

**NEIGHBOURHOODS AND HOUSING RISK REGISTER REVIEW –
JANUARY 2017**

**AUDIT COMMITTEE
MEETING DATE 2016/17**

18 January 2017

CLASSIFICATION:

Open

**If exempt, the reason will be listed in the
main body of this report.**

WARD(S) AFFECTED

All Wards

GROUP DIRECTOR

Kim Wright Group Director Neighbourhoods and Housing

1. INTRODUCTION AND PURPOSE

- 1.1 This report updates members on the current Risk Register of Neighbourhoods and Housing Directorate as at January 2017. It is the first risk review report to Audit Committee of the Directorate and the report also identifies how risks within the Directorate 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. RECOMMENDATION(S)

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

3. REASONS FOR DECISION

- 3.1 There are no decisions arising from this report

4. BACKGROUND

- 4.1 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 Directorate. 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 Directorate 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. It will be highly unlikely, if not impossible, if there were never any red rated risk on the register. The important point is to know what they are and how they can be controlled and mitigated. The risk management process helps us to make such judgements, and as such it is important that Audit Committee is aware of this.

4.2 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.

4.3 Sustainability

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

4.4 Consultations

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.

4.5 Risk Assessment

The relevant Risk Register is attached in Appendix one.

5. Directorate Approach to the Management of Risk

- 5.1 This is the first risk review report to Audit Committee of the new Neighbourhoods and Housing directorate. Since April the Directorate Leadership Team (DLT) has considered the risks of the directorate on a number of occasions. Our approach to managing risk within the directorate is to follow the Council's Risk Management policy and, using the Council's risk management toolkit, identify those risks that could prevent the directorate (and ultimately the Council) from achieving its key objectives.
- 5.2 To ensure the management of risk within the directorate is effective, our risks are aligned to our developing directorate aims and objectives, which reflect corporate and the Council's priorities. Our focus is on the "place". We want to work in a joined up way in order to create, sustain liveable neighbourhoods. Our vision is that wherever people live they have the same high quality services, the environment is just as good and their life opportunities enable them to be just as successful. The directorate approach to embedding risk management at all levels of management is to create a culture that spreads best practice, identifies and communicates lessons learnt from both internal and external experiences. This approach runs through all levels of management from the directorate risk register, monitored and managed by DLT, through the divisional risk registers, managed and monitored by the Divisional Management Teams through to team and project risk registers.
- 5.3 Effective risk management anticipates and avoid risks where possible rather than dealing with the consequences of events happening. However, not all risks can be managed, particularly those that are caused by external factors over which the Council has no control e.g. nationwide austerity measures and introduction of new legislation. These are the risks that are likely to rated high, and will require constant monitoring by senior management and escalation to Hackney Management Team (HMT) for inclusion on the Corporate Risk Register.
- 5.4 The risk register for Neighbourhoods and Housing Directorate is attached at Appendix 1. The Directorate Risk Register comprises risks that cut across the Directorate's business and those which have the potential greatest impact on service delivery and the performance of the Council as a whole. It is informed by the divisional and service risk registers and is maintained at Directorate level to ensure that risks are managed and monitored at senior management level.

5.5 The development of the directorate risk register risks assesses risk in light of the controls already in place so that the register would be focused on those key risks that prevent the directorate from achieving its objectives. Any risk that DLT consider significant enough will be escalated to the status of a Corporate Strategic Risk as per the Council’s risk impact guidelines. All other risks will remain as Directorate risks.

6 COMMENTS OF THE GROUP DIRECTOR OF FINANCE & 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 within services are made as a result.

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 Corporate Finance and Resources.

6.3 There are no direct costs arising from this report.

7. COMMENTS OF THE DIRECTOR OF LEGAL 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 There are no immediate legal implications arising from this report.

APPENDICES

Appendix 1 **Neighbourhoods and Housing Directorate Risk Register**

EXEMPT

N/A

BACKGROUND PAPERS

None

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