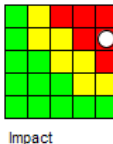



Finance and Resources Directorate Register October 2018

Report Type: Risks Report
Generated on: 14 August 2018



Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>SRCR 0001A Brexit Implications EXTERNAL RISK CURRENT & FUTURE RISK</p>	<p>Following on from the UK's vote in favour of leaving the EU in June 2016, the fallout from this is producing some serious risks to the Council and country as a whole. Financial issues (external to the Council) could impact massively on income levels, spending ability, and general resources across all areas. The loss of access to EU funding projects / programmes could prove problematic, especially if replacement funding fails to materialise.</p> <p>The increased probability of a 'no deal' scenario is increasing levels of risk, as the lack of a deal would signal an even more solitary break for the UK, with almost all leading economists issuing a very pessimistic prognosis of this situation.</p> <p>Stock markets could fall significantly resulting in a serious impact to the Council's pension funds. The likelihood of an increased triennial valuation is much higher, and the risk of the need for increased general contributions emerges. Also with reduced interest rates, Brexit could continue to impact on treasury investments.</p> <p>The impact of Brexit on exchange rates for Sterling means that there is a risk of material cost increases due to the direct and indirect impact on pricing for software and hardware (the Council may see price rises as suppliers pass on increased costs affecting their own ICT services). There may not be budgets to cover the shortfalls that a weak pound produces.</p> <p>Furthermore, recruitment and retention problems could worsen with the potential loss of employees from EU27 countries. Finally, fears about an increase in possible hate crimes, post Brexit, have not materialised but are still something to consider as the political climate and public feeling remain unstable.</p>	<p>Chief Executive's; Children, Adults & Community Health; Finance & Corporate Resources; Neighbourhoods & Housing</p>		<div style="text-align: center;">  </div> <p>September 2018 – Article 50 was triggered on March 29th 2017, formally commencing the exit process, which will complete in around 6 months.</p> <p>This risk has increased since the last review a few months ago, particularly as the possibility of (a potentially catastrophic) 'no deal' scenario has emerged and problems such as the pound's (increasing) weakness have caused the Council some clear losses in purchasing (especially ICT equipment which is bought in dollars).</p> <p>There was an initial 'divorce' settlement agreed in December 2017, which did provide more guarantees on the rights of EU citizens living in the UK. From an employment perspective, this provided some encouraging news for the Council, and the Borough as a whole.</p> <p>In the immediate aftermath of Brexit, some of the more pessimistic outlooks were not realised, with the markets remaining steady, but economists suggest the outlook looks gloomy. Also an atmosphere of political unrest is present especially in areas like Hackney which were predominately in favour of remain. Thankfully, in Hackney, hate crime has not been an issue as yet (Safer Communities would monitor this).</p> <p><i>This is primarily a Corporate risk, but particularly affects F & R, so has been included on the Directorate register for members to have full oversight.</i></p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0001A Brexit Implications	Brexit and its potential impacts are constantly discussed at all levels, whether at HMT, DMT, cross-London leadership discussions or within detailed briefings from Legal, which are regularly e-mailed out to all.	Tim Shields; Ian Williams; Kim Wright; Anne Canning	All	12-Dec-2018	A separate Brexit Risk Register was initially produced before the main threads of these risks were subsumed into the normal Directorate / Service registers.
FR DR 0007 Consider potential pricing fluctuations when planning purchases.	The uncertainty of global currency markets and supplier responses to fluctuations means that it is extremely difficult to mitigate this risk. Where possible consideration will be given to the potential of pricing fluctuation when planning purchases and commissioning. This will be an ongoing activity (no fixed end date).	Tim Shields; Ian Williams; Kim Wright; Anne Canning	Purchasing managers	Ongoing	Updated August 2018
FR DR 0007b Brexit impact on Treasury and Pensions	Ongoing monitoring of financial markets and close communication with Pension Fund Investment managers/investment consultants. Additionally, there has been ongoing monitoring of financial markets and regular communication with treasury advisers. Monitoring of both interest rates/ yields as well as the impact on the credit risk of potential investment counterparties, especially UK based institutions.	Ian Williams; Michael Honeysett	Rachel Cowburn, Pradeep Waddon	Ongoing	Following the leave vote, the Pension team was in immediate contact with fund managers and Investment consultants, receiving commentary from each fund. Pension Committee has received numerous updates and reports and, following the advice of the investment consultants, agreed not to take any immediate action and to monitor the impact on an ongoing basis. Also, UK gilts yields have already reached a record low and the UK base rate marginally increased back up to 0.5% early in 2018, and then 0.75% a few months later.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR / AAF 015 Major fraud not identified INTERNAL RISK FUTURE RISK	The Council's response to a serious fraud is inadequate because either – (1) Management do not have adequate arrangements in place to identify irregularity in their service area; (2) Concerns are identified but they are not reported to AAF in accordance with the Anti-Fraud & Corruption Strategy; or (3) There is a failure in the investigation process. Any of the above could result in financial loss, severe reputational damage and an avoidable drain on resources through taking action to fix the problem.	Finance & Corporate Resources and Cross Council		 September 2018 - No single management or audit control is likely to completely mitigate against a serious fraud, instead the overarching control environment must function effectively. Hackney has invested in its Audit and Anti-Fraud resources which has led to

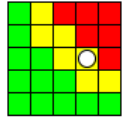

	A failure to investigate a case in compliance with the prescribed legislation and Anti-Fraud & Corruption Policy could lead to damaging accusations against the Anti-Fraud Service and the possible prosecution of innocent parties or failure to prosecute fraudsters, which would negatively impact on the Council's reputation.			some notable recent achievements to prevent and minimise the impact of fraud.
--	--	--	--	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AAF 015A – Cross organisation working & proactive approach of managers.	Fraud doesn't recognise geographical boundaries and the Council's approach to fraud equally relies upon robust working arrangements between other organisations, including the police, OLAs, Cabinet Office (NFI), Borders Agency, HMRC etc) SLAs are in place with RSLs. Also all managers need to be aware of their duties regarding suspicious activity, and how to comply with the Council's overall approach.	Cross Council / Partnerships	All relevant managers	1 Dec 2018	September 2018 – ongoing.
FR AAF 015B – Robust Policy framework	The Council has in place a number of key policy documents setting out the Council's approach, standards and expectations when dealing with suspected fraudulent activity. These include: <ul style="list-style-type: none"> • Anti-Fraud and Corruption Strategy • Whistleblowing Policy • Codes of Conduct (staff and members) • Anti-Money-Laundering Policy • ICT policies & procedures • Financial Procedure Rules <p>These are reviewed on a regular basis.</p> <p>In addition, Audit and Investigations teams have policy and procedure documents which map the specific methodologies with which they carry out their work.</p>	Ian Williams	Michael Sheffield; Julie Sharp	1 Dec 2018	September 2018 - Recommendations arising from fraud reports are now tracked in the same way as those arising from audit reviews, so that progress toward rectifying any areas of concern that are identified can be better monitored.
FR AAF 015C – Communication and awareness	Communication, both internally between teams and externally with other partners is crucial in developing a clear overall picture. This occurs through meetings and joint visits. If procedural issues are identified through AAF reviews, they are reported as widely as necessary within Hackney. Staff induction stresses requirement to comply with Code of Conduct. Particularly close links are maintained between investigators and service areas that are targets for fraudsters, for example, housing, NRPF, contracts, etc. Specific high risk areas have received bespoke training. Notable investigation successes are reported to Committee and are advertised	Ian Williams	Michael Sheffield; Julie Sharp	1 Dec 2018	September 2018 – ongoing.

Document Number: 19196661

Document Name: F & R April 2018

	through the Comms team.				
FR AAF 015D – Approach and training.	Teams maintain a rigorous approach to their investigations, operating a clear system of diligently reviewing evidence and feeding back through the reporting framework. Performance in key areas is regularly reported to a senior level within the Council, including the Audit Committee. Investigators are all qualified or undergoing professional training. Team procedures are in place and casework is regularly reviewed and monitored by senior members of the team. Additional training is provided if a need is identified.	Ian Williams	Michael Sheffield; Julie Sharp	1 Dec 2018	September 2018 – ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0005 Recruitment and Retention / Workforce. EXTERNAL / INTERNAL RISK CURRENT RISK	<p>Within a competitive market, areas of the Directorate (particularly ICT) struggle to successfully recruit for important positions. Failure to do so could impact seriously on 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>	Finance & Corporate Resources	 <p>Likelihood</p> <p>Impact</p>	<p style="text-align: center;"></p> <p>In a competitive market for technology skills the Council has experienced difficulties recruiting to a range of ICT roles essential to delivery of services and planned service improvements (including delivery of digital services). This is exacerbated by the changes to IR35, which is driving some skilled specialist workers to the private sector (as many ICT skills are transferable across sectors).</p> <p>June 2018 - However, there were recent developments on this. Particularly with the completion of the first phase of the ICT restructure with senior positions having been successfully filled through a creative campaign, emphasising the benefits of Hackney as a place to work and also offering market supplements to ensure the organisation is able to be competitive with wages across the market. Overall, the Council has enjoyed some very positive results in terms of attracting high calibre candidates and filling many roles that were expected to be tricky. Therefore, there is now increased assurance that going forward, this risk can be effectively managed.</p> <p>Further background on the ICT recruitment risk – -Following the completion of the ICT restructure we have successfully recruited permanently to 29 posts. The sources for the successful candidates were: <ul style="list-style-type: none"> ○ External: 20 ○ Internal: 5 (existing Hackney employees) ○ Agency: 4 (existing agency staff who are now permanent) </p>

				<p>-The staffing for our establishment once all new recruits have started will now be:</p> <ul style="list-style-type: none"> o Permanent staff: 100 o Agency cover: 2 o Vacant posts: 39 <p>-The vacancies include 18 apprenticeships which are currently being recruited to.</p> <p>-Areas which have proven hardest to fill and which we'll be doing further targeted recruitment for are:</p> <ul style="list-style-type: none"> o Data analytics o Development o Infrastructure engineers <p>September 2018: recruitment to vacant posts is continuing as part of BAU service management and recruitment to the new apprentice posts has been successful, with all posts filled.</p>
--	--	--	--	---

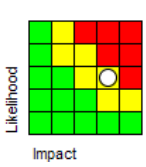
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR DR 0005 Recruitment and Retention (ICT)	<p>Services are continuing to work with HR / OD to carry out the following suggested mitigations:</p> <ul style="list-style-type: none"> - review recruitment 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	30-Dec-2018	<p>September 2018: This is ongoing around the Directorate with some success. The recent update to the Council's salary supplement scheme reflects the requirements of Services to compete in the open market and is working successfully.</p> <p>All roles are now benchmarked against the market, in line with the new Council salary supplement scheme. A prototype for an improved approach to recruitment advertising has been tested over the last year, and this will be reviewed ahead of recruitment arising from the restructure. ICT restructure (first phase) is completed. ICT is working with recruitment and communications colleagues to ensure the Council has a digital recruitment offer that supports its aspirations to be the best local authority in London. Further recruitment is ongoing.</p> <p>Recruitment to vacant posts is continuing as part of BAU service management and recruitment to the new apprentice posts has been successful, with all posts filled. This control will close, following this</p>

					review.
FR DR 007 A 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	28-Dec-2018	September 2018: the ICT service's training and development plan was consulted on through the restructure consultation and has received positive feedback from staff. Work is now in progress to implement the new strategy, which is being led by the Head of Delivery.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 001 Budget Setting - Budgetary stability in relation to both budget setting and budgetary control and medium term financial planning INTERNAL RISK FUTURE RISK	Due to ineffective planning, 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 budget deficit or an unacceptable call on reserves.	Finance & Corporate Resources		 Updated and amended September 2018. Other consequences of the risk being discharged may include: <ul style="list-style-type: none"> • Adverse impact on future Council Tax levels in direct contradiction to Council policy. • Reductions in allocations to front-line services with consequent negative impact on service delivery. • Local community dissatisfaction with the overall financial management arrangements of the Council.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 001A Accuracy of corporate financial planning	Long-term financial plans for capital and revenue are maintained by Central Accountancy function, which takes account of all known and material financial sources and changes for both income and expenditure (cost drivers), across all aspects of the Council (General Fund, HRA, HLT). . Medium-term financial plan is maintained by Central Accountancy function, and is reported to members regularly through appropriate forums (annual budget	Michael Honeysett	James Newman	27-Nov-2018	Control updated August 2018

	report) . Up to date Treasury Management Strategy is maintained and reported to members regularly through appropriate forums . Senior financial managers ensure they are well informed on changes to key financial issues, e.g. business rates retention pilot for 2018/19				
FR AC 001B Corporate savings delivery	Accountancy function provides accurate information to budget holders to inform appropriate decision making around corporate savings requirement.	Michael Honeysett	James Newman	27-Nov-2018	Control updated August 2018
FR AC 001C Delivery of annual budget setting process	Corporate Accountancy manages and co-ordinates mechanics of budget setting process for the council, in conjunction with directorate finance teams, ensuring services are allocated budgets as agreed through full Council.	Michael Honeysett	James Newman	27-Nov-2018	Control updated August 2018
FR AC 001D Elected members are well informed on council's financial position both current and future	Members regularly informed and updated on financial position and landscape through both formal meetings and more informal channels (training sessions)	Michael Honeysett	James Newman	27-Nov-2018	Control updated August 2018
FR AC 001E Changes to Prudential Code and MRP guidance	Senior finance management keep themselves informed of changes to CIPFA Prudential Code and CLG MRP guidance and ensure council's finances and processes take into account those changes which are formalised.	Michael Honeysett	James Newman	27-Nov-2018	Control updated August 2018

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 003 Accounts Closure INTERNAL RISK FUTURE RISK	Accounts are produced late, and the subsequent management of the audit then results in late production of the Council's accounts. The new deadlines introduced for 2017/18 closure of accounts will intensify this risk. If accounts are not closed on time, it would have legislative and reputational consequences and inhibit effective service delivery.	Finance & Corporate Resources		<p style="text-align: center;">↓</p> <p>Reviewed September 2018. Score has slightly decreased and steadied in light of positive progress made. With the work undertaken this year and progress made, there is now clear assurance that the new deadlines are achievable. Accounts now need to be completed by the end of May, which promised to be a challenging deadline before passing onto the Auditors. Previously the auditors had until the end of September to complete their audit of accounts but the new DCLG guidelines mean this now needs to be done by the end of July. This could be extremely problematic as usually auditors are concentrating on NHS audits till mid-June so</p>

				this will leave very little time in which to complete audits according to the deadlines. However, as mentioned above the team is adapting well to these new demands and the risk of serious problems here has diminished.
--	--	--	--	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 003A Annual statement of accounts process meets new, shorter statutory deadlines (31 May for publication of draft accounts and 31 July for publication of audited accounts).	<ul style="list-style-type: none"> . Appropriate staff expertise and resource are in place to meet needs of process . Detailed plan which meets new statutory timetable is in place which covers all parts of process and all stakeholders . Audit timetable is agreed with key stakeholders and monitored through process, with appropriate escalation processes where necessary . External Auditors are involved throughout, and well before the beginning of, the process . Interim audit is planned and agreed with external audit . Audit timetable for closing is agreed with external auditors which reflects need and appropriate scheduling of task relative to complexity (i.e. complex items the sooner the better). Lessons learned exercise from previous year takes place and informs timetable and processes for following year. 	Michael Honeysett	James Newman	27-Nov-2018	Controls updated September 2018
FR AC 003C Annual statement of Accounts meet latest CIPFA accounting code guidance	Central Accountancy function keeps up to date with CIPFA codes through subscription to latest version, liaison with external audit and peers.	Michael Honeysett	James Newman	27-Nov-2018	Controls updated September 2018

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0002 Failure and Poor Performance of Suppliers and Contractors / Partnerships EXTERNAL RISK CURRENT RISK	<p>The Council's mixed-sourcing model includes provision of essential services by third party providers, and these are used within Finance and Corporate Resources, especially ICT. Non-delivery by these suppliers would impact negatively the services LBH can deliver.</p> <p>Also more generally, many bodies are closely associated with the Council but are subject to separate governance and management structures (eg CCGs /</p>	Finance & Corporate Resources		<p style="text-align: center;">↔</p> <p>At the last review, the Direction of Travel went down as a result of work already undertaken and systems in place. The risk is now stable. From an ICT perspective, mitigations for this risk will be factored into the service's commissioning and supplier management work. Internal reintegrations (e.g. Hackney Homes</p>

	<p>building contractors, IT suppliers). They play an important role directly or in support of the corporate objectives of the Council. If these contracting and / or partnering arrangements fail, it could have serious impacts re cost, service delivery, and reputation.</p>			<p>coming back 'in-house' to become Hackney Housing in April 2016) have gone well and been managed successfully providing good assurance as to how these relationships / arrangements are managed. In terms of the potential for financial risks –this could be serious since the Council is supported by many of these bodies, or is implicitly responsible for their financial soundness. Consequences of this risk being realised may include: • Financial loss – additional resources spent on rectification of areas of non-compliance • High costs associated with re-letting contract if re-tender required • Service delivery/reputation compromised • Legal challenge from contractors dissatisfied with Council processes and decisions. September 2018: following the ICT restructure the new Senior ICT Contracts Officer work is in progress to review contract management and commissioning arrangements across the ICT service to embed good practice and develop the service’s strategic commissioning plan.</p>
--	---	--	--	--

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0002 Procurement to include definition of performance indicators and viability checks.	<p>Ensure that all procurements include definition of required performance indicators for the contract and financial viability checks before contracts are entered into.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Ian Williams	Rob Miller	Ongoing	<p>September 2018: no further update - this is part of BAU. Analysis is taking place of exposure to risk due to Capita’s recent profit warning. Following the ICT restructure the new Senior ICT Contracts Officer work is in progress to review contract management and commissioning arrangements across the ICT service to embed good practice and develop the service’s strategic commissioning plan.</p>

FR IT 0002b Carry out regular reviews of identified key suppliers, including reviewing their financial viability.	Ensure that supplier service reviews include supplier performance and independent validation of suppliers' financial viability (eg through credit checking). This should be used to identify any concerns re: the risk of supplier failure and poor performance so that appropriate mitigation plans can be made.	Ian Williams	Rob Miller	30 Dec 2018	September 2018: no further update - this is part of BAU. Analysis is taking place of exposure to risk due to Capita's recent profit warning. Following the ICT restructure the new Senior ICT Contracts Officer work is in progress to review contract management and commissioning arrangements across the ICT service to embed good practice and develop the service's strategic commissioning plan.
FR IT 0002c Identify opportunities for joined up supplier management with other Council services and external partners.	Work with other Council services who share common suppliers and also with external partners to maximise the impact of supplier relationship management activity. This will be an ongoing activity (no fixed end date).	Ian Williams	Rob Miller	Ongoing	Ongoing – continues as business as usual. September 2018: following the ICT restructure the new Senior ICT Contracts Officer work is in progress to review contract management and commissioning arrangements across the ICT service to embed good practice and develop the service's strategic commissioning plan.
FRDR 0015 A Contracting / partnering	Council's financial management procedures extended to partners where possible (e.g. financial regulations)	Ian Williams	Michael Honeysett	30 Nov 2018	Reviewed August 2018-ongoing.
FRDR 0015 B Contracting / partnering	Monitoring of financial position by Section151 Officer and Director (Fin Man)	Ian Williams	Michael Honeysett	30 Nov 2018	Reviewed August 2018-ongoing.
FRDR 0015 C Contracting / partnering	Post-implementation reviews carried out	Rotimi Ajilore	Procurement Manager	30 Nov 2018	Reviewed August 2018-ongoing.
FRDR 0015 D Contracting / partnering	Compliance with Contract Standing Orders.	Rotimi Ajilore	Procurement Manager	30 Nov 2018	Reviewed August 2018-ongoing.
FRDR 0015 E Contracting / partnering	Substantial Legal Services input into contract	Tim Shields	Rotimi	30 Nov 2018	Reviewed August 2018-

	formulation and on-going advice.		Ajilore; Suki Binjal		ongoing.
FRDR 0015 H Contracting / partnering	Improve and open information flows between the Council and its partners.	Tim Shields	Rotimi Ajilore; Suki Binjal	30 Nov 2018	Reviewed August 2018-ongoing.
FRDR 0015 I Contracting / partnering	Additional training on contract negotiation skills, contract management.	Rotimi Ajilore	Procurement	30 Nov 2018	Reviewed August 2018-ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0001 Building Availability INTERNAL RISK FUTURE RISK	The Council is unable to conduct its business due to problems with the some buildings from which it operates. This could be caused by having to catch up on the historical lack of maintenance of buildings. This could result in incident with severe financial or reputational impacts.	Finance & Corporate Resources		 June 2018 – Risk reviewed by Strategic Property Services Management team. Ongoing.

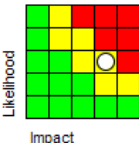

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 001 A: Building Availability	Rolling programme of building surveys initiated to identify condition and risks.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Mar-2019	June 2018 - ongoing. Also, testing and inspection works to civic buildings under the Directorate's financial control are ongoing, as well as 95% of voluntary sector properties.
FRDR 001 B: Building Availability	Funding for reactive maintenance included in the Capital Programme	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Mar-2019	June 2018 ongoing. This is managed by Corporate Property & Asset Management, (CPAM), for buildings under the Directorates financial control, along with the management of buildings for some other directorates.
FRDR 001 C Building Availability	Planned maintenance arrangements for new campus covering whole building lifecycle has been introduced.	Ian Williams	Chris Pritchard; Karon West-	31-Mar-2019	Ongoing June 2018 - Planned maintenance contract now procured

			Clarke		and on site. CPAM able to cater for all statutory inspections subject to funding availability.
--	--	--	--------	--	--

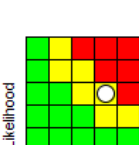

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0004 Rental Income (Commercial) INTERNAL RISK FUTURE RISK	As a result of a worsening economy and challenging economic conditions, rent from commercial properties is not received, leaving income dependent service with a budgetary overspend. This creates a considerable risk of a higher incidence of tenant default, void properties, and lower rents being achieved for new lettings, rent reviews and lease renewals. This could have very damaging financial implications for the Council.	Finance & Corporate Resources		<p>June 2018 - Risk reviewed by Strategic Property Services Senior Management Team. There has been a considerable toughening in the commercial property market over the last 12 months, which is adding to this risk and increasing the likelihood. The team are keeping this under review and will ensure that the impact is taken into account in rental income forecasts</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 004 A Rental Income (Commercial)	Cleansing historic debt as an ongoing process to address rental income	Chris Pritchard	Jonathan Angell	30-Nov-2018	June 2018 - ongoing.
FRDR 004 B Rental Income (Commercial)	Debt collection function located within property service to chase debt and escalate where necessary	Chris Pritchard	Jonathan Angell	30-Nov-2018	June 2018 - ongoing.
FRDR 004 C Rental Income (Commercial)	Regular reporting as part of the OFP on income levels and historic debt.	Chris Pritchard	Jonathan Angell	30-Nov-2018	June 2018 - ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
------------	---------------------	-------------	---------------------	--------------------

FR DR 0009 Utilities cost INTERNAL RISK FUTURE RISK	Increase in utility costs or usage causes budgetary overspends. Also Services are unable to cope with the demands of Climate Change, which could lead to severe financial losses, a damage to Hackney's reputation and a negative impact on the quality of services offered to stakeholders.	Finance & Corporate Resources		 June 2018 - Risk ongoing and remaining stable.
---	--	-------------------------------	---	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0009 A Utilities Cost	EMU team reduce unit costs by monitoring the market and procuring utilities contracts when costs are lowest.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Mar-2019	Ongoing June 2018
FRDR 0009 B Utilities Cost	Reducing energy demand – a series of initiatives are underway across services. Also there is now an Environmental Sustainability manager in place.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Mar-2019	June 2018 - Ongoing with lots of proactive work undertaken by Environmental Sustainability Manager and teams.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FS 0013 PCIDSS Compliance INTERNAL RISK FUTURE RISK	The Council has to be Payment Card Industry (PCI) Data Security Standard (DSS) compliant for all systems related activity, or escalating fines starting at €5,000 can be imposed by the credit card companies. The risk is that due to internal errors, we fail to reach this standard.	Finance & Corporate Resources		 Reviewed and updated August 2018. Software version which is PCI compliant is in place. PCI independent audit completed and identified two remediation points which have been completed.

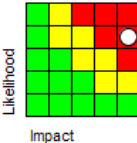

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFS 0013A PCIDSS Compliance	A work stream comprising of staff from Financial Management/HR /Core IT and Cashiers has been created in order to ensure the Council is working to meet the standards across all areas.	Michael Honeysett	John Delgado	15-Nov-2018	Reviewed and updated. August 2018 Software version which is PCI compliant is in place. PCI independent audit

					completed and identified two remediation points which have been completed.
--	--	--	--	--	--

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FS 0015 Failure of managed service provider for financial systems INTERNAL RISK FUTURE RISK	Current managed service provider for the Council's main financial system and cash management system goes into liquidation. Council is then unable to raise purchase orders, make payments, raise invoices for sundry debt, maintain general ledger and monitor budgets.	Finance & Corporate Resources		 August 2018- Risk reviewed and ongoing

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR FS 0015a Failure of managed service provider for financial systems	Detailed contingency plans have been developed in order that the Council could bring back on line main stream financial processes within a couple of days. These include putting in place contingency plans with alternative providers ensuring that we could make payments to suppliers via other contractors and our own in-house facilities. The re-creation of the sundry debt ledger via a macro driven spreadsheet enables us to continue to collect sundry debts.	Michael Honeysett	John Delgado	04-Nov-2018	August 2018 ongoing. Detailed contingency plans have been developed and are tested regularly.
FR FS 0015b Failure of managed service provider for financial systems	We have requested copies of the configuration of the system as well as data from our existing managed service provider, in order that we can look at alternative disaster recovery facilities.	Michael Honeysett	John Delgado	04-Nov-2018	August 2018 - ongoing.
FR FS 0015c Failure of managed service provider for financial systems	The cash management system has been moved out of the existing contract and the service is now provided directly by the software owner (Northgate).	Michael Honeysett	John Delgado	04-Nov-2018	August 2018 - ongoing. Cash management system was moved in February 2014 to Northgate (now CIVICA), so this is completed and ongoing.
FR FS 0015d Failure of managed service provider for financial systems	Comprehensive documentation for the contingency plan has been developed.	Michael Honeysett	John Delgado	04-Nov-2018	August 2018 - ongoing. Detailed contingency plans have been

					developed. In addition, work has been completed for Council to have step in rights with Disaster Recovery company and connections from DR site directly to Hackney, have been set up.
--	--	--	--	--	---

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0040 Pensions - Assets Risk EXTERNAL RISK FUTURE & CURRENT RISK	<p>Asset risks include:</p> <ul style="list-style-type: none"> . Concentration - The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives. . Illiquidity - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets. . Currency risk - The risk that the currency of the Fund's assets underperforms relative to Sterling (i.e. the currency of the liabilities). . Environmental, social and governance ("ESG") - The risk that ESG related factors reduce the Fund's ability to generate long-term returns. . Manager underperformance - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates. <p>Asset risks are covered in more detail in the Fund's Investment Strategy Statement.</p>	Finance & Corporate Resources		 <p>Reviewed September 2018- ongoing. Asset risk includes a number of significant threats to the financial health of the fund. Likelihood is high, as conditions for investment markets over the medium term are likely to be challenging. Impact is also high, given the potential threat to the Fund's ability to pay benefits as they fall due.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR FSV 0040 A Investment in a range of asset classes	<ul style="list-style-type: none"> . The Fund's strategic asset allocation benchmark invests in a diversified range of asset classes . Rebalancing arrangements 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 	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018- ongoing.

	each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk.				
FR FSV 0040 B Cashflow monitoring	. Investment across a range of assets, including liquid quoted equities and bonds, as well as property . Majority of the Fund's assets realisable at short notice . Medium term future cash flow position assessed at least triennially to indicate likely future income requirements. - Actual cashflows monitored on a regular (quarterly) basis to provide early warning of any insufficient funds	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018- ongoing.
FR FSV 0040 C Currency hedging	. Investment in a range of overseas markets, providing a diversified approach to currency markets. - Maintenance of a 50% hedge to USD, EUR and JPY exposures within active global equity mandates.	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018- ongoing.
FR FSV 0040 D ESG Policy	The Fund has an ESG policy in place in its Investment Strategy Statement. More detail on the management of carbon specific ESG risks is provided in the 'Climate Change' risk section.	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018- ongoing.
FR FSV 0040 E Multiple Managers & Performance assessment	. Appointment of more than one manager . Having a proportion of the Scheme's assets managed on a passive basis. . Regular assessment of performance - Replacement of managers if underperformance persists	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0043 Pensions - Inaccurate or Late Pay Information Supplied to Hackney Pension Fund (LGPS)/Local Pensions Partnership (LGPS)/Teachers Pensions INTERNAL RISK CURRENT RISK	Inaccurate payroll data supplied to the Hackney Pension Fund introduces the following risks: <ul style="list-style-type: none"> Fund actuary unable to properly assess funding position – Council contributions rise as a result Inaccurate member pension records – potential under/overpayment of benefits and potential for claims against the Council. 	Finance & Corporate Resources		<p>Reviewed September 2018 – the likelihood of this risk remains very high. Significant problems with the payroll data being provided by the Council has meant that the quality of membership data has deteriorated since the introduction of the 2014 scheme. The</p>

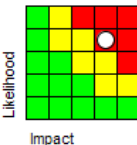

	<ul style="list-style-type: none"> • Enforcement action against the Council by the Pensions Regulator • Reputational risks <p>Inaccurate payroll data supplied to the Local Pensions Partnership introduces the following risks:</p> <ul style="list-style-type: none"> • Inaccurate member pension records – potential under/overpayment of benefits and potential for claims against the Council. • Reputational risks • Costs recharged to the Council as a result of enforcement action against LPP by the Pensions Regulator <p>Inaccurate payroll data supplied to Teachers Pensions introduces the following risks:</p> <ul style="list-style-type: none"> • Inaccurate member pension records – potential under/overpayment of benefits and potential for claims against the Council. • Reputational risks <p>Enforcement action against the Council by the Pensions Regulator</p>			<p>complexity of the scheme has increased significantly and the Council's payroll provider has been unable to respond to these changes, resulting in consistently poor provision of vital data across the Fund's largest employer. A new payroll system was introduced in July 2017; although material progress has been made since the last review on developing pension reporting between the Council and Equiniti, progress has been slow and the results are not yet certain.</p>
--	---	--	--	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
F RTP 0043 A Monitoring of membership data	Controls – annual monitoring of membership records, valuation checks, external data validations	Michael Honeysett	Rachel Cowburn; Lorraine Robinson	30-Dec-2018	Reviewed September 2018 - ongoing.
F RTP 0043 B Contributions monitoring	Monthly monitoring of contributions to ensure that	Michael Honeysett; Dan	Rachel	07-Dec-2018	Reviewed September

	employers paying across correct contributions along with membership data being supplied	Paul	Cowburn; Lorraine Robinson		2018. Good communication with payroll, as accurate data is very important.
FRTP 0043 C Performance Monitoring	Service Level Agreement with external administrator and monthly monitoring of contract. Monitoring of employers and Pensions Administration Strategy which enables Fund to recoup additional administration costs for sub-standard performance.	Michael Honeysett	Rachel Cowburn	07-Dec-2018	Reviewed September 2018
FRTP 0043 D Payroll development	Ongoing work with the Council's payroll team to assist in developing Business As Usual processes for iTrent (payroll system) which are them owned and run by the payroll team. The Council's payroll supplies data for the vast majority of the Fund – the Fund's involvement with the implementation helps ensure the importance of good quality pension reporting is recognised.	Michael Honeysett; Dan Paul	Rachel Cowburn	07-Dec-2018	Reviewed September 2018

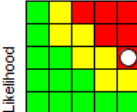

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0053 Pension Funding Risk EXTERNAL RISK FUTURE RISK	<p>Funding risks include:</p> <ul style="list-style-type: none"> . Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities. . Inflation risk. The risk that price and pay inflation is significantly more than anticipated, increasing the value of pension benefits accrued by active and deferred members of the Fund as well as increasing the value of pensions in payment. . Changing demographics –The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits. . Systemic risk - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Fund's liabilities. <p>Further detail on the treatment of funding risks can be found within the Funding Strategy Statement</p>	Finance & Corporate Resources		<p>Reviewed September 2018– likelihood of risk materialising remains high, given the likelihood of challenging conditions in investment markets and the ongoing impact of changing demographics. Impact will vary, depending on the severity of issues faced, but this is one of the most significant risks faced by the Fund over the long term. Score has risen since earlier in year.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFSV 0053B Pension - Valuation Monitoring	Assessment of liabilities at the triennial valuation and the roll-forward of liabilities between valuations helps identify: <ul style="list-style-type: none"> . financial mismatch . falling risk free returns on government bonds . higher than anticipated inflation. . Increasing fund maturity . Insufficient deficit reduction payments 	Michael Honeysett	Rachel Cowburn	30-Dec-2018	Reviewed September 2018- ongoing.
FRFSV 0053C Diversified Portfolio	The Fund seeks to mitigate systemic risk through a diversified portfolio but it is not possible to make specific provision for all possible eventualities that may arise under this heading.	Michael Honeysett	Rachel Cowburn	08-Dec-2018	Reviewed September 2018- ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0001 Information Assets INTERNAL RISK FUTURE RISK	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 forthcoming General Data Protection Regulation (which comes into effect from May 2018). 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.	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>September 2018: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent (August 2018) internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance.</p> <p>The Council's accreditations for the NHS IG Toolkit (which is being replaced by a new assurance framework) and the PSN Code of Connection are up to date and renewing these is part of BAU activity coordinated by the ICT Services division.</p>

Control Title	Control Description	Responsible Officer	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> <p>This will be an ongoing activity (no fixed end date).</p>	Ian Williams	Matthew Cain	01-Dec-2018	September 2018: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance.
FR IT 0001c EU General Data Protection Regulation: preparing for compliance from May 2018	<p>Implement the programme of preparatory activity to support Hackney's compliance with the GDPR. This will include changes to the Council's information management arrangements, data retention, privacy provisions and practise across all Council teams who handle people's personal information.</p>	Ian Williams	Matthew Cain	01-July-2018	September 2018: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance.

					Assurance.
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	Matthew Cain	01-July-2018	September 2018: Control ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0003 Resilience of ICT systems / Disaster Recovery INTERNAL RISK FUTURE RISK	<p>The Council does not currently have disaster recovery provision in place for recovery of critical ICT systems in the event of a major failure affecting the Council's hosting facility provider (Advanced 365). The clear risk here would be the loss/unavailability of the external data centre (single point of failure).</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	 Liveliness Impact	 <p>September 2018 – The rating is judged to remain stable (after previously falling from an even higher liveliness). This was a reflection of the work that had taken place to improve resilience / DR provision.</p> <p>DR provision is in place for critical systems and 1200 <i>myoffice</i> desktop sessions as additional infrastructure capacity has been added.</p> <p>Successful DR testing has recently taken place, providing assurance of overall resilience.</p> <p>It is essential for the Council to provide some assurance that we are suitably prepared to respond and adapt to incremental change and sudden disruptions. Clearly this could impact massively on our ability to effectively deliver services, so resilience is a</p>

				<p>critical part of future planning. The recent BA incident emphasises the importance of careful management within this area.</p> <p>As of September 2018, there are no further updates - the Council has tested DR provision in place and the ICT Services division's Business Continuity Plan has been signed off and tested. A review of DR provision was included in the 2017/18 internal audit plan and any new risks identified will be followed up as part of the division's audit responses.</p>
--	--	--	--	--

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0003a Resilience of ICT systems / Disaster Recovery	<p>Work is currently in progress to commission resilient hosting arrangements in the Council's Stoke Newington offices. This will provide the facility to restore critical systems (based on a previously agreed list of corporate priority applications) so that priority Council services will have access to their systems within 4 hours of a major outage with loss of data limited to 15 minutes (Recovery Point Objective). A test on 1 key application has already proved successful.</p> <p>It must be noted that this provision will not give instant seamless failover for these services - so Council services must ensure that their Business Continuity Plans include plans in the event that ICT systems are not available - other services whose systems are not included in the resilience provision must ensure that their Business Continuity Plans include plans for extended unavailability of their ICT systems.</p>	Ian Williams	Henry Lewis	1 Dec 2018	<p>Migration to G Suite is completing by summer 2018. Options for cloud hosting of the Council website continue to be under consideration</p> <p>September 2018: no further update - the Council has tested DR provision in place and the ICT Services division's Business Continuity Plan has been signed off and tested. A review of DR provision was included in the 2017/18 internal audit plan and any new risks identified will be followed up as part of the division's audit responses.</p>
FR IT 0003b Review of Business Continuity Plans across the Council's services.	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	Rob Miller; Ian Williams	Henry Lewis	1 Dec 2018	A Business Continuity Management Group started regular meetings as of July 2017.

	<p>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 is expected to complete in the latter part of 2017.</p>				September 2018: the corporate review of Business Continuity Plans has completed.
--	--	--	--	--	--

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>FR IT 0006 Cyber / Information Security</p> <p>INTERNAL /EXTERNAL RISK</p> <p>FUTURE RISK</p>	<p>There is a risk that the security of Council's systems, network and devices could be compromised.</p>	<p>Finance & Corporate Resources</p>		<p>The likelihood slightly decreased (4 to 3) at the last review in light of positive progress made in making cyber security more robust. This remains stable. This is an ongoing risk and of increasing importance as more Council services are dependent on ICT and electronic information. Also, there is an increasing internal awareness (of staff) of the concept of cyber risks (and what precautions to take). With the move to the new system on G-suite, all transitions will be in line with Information Security risk management.</p> <p>September 2018: The Council's accreditations for the NHS IG Toolkit (which is being replaced by a new assurance framework) and the PSN Code of Connection are up to date and renewing these is part of BAU activity coordinated by the ICT Services division.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.	Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members).	Rob Miller; Ian Williams	Henry Lewis	22-Dec-2018	September 2018: enhanced training has been developed and these

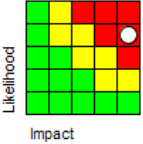

	This will be an ongoing activity (no fixed end date).				<p>are now being rolled out to all users as Digital Action Plans. As at the end of August over 1500 users had completed the training and this will continue to ensure full compliance (with annual refreshers thereafter).</p> <p>On a national scale, attacks have recently been reported in the media and a reminder was issued to all staff about the need to take care when clicking on links in emails. Systems have also been checked to ensure that the specific patch which closes this vulnerability has been applied.</p>
FR IT 0006c Ensure that all hardware and software is supported for security updates.	<p>Ensure that infrastructure and application lifecycle management practices are in place and functioning effectively so that the Council's systems remain supported.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Rob Miller; Ian Williams	Henry Lewis	22-Dec-2018	<p>Priority updates have been completed in line with the PSN Code of Connection submission. The ICT Security Group are reviewing the processes for management of security patches and planned refresh of out of data software and hardware. This is ongoing as part of continuous maintenance and patching.</p> <p>September 2018: the Council's PSN accreditation was renewed in August 2018 and the ICT Security Group will continue to</p>

					monitor activity to deliver continual improvement to the Council's systems security and maintenance.
FR IT 0006d Plan for upgrade required to end use of Windows 7 ahead of the end of Microsoft support (January 2020).	Upgrading the Council's desktop environment is a major activity and this will require careful planning and preparation, as well as significant allocation of funding.	Rob Miller; Ian Williams	Henry Lewis	22-Dec-2018	Feb 2018 - This is currently on hold pending completion of more time critical upgrade and refresh work. September 2018: no further update.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR RV 001 Impact of Universal Credit and other welfare reforms EXTERNAL RISK FUTURE & FUTURE RISK	Universal Credit is administered by the DWP/JCP (Job Centre Plus) and has been live within the borough since March 2016 for job seeking singles only. Universal Credit full service will roll out within borough later in 2018 for all claimant types for new claims. Failure to properly deal with these reforms could result in an increase in arrears, higher legal costs, increased evictions, a heavier administrative burden and pressure on the vulnerable. These impacts would be financial, legislative and reputational and directly affect the local community.	Finance & Corporate Resources		<p>September 2018. Rollout for Universal Credit full service for Hackney is now delayed until October 2018. Temporary accommodation has now been removed from Universal Credit, so partially mitigated, but the impact of the full rollout remains a challenge.</p>

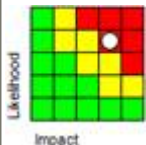
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR RV 1718 Impact of Universal Credit and new Welfare Reforms	The risks have been / are being managed by detailed programmes of training and briefings for staff, DHP training for frontline staff, and letters explaining any changes. There has been a communication strategy specifically developed for this so that the public have everything explained and broken down as comprehensively as possible. Resident's briefings, 'surgeries', and online explanations also further contributing to making transitions as smooth as possible. Housing Services and the rest of the Council are working together to mitigate the effect through	Ian Williams	Kay Brown	30-May-2018	October 2018 - All welfare reforms have been implemented apart from full rollout of Universal Credit which will last until 2022. The rollout for Full Service Universal Credit remains a risk for the Council particularly in the areas of housing rent

	early engagement, budgeting and debt advice and employment signposting.				collection and the impact to the HRA. A corporate working group is in place and reports to Sonia Khan, Head of Policy and Partnerships. Communications and the advice partnership funding and contracts are being adjusted to cope with demand.
--	---	--	--	--	---

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR RV 002 Impact of rising property prices and rents EXTERNAL RISK CURRENT & FUTURE RISK	Impact of rising property prices and rents. As Hackney has become a more desirable place to live, the steep increase in property prices and in turn rental costs has meant that it has become increasingly difficult for those on low incomes and welfare benefits to reside in the borough. This has led to an increase in overcrowding and in those making homeless applications and needing emergency accommodation.	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>October 2018 - Property prices and rental rates are still high. The ability to discharge the Councils housing duty within the borough is high on impossible due to the issue of affordability. Analysis shows that only 6% of available private rented sector rents are affordable to those on low income and welfare benefits. Demand for affordable housing far outstrips supply even with the Councils regeneration and building programmes. Households are encouraged to re-locate in areas that they can afford the private rented sector as there is not enough social housing to satisfy demand. There has been limited success with assisting households to re-settle in Bradford and Birmingham. Numbers in temporary accommodation are stable through use of homeless prevention activities. Void units are still being passed over for use as temporary accommodation in batches. Pan London rates still adhered to for property procurement. Homeless applications</p>

				stable but acceptance rate has increased.
--	--	--	--	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR RV 002 Impact of rising property prices and rents.	The cost of which is expensive both to residents and the Council. These risks are mitigated by strict financial controls in place when procuring properties for placements, the use of empty Council owned buildings wherever possible and robust decision making on homeless applications. Move On Team now in existence to resettle households out of the borough into affordable accommodation.	Ian Williams	Kay Brown	18-Jul-2018	October 2018 - control ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0030 Pressures on Temporary Accommodation INTERNAL RISK CURRENT RISK	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.	Finance and Corporate Resources		October 2018 – 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. Councils in Britain have spent more than £3.5bn on temporary accommodation for homeless families in the last five years, with the annual cost rising 43% in that time. The Local Government Association has commented that these costs are “unsustainable”. The Governments new Homelessness Reduction Act took effect from April 2018. Early impacts show that (April - July) approaches for housing advice and assistance have increased by 29% and correspondingly temporary accommodation placements have increased by 13%. Households in Temporary Accommodation have reached in excess of 3000, with 1000 of these placed outside the borough. Procurement of additional temporary accommodation is ongoing as well as discharging the Council housing duty into the private rented sector in more affordable parts of the UK. Overall, the Act decisively modifies and extends existing homelessness protection. Additionally, Benefits and Housing Needs are forecasting a 15% increase year on year of households in temporary accommodation, so it is always increasing. Risk score remains the same.

Control Title	Control Description	Responsible Group Director / Officer	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	31-Oct-2018	Control ongoing May 2018
SRCR 0030b Make best use of the provision of discharge of duty into the private rented sector	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.	Ian Williams	Jennifer Wynter	31-Oct-2018	Control ongoing May 2018
SRCR 0030c Observe pan London cap on nightly paid accommodation procurement	Maintain influence on the rental market by continued observation and no breaches (except emergency disabled accommodation) of the agreed Pan London TA rent cap.	Ian Williams	Jennifer Wynter	31-Oct-2018	Control ongoing May 2018

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 debt free position and become more vulnerable to changes in the market (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, Adults & Community Health; Finance & Corporate Resources; Neighbourhoods & Housing		<p style="text-align: center;"></p> <p>May 2018 - This risk is ongoing and intensifying somewhat in light of the quantity of high level programmes across the Council. Particularly in regards to property development, 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 capital programme for 2018/19 is £429m (non-Housing schemes totalling £207m and Housing schemes totalling £222m). The plans for Britannia of course, go beyond Housing, which makes this scheme all the more important, and one of the most ambitious in the programme. There are detailed separate risk registers for projects such as Britannia. Britannia has a commercial lead on its senior</p>

				<p>Management Team and has contracted Arcadis to provide construction cost advice on the School, and financial viability advice for the project, and CoreFive to provide construction cost advice on the leisure centre and residential aspects of the project. This will provide greater financial certainty to Britannia, enabling more informed decision making by the Officer Steering Group and Project Board established to govern it. This should also provide extra assurance about how a major project is being managed.</p> <p>This risk earlier in 2017 was scored as a 4 x 4. Because of the increased quantities of forward funding here the impact had to rise to a 5, however the likelihood could decrease to a 3 as the controls (and previous experience) provided assurance that the Council was well positioned to manage this risk. Since April, the risk has remained stable.</p>
--	--	--	--	---

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0002A Management of Capital Programmes / Schemes	All capital schemes are subject to review via capital budget monitoring process. Slippages can be identified via this process and appropriate action taken. The quarterly monitoring that is included in the regular Overall Financial Position (OFP) Report to Cabinet will also be included in future performance review report to Audit Committee. The Capital Monitoring Reports will include more discrete data regarding the actual delivery of the capital programme.	Tim Shields; Ian Williams; Kim Wright; Anne Canning	Michael Honeysett	31-Oct-2018	July 2018 – ongoing. The latest Capital Programme has been agreed (at £429m) and no revisions announced as yet. Last year’s actual capital expenditure to March 2018 was at £271,000,000, £8m below the current revised budget. Such regular (quarterly) reporting should provide increased assurance that everything is being astutely managed, especially with out-turns being below budget.
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	Tim Shields; Ian Williams; Kim Wright; Anne Canning	Michael Honeysett	31-Oct-2018	September 2018 - ongoing.
SRCR 0002C Management of Major Capital Schemes	The Capital programme is currently subject to overall review in order to reduce the overall call on available resources and to ensure their use is prioritised in line with member decisions.	Tim Shields; Ian Williams; Kim Wright; Anne Canning	Michael Honeysett	31-Oct-2018	September 2018 - ongoing. A refresh of the capital programme has been completed as part of the budget process for 18/19 - and a review of the overall corporate strategy.

