



# **Corporate Risk Management Performance Overview September 2017**

## 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 Hackney Management Team in June 2017, and then further approved in August.

Corporate Risks		Current Risk	Direction of Travel	Previous Score	Target Risk
1	National / International Economic Downturn (SRCR001)	20	↔	20	12
2	Brexit Implications(SRCR001A)	15	↔	15	12
3	Management of Major Capital Programmes (SRCR002)	15	↔	15	9
4	Regeneration Programmes (SRCR003)	16	↔	16	12
5	Reputation Management (SRCR 009)	9	↔	9	6
6	Pension fund (SRCR 0010)	15	↔	15	12
7	Impact of New Legislation / Welfare reform (SRCR 0013)	12	↓	20	12
8	Workforce (SRCR 0018)	12	↔	12	9
9	Recruitment and Retention (SRCR 0018B)	12	↔	12	9
10	Information Assets (SRCR 0020)	16	↔	16	9
11	Corporate Resilience (SRCR 0020B)	20	NEW (June) ↑		
12	Information Security	12	↔	12	9
13	Person suffers significant harm, injury or death (SRCR 0023)	15	↔	15	12
14	Devolution (SRCR 0024)	12	↓	16	12
15	Contract Procurement and Management (SRCR 0025)	10	↔	10	8
16	Impact of government reforms on education service delivery (SRCR 0027)	20	↔	20	12
17	Risks posed by unregistered schools and settings (SRCR 0029)	16	↔	16	9
18	Temporary Accommodation	20	NEW (June) ↑		
19	Fire Safety	10	NEW (July) ↑		

Additional Risks		Current Risk	Direction of Travel	Previous Score	Target Risk
1	North London Waste Authority (NLWA)	12	↔	12	9
2	Impact of rising property prices and rents	20	↑	16	12
3	Statutory requirements of SEN aspects of the Children & Families Act are not met.	16	↑	12	9
4	Building Control / Dangerous Structures	12	↔	12	9
5	Failure of managed service provider for Financial Systems.	12	↔	9	9

- 2.2 The Scorecard provides a quarterly overview of the Council's Corporate risks, along with a selection of leading Directorate risks (to ensure a comprehensive overview is provided). These are assessed in advance of each Audit Committee meeting and after being ratified by HMT, 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 12 red risks and 7 amber risks. Clearly, numerous external events and influences are having a considerable impact on the Council's objectives, whether budget cuts, security breaches, or political upheaval (in the form of recent elections or the Brexit negotiations). There has been some movement within the direction of travel of existing risks, although the score for the majority has not changed – as the previous review was in June. Other risks remain 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 economy 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. Since the last Committee, there have been a few events with considerable impacts. Firstly the election occurred with a continuation of the Conservative government (albeit with a reduced majority) which meant the Queen's Speech (which occurred on June 21) was not as dramatic as some predicted in terms of significant legislative change (reflected in Risk 0013). The tragic fire at Grenfell Tower (June 14) also occurred around this time, raising very clear questions regarding fire safety, the performances of contractors, materials used and the overall approach of Councils to Social Housing, and Health and Safety in general. This resulted in an immediate escalation of a fire safety risk (from the Housing registers) to Corporate level. The full risk is pasted below, to provide members with extra assurance in light of recent events:

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p><b>SRCR 0031</b> Fire Safety <b>INTERNAL RISK</b> <b>FUTURE RISK</b></p>	<p>As a result of inadequate fire safety measures or defective workmanship (on cladding installation for example), death and serious injury occur from fire in LBH managed properties.</p>	<p>Neighbourhoods &amp; Housing</p>		<p>In the light of the Grenfell tragedy and the increased focus on materials / workmanship on Council properties nationally, a new risk related solely to Fire risk has been established within the Housing Services risk register and immediately escalated to Directorate and Corporate level. As the controls below demonstrate, detailed work is taking place – and this has always been the case in terms of this threat. As a result of the tragedy however, extra focus and scrutiny is now been applied to all elements of fire safety in the Borough and there is certainly no complacency as to the situation. The Borough has to be receptive to new recommendations and lessons learnt emanating from Grenfell. However, the controls below and accompanying notes should provide some strong assurance that the risks are being managed.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<b>SRCR 0031a</b> Fire Risk Assessments	<p>Complete new Fire Risk Assessments (circa 1,800) for all of our stock in order to provide reassurance to residents.</p> <p>Ensure that these new Fire Risk Assessments (FRA) are undertaken by suitably qualified assessors and that the assessments they produce meet strict quality standards.</p> <p>All fire safety findings/recommendations coming out of the new FRAs are implemented within the allotted timescale (P0 = immediately; P1 = within one month; P2 = within 6 months; P3 = within 12 months; P3+ = next refurbishment).</p> <p>Publish all new Fire Risk Assessments on the Council's website.</p>	Tim Shields; Kim Wright	Michael Scorer	30-Oct-2017	<p>Three new FRA suppliers – MetroSafety, FFT and Bailey Garner – have been appointed to ensure that we have sufficient capacity to complete the programme within the allotted timescale. The new suppliers will be working to a risk-based forward programme that has been developed.</p> <p>Extensive Quality Assurance (QA) process developed to ensure that the FRAs are fit for purpose. In addition, we have reviewed and improved the procedure for the administering and monitoring of the implementation of the key findings from new FRAs to ensure that we have confidence that we have done everything that we need to within the allotted timescale.</p> <p>Around 60 new FRAs published on the website as at 25<sup>th</sup> August.</p>
<b>SRCR 0031b</b> Fire Safety	<ul style="list-style-type: none"> <li>Establish a Corporate Fire Safety Group, chaired by the Group Director for Neighbourhoods and Housing, which will oversee all work undertaken across the Council (e.g. housing – social and private sector, schools, LBH buildings) to enhance fire safety in the borough.</li> <li>Establish dedicated fire safety groups for the various work streams covered by the Corporate Fire Safety Group's terms of reference and ensure that they have agreed work plans and are delivering them.</li> </ul>	Kim Wright	Michael Scorer	31 Oct 2017	All of the groups have been set up, have agreed action plans and are meeting on a regular basis to deliver those work plans.
<b>SRCR 0031c</b> Fire Safety – high risk blocks	<p>Implement the key findings and recommendations from the new FRAs that have been/will be undertaken across all of our high rise blocks. Blocks to be assessed in priority based on a risk-based Forward Plan (scissor blocks first).</p> <p>Carry out additional non-FRA inspections across our high rise blocks in order to provide a visible presence across the Borough.</p> <p>Carry out any other ad hoc fire safety</p>	Kim Wright	Michael Scorer	31 Oct 2017	<p>FRAs: The risk-based Forward Plan has been signed off and blocks/properties have been allocated to the new suppliers.</p> <p>Hackney Fire Safety Team: A team of 20 Council staff volunteered to be part of a Hackney Fire Safety Team. Following the swift organisation of a training</p>

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	inspections that are required.				<p>programme they visited over 80 estate blocks in hi vis jackets in order to carry out additional fire safety checks (using a checklist developed by the Council's fire safety consultant) and also to provide a visible presence across the Borough. A comprehensive log of the findings has been developed and work packages are being allocated to relevant teams to deal with the identified issues.</p> <p>Inspections completed of our panel built properties in mid-August following the decision by Southwark to decant a number of their blocks that had been built in this way.</p>
<b>SRCR 0031d</b> Cladding investigations	Undertake inspections of all of our clad blocks in order to provide reassurance to residents.	Tim Shields; Kim Wright	Michael Scorer	31-Oct-2017	<p>An accredited specialist company has already been appointed to assist in these extra investigations.</p> <p>Any priority work identified will be actioned immediately.</p>
<b>SRCR 0031e</b> Fire Safety – everyone's responsibility	<p>Develop and implement a communications strategy that, amongst other things, communicates the need to residents to take responsibility for fire safety in their area and also that we have taken all necessary action to keep them safe from the risk of fire, (b) ensure effective communication and engagement with tenant representatives, (c) manage communications with Members so that they are engaged and up to speed with the work that we are doing but we are not distracted from the work that we are doing, (d) keep staff up to speed with developments, (e) respond quickly to press enquiries.</p> <p>Ensure that the London Fire Brigade can access our estates quickly in the event of fire.</p>	Kim Wright	Michael Scorer/John Wheatley	31-Oct-2017	<p>Communications Strategy is being implemented on an ongoing basis with communications via a range of mediums. Examples include direct letters from the Mayor and the Director of Housing, provision of information on fire safety on the website, articles in Hackney Today and a poster campaign on parking responsibly.</p> <p>The LFB Borough Commander provided us with initial feedback from his crews in July on access issues they had identified. These have been acted on by Parking Services. In addition, LFB have also been supplied with contact</p>

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					names in Parking Services so that they can raise any new issues immediately.
<b>SRCR 0031f</b> LFB meetings	Develop robust arrangements for meeting regularly with the London Fire Brigade (LFB) to consider fire risk assessments and safety on our estates.	Tim Shields; Kim Wright	Michael Scorer	30- Oct- 2017	<p>Initial meetings immediately after the disaster with both the LFB Borough Commander and LFB's Independent Fire Adviser to review our Fire Safety Action Plan and ensure that it incorporated their feedback. Following this, the Borough Commander became part of the Corporate Fire Safety Response Group and our Independent Fire Adviser now attends the weekly meetings of the Housing Services Fire Safety Group in order to provide us with ongoing advice.</p> <p>In addition to this, we have met with the Fire Safety Inspection team for Hackney, Islington and City in August to go through our Fire Safety Action Plan and also to agree future joint working arrangements. The first regular quarterly meeting with them will take place in September.</p> <p>Michael Scorer, Director of Housing is meeting with the Borough Commander and the Head of LFB's Fire Safety Inspection team in early September to agree working arrangements going forward.</p>
<b>SRCR 0031g</b> Fire safety policy	<p>Based on the lessons learnt from the fire safety response work undertaken since Grenfell, undertake a series of policy reviews and develop a set of proposal papers that will enhance the way that the Council undertakes fire safety management across the Borough. This will include:</p> <ul style="list-style-type: none"> <li>• Agreement on the new corporate Fire Safety Policy and the development of a new fire strategy with Council professionals, residents and industry experts.</li> <li>• Flat Front Doors: Analysis of the</li> </ul>	Tim Shields; Kim Wright	Michael Scorer	31- Oct- 2017	<p>Policy reviews are underway.</p> <p>Budget Management: Analysis is taking place of the likely costs of the recommendations coming out of 1,800 new FRAs and how much can be phased/built into planned programmes. This will be prioritised in the HRA Business Plan.</p>

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	<p>recommendations coming out of the most recent FRAs, current policy guidelines and agreeing a strategy for dealing with them.</p> <ul style="list-style-type: none"> <li>• Leaseholder Obligations/Requirements: This will cover a number of areas, including (a) ensuring that leaseholders are providing evidence that they are meeting their fire safety obligations, (b) developing a policy on how we ensure that all leaseholder front doors are 30 minute fire resistant, (c) developing a policy on allowing or requiring leaseholders to be included in communal safety works and inspections, e.g. gas safety or sprinkler or alarm installation; at their cost.</li> <li>• Sprinklers: Developing a policy position on the retrofitting of sprinklers.</li> <li>• Our current policy and procedures for dealing with fire risks in communal areas (e.g. storage of combustible materials, blocking of escape routes.</li> <li>• Enhanced parking enforcement on our estates.</li> <li>• Responding to any recommendations coming from the Grenfell enquiry.</li> </ul> <p>Budget Management: Ensure that the necessary resources are in place to undertake all of the work coming out of the new FRAs.</p> <p>Establish "asks" of the government with respect to resourcing additional fire safety work and related costs, wider building regulation and perhaps industry with respect to cladding and sprinkler systems.</p>				

In addition to the Corporate risks, the Scorecard also contains a selection of other major risks within the organisation. This assorted selection will usually be pulled from Directorate level and assist in providing an improved overview of risks around the Council, which don't necessarily always get escalated to Corporate level. This extra level of risks was requested by Committee and will usually be comprised of high scoring areas which have previously been on the Committee's radar, or areas of general importance (which may be on the threshold of being escalated to the Corporate Register). This should assist in providing an even more comprehensive overview.

2.4 Integrated Commissioning - Risk oversight is also very important in a situation where the Council is in partnership with another body or organisation. In the case of the (newly established) Integrated Commissioning Board, the Council is working with the City and

Hackney Clinical Commissioning Group (CCG) to embark on innovative arrangements to plan and ensure delivery of health, social care and public health services more effectively. The associated risks have already been identified on both sides (and from a mutual perspective) and a joint risk register is in the process of being finalised and signed off to go to the IBC (Integrated Commissioning Board) on Sept 20<sup>th</sup>. These risks can be shared with Audit Committee after this date. In the operation of this new way forward, there will be a clear loss of direct control (at times) over some of our social care and public health budgets. These are already being comprehensively managed by the detailed schemes of delegation (and Section 75 Agreement) that are being drafted to carefully map out the roles and responsibilities of this partnership. The Section 75 Agreement includes a financial framework which sets out clear risk share arrangements in relation to expenditure exceeding budgets. Also, the impact of managing and resourcing additional governance structures needs to be addressed, and failure to do so would result in problematic consequences.

### **3. FUTURE REPORTING TO AUDIT COMMITTEE**

- 3.1 The reporting of the Corporate risks to 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 2018.