a	N/a	N/a	N/a	N/a
	Recovery		N/a	N/a	N/a	N/a	N/a	N/a
	Reconciliations		N/a	N/a	N/a	N/a	N/a	N/a

*Audits deferred 2020/21 & 2021/22 as a result of the cyber attack that took place in October 2020 which rendered all systems inaccessible

Definitions of Assurance Levels

The **Overall Assurance** given in respect of an audit is categorised as follows:

Level of assurance	Description	Link to risk priorities
Significant	Our work found some low impact control weaknesses which, if addressed, would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.	There are two or less medium-rated issues or only low rated or no findings to report.
Reasonable	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than critical or they would be unlikely to occur.	There is no more than one high priority finding and/or a low number of medium rated findings. However, where there are many medium rated findings, consideration will be given as to whether the effect is to reduce the assurance to Limited.
Limited	There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of the Council's objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.	There are up to three high-rated findings. However, if there are three high priority findings and many medium rated findings, consideration will be given as to whether in aggregate the effect is to reduce the opinion to No assurance.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of the Council's objectives.	There are a significant number of high rated findings (i.e. four or more).



London Borough of Hackney

Internal Audit Charter

March 2023

Internal Audit Charter

1. Introduction

- 1.1 This Charter sets out the purpose, authority and responsibility of the Council's Internal Audit function, in accordance with the UK Public Sector Internal Audit Standards (PSIAS). The Charter will be reviewed annually and presented to the Audit Committee for final approval.

2. Mission, Definition and Core Principles

- 2.1 The Mission of Internal Audit is to “Enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”
- 2.2 Internal Audit is defined by the Public Sector Internal Audit Standards (PSIAS) as “*an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*”
- 2.3 The Core Principles of Internal Auditing which, taken as a whole, articulate internal audit effectiveness, are as follows:
 - Demonstrate integrity
 - Demonstrate competence and due professional care
 - Be objective and free from undue influence, i.e. be independent
 - Be aligned with the strategies, objectives and risks of the organisation
 - Be appropriately positioned in the organisation & adequately resourced
 - Demonstrate quality and continuous improvement
 - Communicate effectively
 - Provide risk based assurance
 - Be insightful, proactive and future-focused
 - Promote organisational improvement

3. Purpose

- 3.1. In a local authority internal audit provides independent and objective assurance to the organisation, its elected members, senior management and in particular to the Chief Financial Officer to help him discharge his responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 3.2. In addition, the Accounts and Audit Regulations (2015) specifically require an internal audit function and state that a relevant body must ‘undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance’. The standards for ‘proper practices’ in relation to internal audit are laid down in the PSIAS.
- 3.3. The Council's Financial Procedure Rules (FPR 4) state “a continuous internal audit, under the independent control and direction of the Group Director, Finance and Corporate Resources, shall be arranged to carry out an examination of accounting, financial and other operations of the Council.”

4. Authority and Access to Records

- 4.1. In undertaking their duties and responsibilities, auditors and investigators assigned to the Audit and Anti Fraud Division shall be entitled to have full access to all of the Council's data, records, cash, stores, property, assets, personnel and information, whether manual or computerised, that it considers necessary to fulfil its responsibilities. Audit staff may enter Council property and have unrestricted access to all locations and officers where necessary, on demand, and without prior notice. Council staff are expected to provide every possible assistance to facilitate the progress of audits and investigations.
- 4.2. Access rights apply equally to third parties and organisations, as permitted through the associated contract and partnering arrangements. Right of access to other bodies funded by the Council should be set out in the conditions of funding.
- 4.3. The Internal Audit function will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that have been finalised, which the external auditor would need to discharge their responsibilities.
- 4.4. All records, documentation and information accessed in the course of undertaking audit reviews shall be used solely for that purpose. All audit staff are responsible for maintaining the confidentiality of information received in the course of their work.

5. Responsibility

- 5.1. The PSIAS requires the Internal Audit Charter to define the terms 'board' and 'senior management' for the purposes of internal audit activity. The Audit Committee has been designated as the 'board' and Corporate Leadership Team (CLT) as 'senior management'. The role of the Chief Audit Executive as described in the PSIAS will be covered by the role of the Corporate Head of Audit, Anti-fraud and Risk Management.
- 5.2. The Council's Corporate Head of Audit, Anti-Fraud and Risk Management is required to provide an annual opinion to the Council and to the Chief Financial Officer, through the Audit Committee, on the adequacy and the effectiveness of the framework of governance, risk management and control for the whole Council. In order to achieve this, the Internal Audit function has the following objectives:
 - To provide a high quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources.
 - To provide assurance that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
 - To provide assurance that significant risks to the Council's objectives are being identified and managed.
 - To provide independent assurance over the risk management, internal control and governance processes.
 - To provide advice and support to management to enable an effective control environment to be maintained.

- 5.3. It is the responsibility of management to identify, understand and manage risks effectively, including taking appropriate and timely action in response to audit findings. It is also management's responsibility to maintain a sound system of internal control and improvement of the same. The existence of an Internal Audit function, therefore, does not in any way relieve them of this responsibility.
- 5.4. Management is responsible for fraud prevention and detection. As Internal Audit performs its work programs, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection.'
- 5.5 There are inherent limitations in any system of internal control and thus error or irregularities may occur and may not be detected by internal audit's work. When undertaking audit reviews, internal audit will provide management with comments and report on failures or weaknesses in internal control systems together with recommendations for remedial action. It remains a management responsibility to maintain an effective system of internal control. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- 5.6. The remit of Internal Audit covers the entire framework of governance, risk management and control for the Council.
- 5.7. Where appropriate, Internal Audit may undertake consulting work for the benefit of the Council. Consultancy is defined as "Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include advice, facilitation and training".
- 5.8. Internal Audit may also provide assurance to the Council on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

6. Reporting

- 6.1. The PSIAS require the Corporate Head of Audit, Anti-Fraud, and Risk Management to report at the top of the organisation and this is done in the following ways:
- (i) An Annual Report and Annual Audit Opinion which is used to inform the Council's Annual Governance Statement and which concludes on the overall adequacy and effectiveness of the framework of governance, risk management and control. The annual report includes:
- The opinion
 - A summary of the work that supports the opinion; and
 - A statement of conformance with the PSIAS and the results of the quality assurance and improvement programme derived from the internal or

external assessment. Any instances of non-conformance with the PSIAS will be reported to CLT and the Audit Committee and will be included in the Annual Report. If there is significant non-conformance this may be included in the Annual Governance Statement

- (ii) The Internal Audit Strategy and Charter and any amendments to them are reported to the Audit Committee.
- (iii) The Internal Audit Annual Plan is compiled by the Corporate Head of Audit, Anti-Fraud, and Risk Management taking account of the Council's risk framework, which includes calculating a score based on both impact and likelihood, and after input from members of CLT and other senior managers it is then presented to CLT and the Audit Committee for final comment and approval.
- (iv) The Internal Audit budget is reported to Cabinet and Full Council for approval annually as part of the overall Council budget.
- (v) The adequacy, or otherwise, of the level of internal audit resources (as determined by the Group Director of Finance & Corporate Resources) and the independence of the Internal Audit function will be reported annually to the Audit Committee. The approach to providing resources is set out in the Internal Audit Strategy.
- (vi) Performance against the Internal Audit Annual Plan and any significant risk exposures and control issues arising from audit work are reported to the Audit Committee on a quarterly basis.
- (vii) Any significant consulting activity not already included in the Audit Plan which might affect the level of assurance work undertaken will be reported to the Audit Committee.

7. Independence

- 7.1. The Corporate Head of Audit, Anti-Fraud and Risk Management is line managed by the Chief Financial Officer. The Corporate Head of Audit, Anti-Fraud and Risk Management has free and unfettered access to the following:
 - Group Director, Finance & Corporate Resources (Chief Financial Officer)
 - Chief Executive
 - Chair of the Audit Committee
 - Monitoring Officer
 - Any other member of the Council Leadership Team
- 7.2. The Corporate Head of Audit, Anti-Fraud and Risk Management will notify the Audit Committee of any inappropriate attempt to influence the scope of internal audit work, the performance of assignments or the reporting of outcomes. Internal Auditors will report any impairment to their independence or objectivity to the Corporate Head of Audit, Anti-Fraud and Risk Management.
- 7.3. All Council and agency staff working in the Internal Audit and Investigation Teams are required to make an annual declaration of interest to ensure that auditors' objectivity is not impaired and that any potential conflicts of interest are appropriately managed. Auditors are also frequently rotated to prevent over-familiarity or complacency which could influence objectivity. In addition stringent procedures are in place relating to the acceptance of gifts and hospitality and the prevention of bribery.
- 7.4. Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. Any significant consulting activity not already

included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee. To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months.

- 7.5. Internal Audit must remain independent of the activities that it audits to enable auditors to make impartial and effective professional judgements and recommendations. Internal auditors have no operational responsibilities or authority over any of the activities audited.
- 7.6. The responsibilities of the Corporate Head of Audit, Anti-Fraud and Risk Management include risk management and counter fraud. To maintain independence in these areas, their role, and that of the team, is clearly defined. For example, the Corporate Risk Manager within the Audit Service has a co-ordinating role and provides support and advice for the maintenance of the risk registers and the development of the Council's risk framework, including revising the Risk Strategy and assisting directorates with reviewing their risks. In order to provide the necessary safeguards as set out in PSIAS standard 1112, where the Chief Audit Executive has roles beyond internal auditing, when audits are conducted in these areas, the Corporate Head of Audit, Anti-Fraud and Risk Management, will remove themselves from the review process of these audits, and all findings and draft reports will be shared at their conclusion with the CAE and the Group Director, Finance & Corporate Resources.
- 7.7. Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. Accountability for the response to the advice and recommendations of Internal Audit lies with management. Managers must either accept and implement the advice and recommendations, or formally reject them accepting responsibility and accountability for doing so. When the Corporate Head of Audit, Anti-Fraud and Risk Management concludes that management has accepted a level of risk that may be unacceptable to the Council, they must discuss the matter with senior management. If the Corporate Head of Audit, Anti-Fraud and Risk Management determines that the matter has not been resolved, the matter will ultimately be communicated to the Audit Committee.

8. Counter Fraud

- 8.1. Managing the risk of fraud and corruption is the responsibility of management. Internal Audit reviews alone cannot guarantee that fraud or corruption will be prevented or detected. Internal Auditors will, however, be alert in their work to risks and exposures that could allow fraud, corruption or other irregularity to take place.
- 8.2. The Corporate Head of Audit, Anti-Fraud and Risk Management will seek to develop proactive anti-fraud work through a series of specifically focussed investigation reviews into areas of high risk of fraud and irregularity.
- 8.3. The Investigation Teams will respond to all notifications of fraud and suspected financial irregularity and will undertake investigations to assess the validity of such allegations. Where weaknesses in internal control are identified these will be communicated to Internal Audit in order that appropriate recommendations can be made to strengthen the controls and help prevent such frauds and irregularities reoccurring.

8.4. The policies and procedures of the anti-fraud service are detailed in the Council's Anti-Fraud and Corruption Strategy. All fraud concerns shall be notified to the Corporate Head of Audit, Anti-Fraud and Risk Management.

9. Risk Management

9.1 The remit of the Audit and Anti-Fraud department includes Corporate Risk Management, which essentially coordinates the risk management functions that all service managers are responsible for. The Corporate Risk Management function is separate to the Internal Audit function. Internal Audit activity with regard to risk will be consistent with the functions that the Institute for Internal Auditors has identified as being suitable, to ensure that independence and objectivity are protected.

10. Due Professional Care

10.1. The Internal Audit function is bound by the following standards:

- Institute of Internal Auditors International Code of Ethics
- UK Public Sector Internal Audit Standards (PSIAS)
- CIPFA Statement on the Role of the Head of Internal Audit
- Seven Principles of Public Life (Nolan Principles)
- All Council Policies and Procedures
- All relevant legislation

10.2. All internal audit staff are required to sign an annual statement confirming their compliance with the IIA Code of Ethics as included in the PSIAS.

10.3. Internal Audit is subject to a quality assurance and improvement programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the PSIAS, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

10.4. A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. The Corporate Head Audit, Anti-Fraud and Risk Management is required to hold a professional qualification (CCAB or CMIIA) and be suitably experienced.

11. Related Documents

- Internal Audit Strategy 2020 - 2025
- Internal Audit Annual Plan



London Borough of Hackney

**Internal Audit Strategy
2020 - 2025**

March 2023

1. Introduction

- 1.1. This strategy sets out how the Council's Internal Audit Service will be developed and delivered in accordance with the Internal Audit Charter. The strategy will be reviewed annually and presented to the Audit Committee.
- 1.2 The work of Internal Audit is set out each year in an approved Internal Audit Plan. This provides a guide to future activity and is subject to review to ensure that audit work reflects organisational requirements
- 1.3 The Internal Audit plan is driven by the Council's organisational objectives and priorities, and the risks that may prevent the Council from meeting those priorities.

2. Internal Audit Objectives

- 2.1. Internal Audit will provide independent and objective assurance to the organisation, its elected Members, HMT and in particular to the Chief Financial Officer to support him in discharging his responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.
- 2.2. It is the Council's intention to provide a best practice, cost efficient internal audit service.

3. Internal Audit's Remit

- 3.1. Internal Audit is an assurance function that primarily provides an independent and objective opinion on the degree to which the framework of governance, risk management and control supports and promotes the achievement of the Council's objectives.
- 3.2. Under the direction of a suitably qualified and experienced Corporate Head of Audit, Anti-Fraud and Risk Management will: -
 - Provide management and Members with an independent, objective assurance on the framework of governance, risk management and control and its effectiveness in achieving the Council's objectives and priorities
 - Provide management with a consulting activity designed to add value and improve the Council's operations
 - Assist the Audit Committee to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered
 - Drive organisational change to improve processes and service performance
 - Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements
 - Work closely with other assurance providers to share information and provide a value for money assurance service

- Promote continuous improvements in risk management and control systems
 - Be alert in all audit work to risks and exposures that could allow fraud, corruption, extravagance, waste or inappropriate use of Council resources
 - Participate in local and national bodies and working groups to influence agendas and developments within the profession
- 3.3. It is recognised that it is management's responsibility to establish and maintain a sound system of internal control and to prevent and detect irregularities and fraud by ensuring that risks are properly managed. Internal Audit cannot absolve management and senior officers of these responsibilities. The overall aim of Internal Audit is to seek out areas requiring improvement and recommend solutions that will enable the Council to better achieve its objectives.
- 3.4. Internal Audit will ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will however offer advice on the design of new internal controls in accordance with best practice.

4. Service Delivery and Resources

- 4.1. The Service will be delivered by the in-house internal audit team under the direction of the Corporate Head of Audit, Anti-Fraud and Risk Management.
- 4.2. Internal Audit must be appropriately staffed in terms of numbers, grades, qualification levels and experience, having regard to its objectives and standards.

5. Internal Audit Planning

- 5.1. Audit planning will be undertaken on an annual basis. The plan should be sufficiently flexible to accommodate changes in risks and priorities that arise during the period covered by the plan. Good practice recommends that the audit plan is reviewed on a regular basis throughout the year to ensure that it remains relevant.
- 5.2. Where possible the audit plan will take into account management activities, the external auditor, inspection bodies and other review agencies to ensure the most effective audit coverage is achieved and duplication of effort is minimised.
- 5.3. The annual audit plan and audit coverage will be based on the following: -
- The Council's risk registers together with Internal Audit's own assessment of risk in operational areas considering impact and likelihood.
 - The adequacy of risk management, performance management, internal and external review bodies and other assurance processes within the Council.

- The extent and scope of audit activity in previous years, including the previous audit reports and recommendations made to strengthen controls and enhance systems.
 - The requirements of the external auditors and their ability to utilise the work of Internal Audit in forming their opinion of the Council's Financial Statements.
 - The requirements of regulations and legislation and external factors such as grant conditions.
 - The views of senior managers in the directorates and the assurances received from them regarding internal control, governance and risk management.
- 5.4. The Corporate Head of Audit, Anti-Fraud and Risk Management will attend directorate management team meetings as part of the annual planning process to ensure that management views and suggestions are taken into account when producing the audit plan.
- 5.5. The Internal Audit Annual Plan is based on the following: -
- (i) **Risk Based Systems Audit:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through a risk assessment process. The internal controls depending on the risk assessment are tested to confirm that they are operating correctly. The selection of work in this category is driven by Directorates' own risk processes and will increasingly include work in areas where Council services are delivered in partnership with other organisations. The results of audit work will be fed back into the risk management process to form a 'virtuous circle'.
 - (ii) **Key Financial Systems:** Audits of the Council's key financial systems. External Audit will have the opportunity to rely on the work of Internal Audit where appropriate.
 - (iii) **Probity Audit (schools and other establishments):** Audit of a discrete unit. Compliance with legislation, regulation, policies, procedures or best practice is confirmed. For schools this includes assessment against the Schools Financial Value Standard. Coverage is dependent on the assessment of the level of risks.
 - (iv) **Computer Audit:** The review of ICT infrastructure and associated systems, software and hardware.
 - (v) **Contract Audit:** Audits of the procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts.
 - (vi) **Fraud:** The Audit Investigation Teams, within the Audit and Anti-Fraud Division, will investigate any fraud and irregularity arising during the year and also undertake a programme of proactive counter fraud projects to raise awareness of significant fraud issues.

(vii) Ad-Hoc Work: Due to organisational changes and emerging risks and issues, audit resources may need to be allocated to reviews on an ad hoc basis in areas not envisaged in the annual audit plan. These unforeseen alterations will be agreed by the Corporate Head of Audit, Anti-Fraud and Risk Management and reported to the Audit Committee.

6. Follow-up

- 6.1. Internal Audit will evaluate the Council's progress in implementing audit recommendations against set targets for implementation. In areas where there has been limited or no assurance, follow up reviews may be conducted in the following year. Progress will be reported to the Audit Committee on a regular basis.
- 6.2. Where progress is unsatisfactory or management fails to provide a satisfactory response to follow up requests, Internal Audit will implement the escalation procedure as agreed with management. This entails reporting progress with implementation of high and medium priority audit recommendations to directorate management teams on a regular basis.

7. Reporting

- 7.1. Internal Audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work. Progress reports are also periodically issued to the Audit Committee. The Corporate Head of Audit, Anti-Fraud and Risk Management's annual report is also submitted to the Audit Committee and this contributes to the assurances underpinning the Annual Governance Statement of the Council.

8. Related Documents

- Internal Audit Charter
- Internal Audit Annual Plan

Executive Summary

Hackney Council is committed to improving the lives of all residents by tackling poverty and inequality, responding to the housing crisis and climate emergency and promoting economic benefits, safety and health and wellbeing. There is also an ambition to help every child to reach their potential. These commitments are set out in the Council's Strategic Plan for the period 2022 to 2026, which was adopted in November 2022 to recognise the worsening outlook for public finances combined with additional demand for Council services.

To be successful the Council must have a solid foundation of good governance and sound financial management. Hackney's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Local Code is supported by an assurance framework that sets out how and on what the Council will seek to obtain assurance. Hackney's Local Code of Corporate Governance and Constitution can be found [here](#) or through the Council's website.

The Council is required to produce an Annual Governance Statement which describes how its corporate governance arrangements set out in the Local Code have been working. This statement provides assurances on compliance for the year ending 31 March 2023, up to the date of approval of the statement of accounts.

During 2022/23 the review of governance identified areas for improvement, an action plan has been developed which sets out how we will manage the most significant issues. Details of the issues identified in 2022/23 are provided at [Appendix 1](#), the outcomes of issues identified in 2021/22 can be viewed [here](#).

We are satisfied that the steps set out above have led to improvement in all areas, although some issues remain as a concern and further action on these is set out in the 'Improving Governance' section at the end of this statement. We will continue to monitor their implementation and operation as part of our next annual review.

We recognise the importance of having a solid foundation of good governance and sound financial management and are committed to addressing the matters highlighted in this statement, and to further enhance our governance arrangements. We confirm we have been advised of the implications of the review by senior management, Internal Audit and the Audit Committee and are satisfied that the steps outlined in this document will address the areas for improvement.

The Covid-19 pandemic that hit the whole country in early 2020 had a huge impact on the Council, its workforce, residents, partners and other stakeholders. As we move on from these unprecedented times we are confident that good governance, democratic accountability and transparency continues in Hackney.

The criminal cyber attack in October 2020 posed significant challenges for the authority with work to rebuild systems and recover data continuing throughout 2022/23. The Council focussed resources on rebuilding business critical systems to enable essential services to be delivered. The ongoing recovery work accelerated the delivery of the Council's technology strategy, with significant progress to recover data onto modern cloud technologies, which in many cases presented a faster route to recovery and supported delivery of the Council's longer term strategy for technology and data. This included migrating recovered data onto new cloud based systems which were already in progress, procurement of cloud based systems to replace legacy systems and development of modern digital tools where that presented the best strategic fit. This will help the Council to ensure it is protected against the new and emerging cyber risks facing all organisations.

Scope of Responsibility

Hackney Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, public money is safeguarded and accounted for properly. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council has in place a local Code of Governance which sets out its commitment to good governance which is consistent with the principles of governance set out in the governance guidance produced by CIPFA/SOLACE, Delivering Good Governance in Local Government (2016). The Code sets out the arrangements the Council has in place which demonstrate that the principles of good governance are embedded within the way the Council conducts its business.

The Council's governance arrangements are under continuous review for appropriateness and effectiveness. The Council is committed to the ongoing strengthening of its governance arrangements and will consider new initiatives that will impact on its governance arrangements in future reviews.

Review of the Effectiveness of Hackney's Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

Throughout the year, the Council regularly reviews the effectiveness of its governance framework to streamline and improve our processes to ensure these arrangements remain

effective, now and into the future. This is informed by individual service leadership and management, corporate oversight functions (including statutory officers), internal audit, external auditors and other review agencies. Similar and proportionate oversight and governance arrangements should also be put in place in respect of services outsourced to external suppliers, trading partnerships, Council owned companies, shared service arrangements and arm's length bodies.

The system of internal control is a significant part of the framework, designed to manage risks to a reasonable level. The system of internal control is based on an ongoing process developed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically. It cannot eliminate all risks and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Annual Governance Statement incorporates the continuous review of the effectiveness of our governance arrangements throughout 2022/23. It identifies areas where we can and will do more to ensure that we have effective governance arrangements that enable the organisation to deliver on its commitment to improving the lives of all residents and creating opportunity and prosperity for local people and businesses.

This statement is an honest appraisal of our governance framework and shows that Hackney has adequate arrangements in place that generally comply with the Council's Local Code of Corporate Governance, and shows that we have met our legal and statutory obligations to our residents.

A sector wide issue concerning the valuation of infrastructure assets has prevented the completion of the External Audit review of the Council's Statement of Accounts for 2020/21 and 2021/22. The Council was impacted by a moratorium that was put in place to prevent the external audit opinion being given until this was resolved. It is important to note that this issue was not exclusive to Hackney but has arisen across local government. Following a temporary resolution to this issue at a national level it is anticipated that an unqualified opinion on our 2020/21 accounts will be issued in June 2023 which will include making a recommendation to management in respect of record keeping of expenditure on infrastructure assets, to ensure gross book values, and the associated accumulated depreciation, do not become materially misstated following removal of the statutory override.

The external auditors risk assessment of the Council's value for money arrangements has not identified any significant weaknesses. Considerable progress have been achieved in conducting the audit for the 2021/22 accounts. However, an opinion on the audit has not been issued due to a delay caused by a new nationwide concern related to the Council's reporting of assets and liabilities associated with its membership in local government pension schemes (the Hackney Pension Fund and LPFA). As a result, additional work is necessary to accurately assess the pension liability figures included in the 2021/22 accounts

The governance framework has been in place at Hackney Council for the year ended 31 March 2023 and up to the date of approval of the annual report and the audit of the statement of accounts.

Adequate assurance can be given that the systems and processes in place throughout the Council support the achievement of its objectives. The Council is currently aware of issues that could affect its financial position such as, but not limited to, ongoing cost pressures associated with the delivery of Children's and Adult Social Care Services, the cost of living crisis, as well as the costs associated with rebuilding the Council's IT infrastructure following the cyber attack in October 2020.

Whilst a number of assurances have been obtained to support this conclusion as outlined in the following paragraphs, it is important that the specific assurance of the Corporate Head of Audit, Anti-Fraud & Risk Management is considered to support this statement.

Directorate reviews of governance arrangements

The Senior Leadership Team for each directorate completed an assurance matrix in order to demonstrate that they have in place the key elements of a robust controls and governance framework. These matrices were considered by each team and on the basis of this review, each Group Director has signed an Assurance Statement to accompany the assurance matrix. Internal Audit reviewed the returns from each directorate and assessed these alongside other sources of assurance.

Audit Committee role in governance arrangements

The Audit Committee receives reports throughout the year that support its oversight of governance within the Council including: -

- Corporate and directorate risk registers
- Performance of the Council and Audit & Anti Fraud Service
- Review of the final accounts
- Review of the Annual Governance Statement
- Reports on Treasury Management
- Reports on Performance Management
- Regular updates about the Council's financial position

The Committee undertakes an annual self-assessment which is reported to the full Council. An ongoing development programme is provided to committee members to support them in executing their responsibilities and to ensure that the committee continues to be effective.

Review and update of the Constitution

The Constitution is regularly reviewed, this was last updated in May 2022.

Report by the Standards Committee on its activities

During the year the Standards Committee considered reports on: -

- Local Government Association (LGA) model code of conduct.
- Compliance with Guidance on members' use of ICT information.
- Review of the Register of Declaration of interest forms
- Review of the number of complaints about Members
- Appointment of members to the Board of other companies
- Members Training and Development Programme

Overview and Scrutiny

The Scrutiny Panel is in place to review and inform decisions that are made by the Mayor and Cabinet. There are four Overview and Scrutiny Commissions that report through the Panel with the following remits: -

- Children and Young People
- Health in Hackney
- Living in Hackney
- Skills, Economy & Growth

During the year Scrutiny Commissions considered various reports including;

- Housing Repairs
- Changes to the Housing Register & Lettings Policy
- Adult Social Care reforms: Fair cost of Care & Sustainability
- Food Poverty: Eligibility, Accessibility & Update on Free School Meals
- Review of Hackney's SEND Strategy
- Local Economy Update: Understanding the Local Economy

Opinion of the Corporate Head of Audit, Anti-Fraud & Risk Management

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards (PSIAS), the Corporate Head of Audit, Anti-Fraud & Risk Management, who is the Council's chief audit executive, is required to provide independent assurance and opinion on the adequacy and effectiveness of the Councils' risk management and control framework, and through the Audit & Anti Fraud Service deliver an annual programme of risk based audit activity, including counter fraud and investigation activity and make recommendations for the improvement of the management of risk and control.

The Corporate Head of Audit, Anti-Fraud & Risk Management, having reviewed the available evidence, including the cumulative knowledge and experience from audit review of the systems and controls in place over many years, the results of previous audit work and the work completed in 2022/23, supported by other sources of assurance, is satisfied a reasonable conclusion can be drawn on the adequacy and effectiveness of the Council's governance arrangements, and that the Council has good foundations in place which

generally conform with best practice that are fundamentally sound and fit for purpose. Adequate assurance can be taken that the Council's risk management, internal control environment and governance processes were in operation during the year to 31 March 2023 despite the challenges the Council experienced during the year. There are areas where improvements to enhance the Council's governance framework were identified, these have been recognised and improvement plans are in place.

Full details of the assurance provided in this statement will be provided within the Internal Audit Annual Report for 2022/23 which is due to be considered by the Audit Committee on 21 June 2023. An outline of the rationale for the 'Adequate' assurance opinion can be viewed [here](#) .

The ability to undertake audit reviews during 2022/23 markedly improved as the effects of the cyber attack receded, with the notable exception of scheduled ICT reviews because resources were still directed toward recovering from the attack, and the service was also being restructured. The ICT audits have started to resume toward the end of the financial year and there are grounds to be optimistic that this programme of work will be fully deliverable in 2023/24.

The corporate loss of data and localised issues that persist involving access to some systems as a result of the cyber attack has understandably impacted upon the level of assurance that can be given under what are extraordinary circumstances. The Council moved to put in place alternative working practises to ensure essential services continued to be provided to our residents. It was recognised that the use of interim measures involved accepting a greater level of risk than under normal circumstances but these were unprecedented times and the risks needed to be accepted in order for the Council to deliver essential services.

In addition, there is a continuing need for the Council to move at pace to deliver new services to the community to mitigate the worst effects of the cost of living crisis. Recent experience gained through the pandemic response has developed our capacity to do this, but it is noted that change to service provision and restructuring of services does provide a challenge that the governance arrangements must keep up with. The adequate assurance opinion provided here reflects that we have continued to carry out effective governance despite the challenges of the cost of living crisis following on from the huge disruption caused by Covid-19 and the cyber attack.

During the reporting year reviews were undertaken of the Council's compliance with CIPFA's Financial Management Code and the business continuity arrangements were reviewed and updated. A review of our corporate risk management arrangements is scheduled to take place in 2023/24, there may also be a need to further review our corporate resilience.

The Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) require the Council to undertake a review of the effectiveness of its

Internal Audit function and to report the results in the Annual Governance Statement. Hackney was due to undergo an external peer review in 2021/22 however all such reviews remained suspended at that time due to the pandemic, and the cyber attack then required a further delay. The external review is now scheduled for July 2023. Because of this we are not fully compliant with the requirements of PSIAS. We continue to undertake self assessments which supports the view that, as in previous years, it is considered the Council has effective arrangements in place for the provision of its Internal Audit Service.

Appendix 1

Improving Governance

Based on our review of the governance framework, the following significant issues will be addressed in 2023/24.

Issues Identified 2022/23	Planned Action
<p>1. Cyber Attack</p>	
<p>Recovery of systems and data affected by the cyberattack is ongoing, with the majority of services now operating normally. Some workaround processes remain while recovery / rebuild of systems and clearing of backlogs caused by the cyberattack continues, and there are also services where some functionality is not yet fully recovered and ongoing service impacts continue.</p> <p>Work is in progress through the recovery programme to review all aspects of the Council's governance arrangements for information security and ensure that these are updated to reflect any learnings from the investigation into the attack. The Council continues to work closely with the Information Commissioner's Office, partners and external experts to support this.</p>	<p>The overall recovery from the cyberattack is in line with our pre-existing plans for migration to modern, cloud services and provides the best possible cyber protections for the Council's systems and data. Our recovery is consistent with the Council's pre-existing technology strategy, through which we have removed a number of underlying risk factors (e.g. replacement of Windows PCs with Chrome OS devices for almost all users).</p> <p>The Council has maintained a current Public Services Network (PSN) Code of Connection accreditation and is also helping to lead collaborative work with the London Office of Technology & Innovation (LOTI) to develop enhanced cyber assurance arrangements across London's councils.</p> <p>A full programme of ICT internal audit work has been approved, including reviews of ICT governance and consideration of some key new systems.</p>
<p>2. Significant Cost Pressures</p>	
<p>Robust budget monitoring processes are in place. These have highlighted significant cost pressures primarily</p>	<p>High-level pressures are subject to ongoing challenge through budget meetings and the monthly Budget Board which is jointly chaired</p>

Issues Identified 2022/23	Planned Action
<p>involving care packages in Adult Social Care, Children & Families and Hackney Education.</p> <p>Inflation has also increased supplier costs and may yet lead to further pressures which are not funded by central government.</p>	<p>by the Group Director Finance and Corporate Resources and the Group Directors of Adults, Health & Integration and Children and Education.</p> <p>Budget planning for all services is focussed on developing a balanced budget. Medium Term Financial Plan assumptions are kept under review and are updated as necessary. Gateway processes in major project delivery will robustly challenge affordability in the context of rising construction inflation. Income maximisation work to support residents and businesses will continue, including via the money hub initiative which will be subject to internal audit review.</p>
<h3>3. Falling School Roll Numbers / Surplus Primary School Places</h3>	
<p>The change in demand will increase financial pressures on schools because of the per pupil funding arrangements. Significant change requires that governance arrangements are updated and fit for purpose.</p> <p>Changes to the school estate will need to be made following the correct governance processes to ensure fairness and the perception of fairness.</p>	<p>The Education Sufficiency & Estates Strategy. The Council is planning to consult on closing or merging six primary schools in the borough as a direct result of the significant decrease in pupil numbers which has resulted in some schools being under serious and irreversible financial pressure.</p> <p>Consultation with parents, carers, staff and governors is planned throughout June 2023. Final decisions by Cabinet in December 2023 / January 2024. Governance arrangements are in place and dedicated programme support and structures to manage the strategy and implementation.</p> <p>Four schools in the borough are currently considered to potentially merge into two schools on one of the existing sites.</p>
<h3>4. Contract Management in Planned Asset Management</h3>	
<p>We are experiencing significant delays in the procurement of our main framework for capital contractors to undertake our improvement works.</p>	<p>The Strategic Director of Housing Services is working with his management team and colleagues from across the Council to address any weaknesses in the procurement and</p>

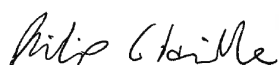
Issues Identified 2022/23	Planned Action
<p>This delay means that homes will wait longer for capital improvements which could potentially increase the level of non-decency. It is also resulting in increased pressure and demand on our responsive repairs delivery.</p> <p>There are issues in contract management of our housing maintenance providers which may result in the council achieving poor value for money for our tenants and leaseholders.</p>	<p>contracting workflows and systems.</p> <p>The control mechanisms on these contracts have continued to be developed in the past year. The key mechanisms fall under the headings:</p> <ul style="list-style-type: none"> - overarching procedures - quality control - contract management - valuation processes
<p>5. Housing Disrepair incorporating damp and mould issues</p>	
<p>Housing Disrepair, which incorporates issues relating to damp and mould, were highlighted as a result of national and local media reports showing examples of unacceptable living conditions across the whole social housing sector. In addition, a significant backlog of repairs was identified in the latter part of 2021/22 as a result of the pandemic and the cyber attack which was contributing to the increase in disrepair cases. This pandemic related backlog has now been cleared, however the increased focus on damp and mould has seen a significant increase in the level of reported damp and mould in our homes.</p> <p>This has resulted from a combination of the impact of the pandemic, the loss of the housing systems following the cyberattack and the delay to the main housing maintenance procurements .</p>	<p>Following a review a repairs improvement plan has been put in place which focuses on three main areas:</p> <ul style="list-style-type: none"> ● Clearing the backlog of responsive repairs built up as a result of limiting the service to emergency / urgent repairs only for 12 months ● Addressing and reducing the level of legal disrepair cases (which are often in the worst condition) ● Improving the customer experience thereby increasing customer satisfaction levels <p>A Housing Repairs Improvement Board has been established chaired by the Strategic Director of Housing with clear targets for the three main areas, The Governance for overseeing this work is further enhanced by regular briefings to the Mayor and Lead Member Housing and performance updates to Audit Committee</p>

Issues Identified 2022/23	Planned Action
6. Senior Officer Capacity	
<p>The Chief Executive and Group Director Finance & Corporate Resources both have key responsibilities to ensure that the governance arrangements meet statutory requirements, are up to date, and also to provide leadership to the Council. The Chief Executive is currently on a period of extended leave to enable him to deal with family issues. In his absence the Group Director of Finance & Corporate Resources is currently deputising as Acting Chief Executive but will be leaving Hackney in August 2023 to join Liverpool City Council after 16 years at Hackney.</p>	<p>The following measures will be in place to provide leadership to the Council on governance matters:</p> <ul style="list-style-type: none"> • Interim appointments will be made to ensure that key roles continue to be covered without interruption, these will draw on succession planning and experience and capacity within the Corporate Leadership Team as appropriate; • A documented handover of work and responsibilities will take place before the Group Director Finance & Corporate Resources (GD FCR) leaves; • A process to recruit a new GD FCR will begin without delay; • Regular communications will take place to all staff to provide assurance on recruitment processes and ensure that governance issues continue to receive prominence.

These issues will be supported by a detailed action plan, progress on which will be monitored during 2023/24 and reported to senior management.

Outcomes from significant issues identified in 2021/22 that were addressed in 2022/23 can be found [here](#).

Signed on behalf of Hackney Council:



pp




Phillip Glanville
Mayor

Mark Carroll
Chief Executive

Ian Williams
Group Director Finance &
Corporate Resources

23rd May 2023



Title of Report	Annual Fraud & Irregularity Report 2022/23
For Consideration By	Audit Committee
Meeting Date	21 June 2023
Classification	Open
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Ian Williams, Group Director of Finance and Corporate Resources

1. **Introduction**

- 1.1. This report introduces the Annual Fraud and Irregularity Report 2022/23. The attached document provides a status report and analysis of reported fraud and irregularity within the London Borough of Hackney.
- 1.2. This report is presented for information and comment and forms part of the Committee's role in overseeing corporate governance.

2. **Recommendations**

- 2.1. **The Audit Committee is recommended to:**

Note the content of this report.

3. **Reason(s) for decision**

- 3.1 Not applicable – no decision is required.

4. **Background**

Anti-fraud work is an important part of Hackney's control environment and helps to ensure the proper administration of financial affairs. The risk of fraud is present in many of the activities that the Council undertakes. It is essential that officers are aware of the possible consequences of fraud and the financial implications for services so that an informed decision can be made about the controls in place to mitigate the threat.

It is also vital that Members understand the potential for fraud when holding services to account and when making corporate level decisions.

The report includes accounts of tangible financial outcomes from fraud investigation work carried out in 2022/23 which is summarised in the table below:

Investigation area	Estimated saving arising from enquiries
Tenancy Fraud	£3,344,200
No Recourse to Public Funds	£1,513,446
Other enquiries	£20,000
Blue Badge	£30,090
Total	£4,907,736

This report forms part of the evidence supporting the Council's Annual Governance Statement. In line with Financial Procedure Rules (FPR 4.6), this report is presented to the Audit Committee as part of the requirement to report work undertaken by the Audit & Anti-Fraud Division.

4.1 Policy Context

All investigation work is undertaken in compliance with relevant legislation and Council policy, including the Anti-Fraud and Corruption Policy, Member and Officer Codes of Conduct, RIPA Policy, Anti-Money Laundering Policy and Whistleblowing Policy.

4.2 Equality Impact Assessment

For the purposes of this report an Equality Impact Assessment is not applicable, although all investigation work is carried out in compliance with the Council's Equality policies.

4.3 Sustainability

Not applicable – This report contains no new impacts on the physical and social environment.

4.4 Consultations

Not applicable.

4.5 Risk Assessment

Anti-fraud work is subject to risk assessment to ensure that the most significant threats are adequately addressed, and emerging concerns are tackled. The risk of fraud is likely to be greatest where money or other assets are allocated in the course of operational activities, and these should be

considered as part of the risk assessment process and recorded on relevant risk registers where appropriate.

5. Comments of the Group Director of Finance and Corporate Resources.

- 5.1. There are no financial implications arising from this report as the costs of providing the investigation service are included within the Council’s base budget.
- 5.2. An effective investigation service is important to help ensure that public funds are used appropriately, to enable sanctions where suitable, and to deter fraudsters from targeting the Council.

6. Comments of the Director of Legal, Democratic and Electoral Services

- 6.1. The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. An adequate system of internal audit is inherent. This report demonstrates how the Council is fulfilling its obligations in this regard.
- 6.2. The Audit Committee is asked to note the report on the Audit Investigation Service’s work during 2022/23. There are no immediate legal implications arising from the report.

Appendices

Appendix 1 - Annual Fraud and Irregularity Report 2022/23

Background documents

None

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Comments for the Director of Legal, Democratic and	Dawn Carter-McDonald

**Electoral Services
prepared by**

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Services
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Audit & Anti-Fraud Service Annual Fraud and Irregularity Report 2022/23

A status report and analysis of reported fraud and financial irregularity within the London Borough of Hackney

June 2023



**Finance and Corporate Resources Directorate
Audit and Anti-Fraud Division**

1. Introduction

- 1.1 This report provides a summary of the work undertaken in respect of anti-fraud activities carried out by the Council's Audit Investigation Team (AIT) and Tenancy Fraud Team (TFT) during the past year. During the financial year 2022/23 the teams received 806 referrals and enquiries in relation to fraud and irregularity.

2. Background

- 2.1 The Council's position on fraud is embedded in a series of policy documents which enhance and reinforce the attention given to this particular aspect of the Council's processes and procedures, namely: -

The Constitution	The Council's Fraud Policies
<ul style="list-style-type: none"> ● Members' Code of Conduct ● Officers' Code of Conduct ● Financial Procedure Rules ● Standing Orders ● Contract Standing Orders 	<ul style="list-style-type: none"> ● Anti-Fraud & Corruption Policy ● Whistleblowing Policy; and ● Anti-Money Laundering Policy

- 2.2 Regular reviews of both Member and Officer compliance with the Council's policy in respect of corporate governance arrangements are undertaken and this informs the Annual Governance Statement which is required to be included as part of the final accounts process.
- 2.3 The Council's Anti-Fraud & Corruption Policy reinforces that managers, as 'owners' of the Council's systems and processes, are responsible for ensuring that adequate systems of internal control are in place to prevent or detect fraudulent activity. The primary responsibility for the prevention and detection of fraud therefore rests with managers and staff. AAF's role is to undertake independent assessments of the key risks and associated controls within systems across the organisation. AIT has systems in place to receive, assess and react to potential fraud referrals from all stakeholders.
- 2.4 Managers are required to ensure that all staff receive training in fraud awareness. In addition, all new employees are briefed on the Council's approach and are provided with a copy of the policy as part of the induction process. AAF offers advice and where necessary undertake training in key areas of activity.
- 2.5 The Council has procured an external provider, Navex, to provide a confidential corporate whistleblowing hotline. This facility is available 24/7 to all Council workers. Nominated Officers within the Council have been identified to receive confidential reports. This facility is also available to Hackney Education and has been rolled out to all grant maintained schools. In addition, there are also a number of fraud hotlines (e.g. Tenancy and Blue Badge) which are maintained for members of the public. An annual whistleblowing report is provided to the Committee separately, most recently in April 2023.

3. Anti-Fraud & Corruption Activity during 2021/22

3.1 Investigation work is undertaken by teams which specialise in the following operational areas:

- The Audit Investigation Team (AIT) investigates allegations of fraud and irregularity involving staff, partner organisations and any non-tenancy concern. In addition, the AIT is responsible for investigating allegations of Blue Badge and parking fraud (Section 4) and providing investigative support to the Children's & Education directorate No Recourse to Public Funds Team (NRPF) initiative (Section 5).
- The Tenancy Fraud Team (TFT) investigates allegations of subletting and other housing fraud committed against the Council and most Registered Provider housing stock in the Borough (Section 6);

3.2 Table 1 below provides a comparison of all enquiries received in the last year.

Yearly Comparison of Investigation Work

Investigation Type	2022/23	2021/22	2020/21	2019/20	2018/19
AIT referrals	39	22	57	42	44
Parking (incl Blue Badge)	199	157	119	220	198
Tenancy Fraud	276	232	120	266	388
No Recourse to Public Funds (NRPF)	104	44	66	89	75
Fraud enquiries	188	492	426	1042	1105
Total	806	947	788	1659	1810

Table1

3.3 A summary of the cases dealt with by AIT during 2021/22, broken down by directorate and referral type, is shown in tables 2 and 3 below.

Breakdown of Referrals by Directorate

Directorate	Brought Forward from 2021/22	Referral received in 2022/23	Case completed during 2022/23	Cases ongoing at 1 April 2023
Chief Executive's Directorate	0	1	1	0
Adults, Health & Integration	1	2	1	2
Children's & Education	0	9	5	4
Finance & Resources	2	5	3	4
Business Grants	8	4	8	4
Climate Homes and Economy	12	18	13	17
Total	23	39	31	31

Table 2

Breakdown of Referrals by Type

Description	Climate, Homes & Economy	Adults, Health & Integration	Children's & Education, & Schools	Finance & Corporate Resources	Chief Executives	Total
Theft	0	0	0	0	0	0
Immigration/ID issues	0	0	0	0	0	0
Employee issues	8	2	4	4	1	19
Payments, contracts, procurement	2	0	3	4	0	9
Housing irregularities	2	0	0	1	0	3
Staff parking	4	0	2	0	0	6
Other	2	0	0	0	0	2
Total	18	2	9	9	1	39

Table 3

3.4 An analysis of the principal outcomes arising from AIT investigations during 2021/22 is shown in Table 4 below.

Analysis of Outcomes	2022/23	2021/22	2020/21	2019/20	2018/19
Dismissal	1	1	2	1	7
Resigned/Left under investigation	2	2	2	10	8
Other Disciplinary	0	1	0	2	1
Referral to other agency (e.g. Police, UK Border Agency)	3	7	3	12	12
Council service or discount cancelled (excl NRPF)	0	0	26	2	8
Reports Issued	7	8	5	10	19

Table 4

3.5 AIT also dealt with 188 fraud enquiries from outside agencies (e.g. DWP, police, Home Office, other LA's, etc). These requests are largely related to providing information to other public bodies to assist with investigations and in most cases do not involve an investigation by Hackney. The large majority of these cases previously arose from the transfer of the Housing Benefit investigation function from LBH to DWP in December 2014 (see Section 8).

4. Blue Badge Fraud Team

4.1 AIT is responsible for investigating Blue Badge fraud and other parking dispensation irregularities. Investigations take place in response to allegations of misuse and are also proactively targeted at areas of known significant abuse. AIT officers regularly work with the Police and other enforcement agencies when

investigating blue badge misuse. These enquiries have continued during 2022/23, the number of referrals increased on the peak pandemic period as levels of travel increased. A total of 108 misused parking permits were recovered during the year, 106 penalty charge notices were issued and 62 vehicles were removed following misuse. These outcomes represent a significant increase not just on the pandemic period but also on pre-2020 outcomes.

- 4.2 We remain committed to pursuing more severe sanctions for the most serious types of offending (including the use of stolen and forged blue badges) even though delays in the legal system outside Hackney have delayed the progression of some cases recently.
- 4.3 The Audit Commission estimated the cost of each fraudulently used Blue Badge to be £100 (which is equivalent to less than 31 hours parking in an LBH car park for the cheapest petrol vehicle rate). Fees of £65 are also payable where a Penalty Charge Notice is issued as part of the enforcement process, with an additional charge of £200 if the vehicle is also removed. The financial value of this work during the year on these conservative measures was £30,090.

Blue Badge and Other Parking Investigations

	2022/23	2021/22	2020/21	2019/20	2018/19
Number of referrals (including cases identified through proactive measures)	199	157	119	220	203
Number of PCNs/removals	106/62	108/82	46/31	71/38	29/2
Number of prosecutions	4	0	5	1	0
Number of Blue Badges and other misused parking permits recovered	108	101	54	41	41
Number of misuse warnings issued	63	23	20	19	19

Table 5

5. No Recourse to Public Funds (NRPF)

- 5.1 NRPF is a Children's & Education directorate initiative. The team prevents false claims by families who are not entitled to public funds from central government due to their immigration status, but are nevertheless eligible to receive public money from Hackney taxpayers because of local authority obligations under the Children Act 1989. A dedicated fraud investigator is attached to the team to assist with access to information and to provide additional scrutiny of suspect applications. The achievements reported here result from the work of the NRPF team as a whole.
- 5.2 The success of the NRPF team in preventing payments to those that are not in genuine need is a result of collaborative working by the Children's & Education directorate and AAF; one key element of this approach has been the investigator's ability to access information from Hackney records and external data sources that would not ordinarily be available to NRPF staff. Where evidence is identified to show that applicants have alternative means of support available to them, the Council may cease to provide financial assistance, or may prevent a claim being paid from the outset. Some claims have been withdrawn by the applicant or are not pursued by them when they become aware of the Council's verification process.
- 5.3 Table 6 summarises the savings arising from NRPF cases that were prevented or cancelled following the involvement of the AIT investigator in NRPF enquiries (additional cases were addressed without any input by the investigator). The figures are a conservative account of the financial benefit arising from the work because they assume the minimum accommodation cost and do not consider the additional social work costs that arise from Children Act cases. It is also important to recognise that in our experience the NRPF client group is not affluent and in those cases where circumstances are misrepresented to the Council this is more likely to be motivated by need, not greed.

NRPF Investigations 202/21

	2022/23	2021/22	2020/21	2019/20	2018/19
No. Claims cancelled	75	37	71	87	71
Weekly Cost	£29,025	£14,319	£27,477	£40,455	£33,015
Annual cost	£1,513,446	£746,633	£1,432,729	£2,109,439	£1,721,496

* Cost estimated on the basis of an average weekly support package of £387 (previously £465)

Table 6

- 5.4 Other teams and departments within the Children's and Education directorate have also benefited from direct access to an anti-fraud specialist embedded within the service. Assistance has been provided where concerns have arisen such as child protection, child trafficking and exploitation, and absence from school.
- 5.5 Additional benefits that have arisen from NRPF enquiries are that:
- The Home Office has resolved some long-standing immigration applications following Council enquiries so that applicants are granted UK immigration

status that allows them to support themselves financially in the UK. This also results in a right to claim public funds from central government rather than LBH local funding under the Children Act.

- There may be a perception among neighbouring boroughs that Hackney is not seen as a destination of choice among potential clients, although this is difficult to quantify. This is significant because the NRPF client group is potentially more transient than the general population which means that in practice they have more discretion as to which Local Authority to approach to seek assistance.

6. Tenancy Fraud Team

- 6.1 AAF currently works with 12 Registered Providers (RPs, i.e. housing associations) to investigate tenancy fraud, with the Council receiving additional nomination rights for each unlawfully sublet tenancy that is recovered. Hackney's pioneering approach of working with our RP partners has previously been held up as best practice by the Audit Commission in their annual report '*Protecting the Public Purse*', and has been further recognised by Alarm (the Association of Public Sector Risk Management). Some of the larger RPs have recently developed their own capacity to tackle tenancy fraud in their housing stock, and Council investigators also support these enquiries to ensure that tenancy fraud in Hackney is limited as far as possible. This has contributed to a decline in the number of external referrals to the LBH TFT in recent years, allowing the team to focus its resources on Council owned properties.
- 6.2 AAF started to investigate tenancy fraud in RP stock in 2010/11, and in the Council's housing stock in June 2012. This has resulted in the recovery of more than 1,000 sublet or misused properties up to 31 March 2023.
- 6.3 Investigations into the LBH housing waiting list and homelessness cases began in August 2013. These enquiries are important to prevent misuse of social housing from the outset, and they can reasonably be expected to reduce the number of time consuming and costly legal actions needed to recover an asset if it is wrongly allocated.
- 6.4 TFT have worked with the RTB Team since 2014 to investigate suspected fraudulent applications and to strengthen anti-fraud arrangements. This led to increased vetting of claims by the RTB team and referral to TFT where concerns were identified.
- 6.5 The work of Council investigators, Housing Officers and Legal staff helps to make sure that limited resources are allocated to those in genuine need, in addition to protecting Council budgets by reducing housing needs costs and preventing social housing being sold at discount to those who do not qualify for Right to Buy. Each Right to Buy purchase attracts a discount on the market value of the property which increases each year. The 22/23 value of the discount was £116,200; in effect limited housing resources must be sold below the market rate, this adds to the long term limited availability of affordable housing resources, and increases cost pressures arising from efforts to maintain capacity.

- 6.6 Outcomes from tenancy fraud enquiries are recovering as the pandemic has ended and Council information systems have continued to build back following the cyber attack. Entry to residential dwellings has resumed along with face to face interviews to support enquiries. Court schedules are congested which increases the time to resolve some cases. Nevertheless, forty nine properties were recovered as a direct result of investigations undertaken by the TFT (see Table 7).
- 6.7 The benchmarking data used to determine the cost of tenancy fraud to the public purse was updated in 2021/22 by partners including the Tenancy Fraud Forum and the Cabinet Office, and Hackney data was included in this assessment. The cost of each sublet is now estimated at £42,000 (previously £18,000) which emphasises the need to tackle this type of offending on purely financial grounds, to say nothing of the social consequences for those who are deprived of access to secure and affordable housing. Independent estimates also place the value of each rejected housing waiting list claim at between £4,000 and £18,000 (the lower estimate is used in the calculations set out in table 7 below). Eleven Right to Buy claims were also denied following investigation, preventing the award of discounts. The financial benefit that has arisen from tenancy investigations during the financial year is estimated at £3,344,200.

Tenancy Fraud Investigations

	2022/23	2021/22	2020/21	2019/20	2018/19
Number of referrals (tenancy fraud)	238	206	120	266	214
Number of tenancies recovered	49	34	11	85	63
Estimated value of recovered properties*	£2,058,000	£1,428,000	£462,000	£3,570,000	£2,646,000
Number of referrals (housing application)	13	9	208	54	80
Number of housing applications cancelled	2	5	0**	42	42
Estimated value of cancelled applications	£8,000	£20,000	£0	£168,000	£168,000
Number of referrals (Right to Buy)	25	17	4	30	34
Number of RTBs cancelled or withdrawn	11	3	1	15	13
Estimated value of RTBs prevented	£1,278,200	£338,400	£112,800	£1,657,500	£1,404,000
Total value all housing investigations	£3,344,200	£1,786,400	£572,800	£5,395,500	£4,218,000

*This figure is based on the value of £42,000 per property

**Additional housing applications may be cancelled when systems can be fully reviewed and updated

Table 7

7. Covid Business Grants

- 7.1 Audit & Anti-Fraud officers were redeployed during 2020/21 to various Council services to support the pandemic response, including the Business Grants teams to assist with administration of grant applications. In addition, the Audit Investigation Team carried out preventative fraud checks on applications that passed the initial assessment process, this work continued into 2021/22. This involved data-matching 117 applications to identify potential irregularity, the outcomes of which were followed up by investigators.
- 7.2 Twenty nine investigations that were started in 2021/22 were concluded during the year. Four remain active and further legal action is under consideration.

8. Housing Benefit

- 8.1 The responsibility for Housing Benefit investigations was transferred from LBH to DWP on 1 December 2014 as part of the government's Single Fraud Investigation Service (SFIS) scheme. The responsibility for Housing Benefit administration remains with LBH for the time being.
- 8.2 AAF continued to support the investigation process because DWP did not have direct access to LBH HB records. All HB investigations had to proceed via an AAF officer who was employed specifically to receive and respond to data requests. DWP provided minimal funding for this work so that AAF part-funded the resource to support this activity. From September 2022 we have enabled the DWP to directly access the records that are necessary to support their investigations which should allow for a more streamlined process and which has also removed the investigative cost that LBH continued to bear.

While the AAF officer previously assigned to this work was able to facilitate routine investigations, it was not possible to review the large number of HB NFI matches received (see Section 9). Direct DWP access to the records allows for the removal of this barrier to these investigations.

9. National Fraud Initiative (NFI)

- 9.1 The Cabinet Office conducts a biennial data matching exercise, the NFI. AAF coordinates the provision of data, undertakes investigations in some areas and coordinates responses from other Council teams that are involved in verifying match data. The NFI matches are assessed for investigation according to local priorities and experience of previous NFI data quality. It is important to note that matches are often a result of data quality issues and do not necessarily indicate fraud.
- 9.2 The value of fraud and error identified through the NFI is calculated according to Cabinet Office methodologies. Details of the progress on matches received are shown below in Table 8. Outcomes for the previous 2020 NFI cycle are also provided for comparison.

9.3 Match data was most recently received in January 2023. It should be noted that the information that Hackney was able to provide following the cyber attack was limited but still represented a significant improvement on the data that could be submitted as part of the previous 2020 exercise.

NFI 2022 Outcomes to date

Type of Match	Total Matches	Number Matches Cleared	Investigation in progress	Value of fraud or error identified	Outcomes NFI 2018
Payroll	68	19	14	0	0
Housing Benefit	1008	0	0	0	0
Housing tenants	1151	506	51	0	0
Right to Buy	506	65	0	0	0
Housing waiting list	n/a	n/a	n/a	n/a	0
Concessionary travel / parking	801	509	3	3 permits cancelled	72 permits cancelled
Creditors	7206	41	1	0	0
Pensions	268	134	33	0	0
Council Tax	13134	1528	859	0	n/a
Council Tax Reduction Scheme	n/a	n/a	n/a	n/a	n/a
Covid 19 business grants	n/a	n/a	n/a	n/a	423,672
Other	0	0	0	0	0
Total	24142	2802	961	3 permits	£423,672

Table 8

10. Other activity

10.1 AAF have provided fraud awareness support to the following teams and external partners during 2022/23: -

- Housing Neighbourhood offices and Registered Providers
- Children and Young People's Services
- Business Support (Blue Badge team)
- School finance officers

10.2 It should be noted that not all referrals to AAF result in an investigation. In some instances the allegation will relate to reported practices that are more

appropriately dealt with by management action. Similarly there may be suspected irregularity that is more appropriately dealt with elsewhere within the Council and/or key partner organisations.

11. Regulation of Investigatory Powers Act (RIPA)

- 11.1 The Corporate Head of Audit, Anti-Fraud and Risk Management has the corporate responsibility for the Council's RIPA powers. The policy is available on the Council's intranet and has been publicised to all staff.
- 11.2 Use of RIPA by all local authorities was severely curtailed during 2012/13 following new legislation requiring local authorities to obtain approval from a Magistrates Court before surveillance can take place. Hackney has a process in place with local courts.
- 11.3 Update reports on the Council's use of RIPA are provided quarterly to the Audit Committee. No RIPA applications were made or authorised in 2022/23. This is partly a consequence of the legislative change, but more significantly it is reflective of a culture within Hackney that seeks to minimise intrusiveness where possible, while still accepting that surveillance remains a valid investigative technique in certain circumstances. A breakdown of the RIPA authorisations for recent years are shown in Table 10 below.
- 11.4 The Council's RIPA arrangements were most recently reviewed in April 2020, the report commended the arrangements that are in place.

RIPA Authorisations

Type of Investigation	Number Authorised 2022/23	Outcomes	Number Authorised 2021/22	Number Authorised 2020/21	Number Authorised 2019/20
ASB	0	n/a	0	0	0
Trading Standards	0	n/a	0	0	0
Housing Benefit	0	n/a	0	0	0
Parking	0	n/a	0	0	0
Total Authorisations	0	n/a	0	0	0

Table 10

12. Money Laundering

- 12.1 Whilst legislation relating to money laundering does not specifically require the Council to implement formal detection and reporting procedures it is nevertheless considered that such procedures are best practice and they were recommended by the Audit Commission.
- 12.2 A corporate policy outlining the Council's approach to money laundering is in place which introduces a requirement to identify any cash sums in excess of £9000 received by the Council, and to report any transaction where the funds involved are suspected to originate from criminal activity. Guidelines direct councils to report such occurrences to the National Crime Agency (NCA).

13. Future Developments

13.1 The tangible benefits arising from the Council's counter-fraud work increased from £3,187,384 in 2021/22 to £4,907,736 in 2022/23. This represents a considerable recovery toward the pre-pandemic/cyber attack benefits that were achieved in 2019/20 (£5,698,149).

13.2 A restructure of the Audit and Anti-Fraud service was completed in November 2022. The expected benefits of the restructure are starting to be realised, and include the following:

- The reallocation of staffing resources has resulted in recent appointments to increase tenancy fraud investigation capacity and maintain AIT resources.
- Management capacity has been developed through internal promotions to provide staff with development opportunities across all teams. This follows the departure of senior team members during the pandemic period.
- There is a renewed emphasis on the proactive element of our counter-fraud work to provide assurance and identify any concerns within service areas that may be at higher risk of fraud or error. A proactive counter-fraud plan is being implemented to deliver the following benefits, as was previously reported to the Audit Committee:

Fraud awareness training	Training will be provided to other Council services (housing, parking and NRPF) to enhance fraud detection, ensure that quality fraud referrals result from these concerns, and ensure that all staff are aware of processes and what help is available.
National Fraud Initiative	Existing matches will continue to be reviewed and investigated where appropriate. We will also explore additional data matching options, and if these are viable we will use them to target new areas of concern.
Targeted reviews	Reviews will focus on the following areas: <ol style="list-style-type: none"> 1. Entitlements to specific new grant programmes; 2. The allocation of certain parking permits; 3. Compliance with leave arrangements; 4. Action to update specific housing records; and 5. Verification work to confirm that service users who are placed out of Borough continue to meet the requirements for Council support.

13.3 Officers from the divisions' Investigation and Risk Management teams have successfully completed a course of training and now hold the Certificate in Fraud Risk Management. This will better enable fraud risks to be identified through the risk management framework, to inform future Investigation and Audit work.

13.4 Existing proactive work including Blue Badge and NRPF investigations will continue. Where the need for greater counter-fraud involvement is identified through our reactive work, we will endeavour to carry out proactive enquiries where feasible.

- 13.5 Our key counter fraud partners, including legal teams, the Police and the Home Office, will continue to face resource challenges in the year ahead. These are likely to impact on the options available to the Council to tackle certain fraud types, but the service will continue to work with our partners, innovate and respond flexibly to these issues.

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AUDIT COMMITTEE WORK PROGRAMME 2023/24

	25 October 2023	Decision	Group Director & Lead Officer
1.	FINANCE UPDATE	For information and comment	Group Director for Finance
2.	PERFORMANCE REPORT	For information and comment	Matthew Powell Bruce Devile
3.	DIRECTORATE RISK REGISTER REVIEW – CHIEF EXECUTIVE	For information and comment	Chief Executive
4.	DIRECTORATE RISK REGISTER REVIEW- FINANCE AND RESOURCES	For information and comments	Group Director for Finance (Matthew Powell)
5.	AUDIT AND ANTI-FRAUD PROGRESS REPORT TO SEPTEMBER 2022	For information and comment	(Group Director for Finance) Michael Sheffield
6.	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Group Director for Finance (Pradeep Waddon)
7.	AUDIT COMMITTEE WORK PROGRAMME	For information and comment	All

	31 January 2024	Decision	Group Director & Lead Officer
1	ANNUAL ACCOUNTS 2021/22	To approve the annual accounts	Group Director for Finance (Jackie Moylan)
2.	FINANCE UPDATE	For information and comment	Group Director for Finance
3.	PERFORMANCE REVIEW REPORT	For information and comment	Bruce Devile Matthew Powell
4.	CORPORATE RISK REGISTER	For information and comment	Chief Executive (Matthew Powell)
5.	DEPARTMENTAL RISK REGISTER - CLIMATE, HOMES AND ECONOMY	For information and comments	Rickardo Hyatt
6.	TREASURY MANAGEMENT UPDATE REPORT 2022/23	For information and comment	Group Director for Finance (Pradeep Waddon)
7.	REVIEW OF TREASURY MANAGEMENT STRATEGY 2022/23	To approve	Group Director for Finance (Pradeep Waddon)
8.	AUDIT & ANTI FRAUD QUARTERLY PROGRESS REPORT	For information and comment	Group Director for Finance (Michael Sheffield)
9.	AUDIT COMMITTEE WORK PROGRAMME	For information and approval	All

	17 April 2024	Decision	Group Director and Lead Officer
1.	FINANCE UPDATE	For information and comment	Group Director for Finance
2.	PERFORMANCE REVIEW REPORT	For information and comment	Bruce Devile Matthew Powell
3.	DIRECTORATE RISK REGISTER REVIEW - CHILDREN AND EDUCATION	For information and comment	Jacqui Burke
4.	DIRECTORATE RISK REGISTER REVIEW - ADULTS, HEALTH AND INTEGRATION	For information and comment	Helen Woodland
5.	TREASURY MANAGEMENT UPDATE REPORT 2022/23	For information and comment	Group Director for Finance (Pradeep Waddon)
6.	INTERNAL AUDIT ANNUAL PLAN	To approve	Group Director for Finance (Michael Sheffield)
7.	AUDIT & ANTI FRAUD QUARTERLY PROGRESS REPORT	For information and comment	Group Director for Finance (Michael Sheffield)
8.	REVIEW OF WHISTLEBLOWING	For information and comment	Group Director for Finance (Michael Sheffield)
9.	AUDIT COMMITTEE – ANNUAL REPORT	For information and comment	Cllr Anna Lynch (Chair)/ Michael Sheffield
10.	AUDIT COMMITTEE WORK PROGRAMME	For Information	All

	2024/2025 Meeting 1	Decision	Group Director & Lead Officer
1.	FINANCE UPDATE	For information and comment	Group Director for Finance
2.	PERFORMANCE REVIEW REPORT	For information and comment	Bruce Devile Matthew Powell
3.	DIRECTORATE RISK REGISTER REVIEW - CHILDREN AND EDUCATION	For information and comment	Jacqui Burke
4.	DIRECTORATE RISK REGISTER REVIEW - ADULTS, HEALTH AND INTEGRATION	For information and comment	Helen Woodland
5.	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Group Director for Finance (Pradeep Waddon)
6.	CORPORATE RISK REGISTER	For information and comment	Matthew Powell

7.	INTERNAL AUDIT ANNUAL REPORT 2023/24	For information and comment	Group Director for Finance (Michael Sheffield)
8.	FRAUD AND IRREGULARITY ANNUAL REPORT 2023/24	For information and comment	Group Director for Finance (Michael Sheffield)
9.	AUDIT COMMITTEE WORK PROGRAMME	For information	All

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