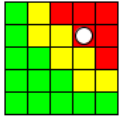



# Finance and Corporate Resources Directorate Risk Register

## September 2020

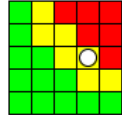



Generated on: 14 September 2020

| Risk Title  | Description of Risk  | Directorate                              | Current Risk Matrix  | Risk - Latest Note  |
|---|--|--|--|---|
| <p><b>FR AC 001 Budget Setting</b> - Budgetary stability in relation to both budget setting and budgetary control and medium term financial planning<br/> <b>INTERNAL &amp; EXTERNAL RISK</b><br/> <b>FUTURE RISK</b></p> | <p>Due to ineffective planning, (or external events) the Council spends more money than it can finance through planned income streams and the annual financial settlement from central government. This then results in a budget deficit or an unacceptable call on reserves. In the aftermath of the Coronavirus pandemic, this risk has seriously intensified with incomes reducing and costs dramatically increasing.</p> | <p>Finance &amp; Corporate Resources</p> |  | <div style="text-align: center;">  </div> <p>Updated and amended September 2020.</p> <p>Since the last update , the Coronavirus pandemic has had a seismic impact on economies internationally. The Council has clearly been seriously affected by this. Additional pressures arising from COVID-19 (already in this financial year of 2020/21) are estimated at £67 million, through a combination of reduced income (totalling around £43 million from loss of business rates, parking, leisure facilities etc) and increased expenditure (around £24 million) and HRA pressures. The pandemic looks set to create impacts not just in short term budget setting, but over years to come. The damaged income streams, and potentially reduced settlements, will lead to challenges in the deliverance of services. Central Government has so far provided £18m of support with a further £12.3m set to arrive - leaving a shortfall of around £37m.</p> <p>The Fair Funding Review was, at the last review of this risk, another problematic element. However in light of the current COVID-19 affected environment, it has now been postponed until 2021/22. This review will ultimately affect how funding is allocated and redistributed between local authorities in the future. The main risk for the Council is that this results in a greater loss to funding than anticipated which could have a severe impact on overall service delivery and strategic objectives. In February 2020, the</p> |

|  |   |  |                 | <p>Communities Secretary said that it was “scaremongering” to say that the (now postponed) fair funding formula will see cash diverted from metropolitan councils to shire councils, but until allocations are known there is still uncertainty.</p> <p>Other consequences of the risk being discharged may include: • 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. Also continuing examples of the Council issuing Business rates relief, will further impact on finances.</p> |  |
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| Control Title  | Control Description   | Responsible Officer  | Service Manager | Due Date   | Control - Latest Note  |
| FR AC 001A Accuracy of corporate financial planning  | <p>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).</p> <p>. Medium-term financial plan is maintained by Central Accountancy function, and is reported to members regularly through appropriate forums (annual budget report)</p> <p>. Up to date Treasury Management Strategy is maintained and reported to members regularly through appropriate forums</p> <p>. Senior financial managers ensure they are well informed on changes to key financial issues, e.g. business rates retention pilot</p> | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | James Newman    | 31-Oct-2020  | In the aftermath of the first wave of COVID-19 in the UK, additional Central Government funding was announced for Councils around the UK. The initial support was £18m, with a further £12.3m set to arrive. These help mitigate short terms losses, but still mean there is a shortfall this year of over £37m. |
| 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 (being replaced by Jackie Moylan from 1/10/20) | James Newman    | 31-Oct-2020  | Control updated Sept 2020  |
| FR AC 001C Delivery of annual budget setting process | Corporate Accountancy manages and coordinates mechanics of budget setting process for the council, in conjunction with directorate finance teams, ensuring services are   | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | James Newman    | 31-Oct-2020  | Control updated Sept 2020  |

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|  | allocated budgets as agreed through full Council.   |  |              |             |   |
| 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 (being replaced by Jackie Moylan from 1/10/20) | James Newman | 31 Oct 2020 | Control updated Sept 2020. This ensures proper scrutiny is applied to all elements of the Council's finances.   |
| FR AC 001E Changes to Prudential Code , and new Financial Management Code and also MRP guidance      | Senior finance management keep themselves informed of changes to CIPFA Prudential Code, Also the new FMC was issued towards the end of 2019, and provides important guidance of the way forward with budget setting. CLG MRP guidance and ensure council's finances and processes take into account those changes which are formalised. | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | James Newman | 31 Oct 2020 | Control updated Sept 2020. All senior officers are particularly aware of the new Financial Management Codes. The first full year of compliance will be 2021/22. |

| Risk Title   | Description of Risk  | Directorate                   | Current Risk Matrix   | Risk - Latest Note  |
|--|--|-------------------------------|---|---|
| FR AC 003 Accounts Closure<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | 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 have intensified this risk. Although this was a couple of years ago, it remains something to watch out for. If accounts are not closed on time, it would have legislative and reputational consequences and inhibit effective service delivery. Risk also applies to the (external) auditors not meeting their own challenging deadline at the end of July, with additional regulatory scrutiny adding to the pressure. | Finance & Corporate Resources |  | <p style="text-align: center;"></p> <p>Reviewed September 2020 - control ongoing.<br/>In the light of the sudden escalation of COVID-19, deadlines were relaxed for this financial year. However, this extension was unnecessary as the team had already carried out the majority of the work required to be on time.</p> <p>The score was red last year but has now lowered to amber due to a successful performance at the last closing. With the work undertaken this year and progress made, there is now clear assurance that the new deadlines are achievable.<br/>Accounts now need to be completed by the end of May, which will be a challenging deadline before passing onto the Auditors.</p> |

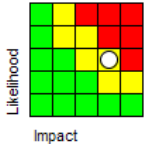

|  |   |  |                        |                 | Previously the auditors had until the end of September to complete their audit of accounts but the DCLG guidelines mean this now needs to be done by the end of July (the first year this was done was 2018/19). This could be extremely problematic as usually auditors are concentrating on NHS audits till mid-June so this will leave very little time in which to complete audits according to the deadlines. For the (external) auditors, regulatory scrutiny is making the process even more challenging. |
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| <b>Control Title</b>   | <b>Control Description</b>  | <b>Responsible Officer</b>                                       | <b>Service Manager</b> | <b>Due Date</b> | <b>Control - Latest Note</b>   |
| 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"> <li>. Appropriate staff expertise and resource are in place to meet needs of process</li> <li>. Detailed plan which meets new statutory timetable is in place which covers all parts of process and all stakeholders</li> <li>. Audit timetable is agreed with key stakeholders and monitored through process, with appropriate escalation processes where necessary</li> <li>. External Auditors are involved throughout, and well before the beginning of, the process</li> <li>. Interim audit is planned and agreed with external audit</li> <li>. 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 the following year.</li> </ul> | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | James Newman           | 31 Oct 2020     | Controls updated September 2020  |
| 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 (being replaced by Jackie Moylan from 1/10/20) | James Newman           | 31 Oct 2020     | Controls updated September 2020  |
| FR AC 003D Production of wholly owned subsidiary accounts and group accounts   | Relevant officers given appropriate training<br>Professional advice sought as necessary<br>Appropriate accounting and audit processes, across LBH and subsidiaries are arranged well in advance of closing period, with any issues resolved in time.  | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | James Newman           | 31 Oct 2020     | Controls updated September 2020  |

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|  | Relevant processes and interactions built into closing timetable. |  |  |  |  |
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| Risk Title   | Description of Risk   | Directorate   | Current Risk Matrix | Risk - Latest Note   |
|--|---|---|---------------------|--|
| <b>SRCR 0002</b><br>Management of Capital Programmes / Schemes<br><b>EXTERNAL RISK</b><br><b>FUTURE RISK</b> | <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;<br>Children, Adults & Community Health; Finance & Corporate Resources;<br>Neighbourhoods & Housing |                     | <p style="text-align: center;">↔</p> <p>September 2020 - This risk is ongoing and intensifying particularly in light of the Coronavirus pandemic and the financial impact that may have on the 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 2020/21 is £245m (non-Housing schemes totalling £119m and Housing schemes totalling £126m). 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 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. All major projects (another example being the long term plans for the Tesco site) contain detailed break clauses, which essentially provide guarantees that (even with the initial investment) the council cannot suffer serious losses.</p> <p>Because of the (recent) increased quantities of forward funding / borrowing here (and the detrimental effect COVID-19 has had on finances), the impact had to rise to a 5, however the likelihood decreased to a 3 as the controls (and previous experience)</p> |

|   |  |                     |  |             | provided assurance that the Council was well positioned to manage this risk.  |
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| Control Title   | Control Description  | Responsible Officer | Service Manager  | Due Date    | Control - Latest Note   |
| <b>SRCR 0002A</b><br>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. | Ian Williams        | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | 31-Oct-2020 | September 2020 – ongoing. The latest Capital Programme has been agreed (at £245m) and no revisions announced as yet. Last year’s actual capital expenditure to March 2019 was at £282.6m, £13.7m 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. |
| <b>SRCR 0002B</b><br>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.   | Ian Williams        | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | 31-Oct-2020 | September 2020 - ongoing.   |
| <b>SRCR 0002C</b><br>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.  | Ian Williams        | Michael Honeysett (being replaced by Jackie Moylan from 1/10/20) | 31-Oct-2020 | September 2020 - ongoing. A refresh of the capital programme has been completed as part of the budget process for 20/21 - and a review of the overall corporate strategy.   |

| Risk Title | Description of Risk | Directorate | Current Risk Matrix | Risk - Latest Note |
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| <p>FR DR 0002 Failure and Poor Performance of Suppliers and Contractors / Partnerships<br/><b>EXTERNAL RISK</b><br/><b>CURRENT RISK</b></p> | <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 / building contractors, IT suppliers). They play an important role directly or in support of the corporate objectives of the Council.</p> <p>If these contracting and / or partnering arrangements fail, it could have serious impacts re cost, service delivery, and reputation.</p> <p>The risk has intensified in the Coronavirus pandemic, as supply chains have been threatened by some organisations having to temporarily cease work or furlough staff. This could lead to an impact on service delivery for areas that are reliant on external contractors.</p> | <p>Finance &amp; Corporate Resources</p> |  | <p style="text-align: center;"></p> <p>September 2020 - 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, but liable to change now due to the sudden emergence of the Coronavirus.</p> <p>For ICT, the service contracts register and commissioning plan is helping to ensure that commissioned services are managed proactively. The strategic move to greater use of cloud and open source technology, with greater use of SMEs is mitigating the risk of supplier failure.</p> <p>Internal reintegrations (e.g. Hackney Homes 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.</p> <p>The Council is also generally looking to Insource &amp; bring more services back in-house, as a Manifesto commitment put forward by the Mayor in 2019.</p> <p>Brexit is also adding to the uncertainty and risks in this area, and is covered in detail in the Corporate Brexit risk (especially with still no clarity about the term of a deal).</p> <p>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.</p> <p>Looking more specifically at ICT - 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. The ICT contracts register has been updated. Contract management standards and training / development support for contract managers is in progress. Use of the UK Government Digital Marketplace and Technology Code of Practice continues to open up the Council's supplier base.</p> <p>After the sudden escalation of the Coronavirus in March 2020, Contract managers should review and have a clear understanding of contractual terms and conditions, in particular the force majeure provisions their contracts, to ensure that they can adequately deal</p> |
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|   |   |                               |                        |                 | with potential disruption to service should suppliers choose to trigger this clause. Key suppliers will need to be contacted.  |
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| <b>Control Title</b>  | <b>Control Description</b>  | <b>Responsible Officer</b>    | <b>Service Manager</b> | <b>Due Date</b> | <b>Control - Latest Note</b>   |
| FR IT 0002 Procurement to include definition of performance indicators and viability checks.                            | Ensure that all procurements include definition of required performance indicators for the contract and financial viability checks before contracts are entered into.<br><br>This will be an ongoing activity (no fixed end date).  | Rotimi Ajilore;<br>Rob Miller | Stephen Addison        | Ongoing         | September 2020- : no further update or significant change - this is part of BAU. Analysis is taking place of exposure to risk due to Capita's recent profit warning. Adoption of Technology Code of Practice provides a clear basis for assessment of future technology providers. |
| 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. | Rotimi Ajilore;<br>Rob Miller | Stephen Addison        | 30 Oct 2020     | September 2020- : No further significant change. The ICT contracts register and commissioning plan is being used to support contract managers in proactive management of their contracts.  |
| 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.<br><br>This will be an ongoing activity (no fixed end date).   | Rotimi Ajilore;<br>Rob Miller | Stephen Addison        | Ongoing         | Ongoing – continues as business as usual. September 2020. No further significant change. The contracts register is being used as the basis for action to mitigate this risk.   |
| FRDR 0015 A Contracting / partnering  | Council's financial management procedures extended to partners where possible (e.g. financial regulations)  | Ian Williams                  | Michael Honeysett      | 30 Oct 2020     | Reviewed September 2020- ongoing.  |
| FRDR 0015 B Contracting / partnering  | Monitoring of financial position by Section151 Officer and Director (Fin Man)   | Ian Williams                  | Michael Honeysett      | 30 Oct 2020     | Reviewed September 2020- ongoing.  |



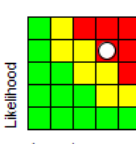

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| FRDR 0015 C Contracting / partnering       | Post-implementation reviews carried out. Also new Insourcing Guidance paper drafted.  | Rotimi Ajilore | Procurement Manager         | 30 Oct 2020 | Reviewed September 2020- ongoing. |
| FRDR 0015 D Contracting / partnering       | Compliance with Contract Standing Orders.   | Rotimi Ajilore | Procurement Manager         | 30 Oct 2020 | Reviewed September 2020- ongoing. |
| FRDR 0015 E Contracting / partnering       | Substantial Legal Services input into contract formulation and on-going advice.   | Tim Shields    | Rotimi Ajilore; Suki Binjal | 30 Oct 2020 | Reviewed September 2020- ongoing. |
| FRDR 0015 H Contracting / partnering       | Improve and open information flows between the Council and its partners.  | Tim Shields    | Rotimi Ajilore              | 30 Oct 2020 | Reviewed September 2020- ongoing. |
| FRDR 0015 I Contracting / partnering       | Additional training on contract negotiation skills, contract management.  | Rotimi Ajilore | Procurement                 | 30 Oct 2020 | Reviewed September 2020- ongoing. |
| FRDR0015J - Immediate Coronavirus response | Contract managers should review and have a clear understanding of contractual terms and conditions, in particular the force majeure provisions their contracts, to ensure that they can adequately deal with potential disruption to service should suppliers choose to trigger this clause | Rotimi Ajilore | All Contract Managers       | 30 Oct 2020 | Reviewed September 2020- ongoing. |

| Risk Title   | Description of Risk   | Directorate                                     | Current Risk Matrix | Risk - Latest Note   |
|--|---|---|---------------------|--|
| FR DR / AAF 015 Major fraud not identified<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | <p>The Council's response to a serious fraud is inadequate because either –</p> <p>(1) Management do not have adequate arrangements in place to identify irregularity in their service area;</p> <p>(2) Concerns are identified but they are not reported to AAF in accordance with the Anti-Fraud &amp; Corruption Strategy; or</p> <p>(3) There is a failure in the investigation process.</p> <p>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.</p> <p>A failure to investigate a case in compliance with the prescribed legislation and Anti-Fraud &amp; Corruption Policy</p> | Finance & Corporate Resources and Cross Council |                     | <p>September 2020</p> <p style="text-align: center;"></p> <p>The Covid pandemic has impacted on investigation work in two main areas. Firstly, there has been rapid change as new services have been delivered at short notice and existing services have been delivered in new ways. In particular, Hackney has administered high value business grants, investigators have been working closely with business rates officers to assist with enquiries where discrepancies arise and the outcomes of this work are monitored and reported back to central government. We have also made extensive use of data matching to verify claims to identify concerns.</p> |

|  | <p>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.</p> <p>There is also a risk in the wake of the Coronavirus, that criminals may capitalise on the disruption to public sector operations and plan fraudulent activities, leading to further loss of money for the Council.</p> |                              |                        | <p>Secondly, some aspects of the investigation process have been suspended as a result of the pandemic. Some of these activities are being cautiously reintroduced following extensive risk assessments of the service and individuals.</p> <p>It is widely acknowledged that fraud is likely to increase at times of rapid change, as a result the likelihood score has been increased from a 3 to a 4, albeit that evidence of specific new fraud cases is currently still low.</p> <p>AAF are providing advice to services about sensible precautions and adjustments to procedures to ensure continued effective service delivery in difficult circumstances, while still protecting the Council's resources.</p> <p>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 some notable recent achievements to prevent and minimise the impact of fraud.</p> |   |
|--|--|------------------------------|------------------------|---|---|
|  |  |                              |                        |   |   |
| <b>Control Title</b>   | <b>Control Description</b>   | <b>Responsible Officer</b>   | <b>Service Manager</b> | <b>Due Date</b>   | <b>Control - Latest Note</b>  |
| 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)<br>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 2020  | September 2020 – 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"> <li>Anti-Fraud and Corruption Strategy</li> </ul>  | Ian Williams                 | Michael Sheffield      | 1 Dec 2020  | September 2020 - Recommendations arising from fraud reports are tracked in the same way |

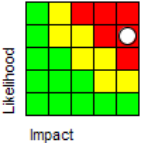
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|   | <ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Codes of Conduct (staff and members)</li> <li>• Anti-Money-Laundering Policy</li> <li>• ICT policies &amp; procedures</li> <li>• Financial Procedure Rules</li> </ul> <p>These 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>   |              |                   |            | as those arising from audit reviews, so that progress toward rectifying any areas of concern that are identified can be monitored.  |
| FR AAF 015C – Communication and awareness | <p>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.</p> <p>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.</p> <p>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 through the Comms team.</p> | Ian Williams | Michael Sheffield | 1 Dec 2020 | <p>September 2020</p> <p>In light of COVID-19, AAF are providing advice to services about sensible precautions and adjustments to procedures to ensure continued effective service delivery in difficult circumstances, while still protecting the Council's resources.</p> |
| FR AAF 015D – Approach and training.      | <p>Teams maintain a rigorous approach to their investigations, operating a clear system of diligently reviewing evidence and feeding back through the reporting framework.</p> <p>Performance in key areas is regularly reported to a senior level within the Council, including the Audit Committee. Investigators are all qualified. 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.</p>  | Ian Williams | Michael Sheffield | 1 Dec 2020 | September 2020 – ongoing.   |

| Risk Title   | Description of Risk   | Directorate                   | Current Risk Matrix                   | Risk - Latest Note |  |
|--|---|-------------------------------|---------------------------------------|--------------------|--|
| FR DR 0001 Building Availability<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | 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 |                                       |                    |  |
|  |   |                               |                                       |                    |  |
| 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;<br>Karon West-Clarke | 30 Oct 2020        | August 2020 - 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;<br>Karon West-Clarke | 30 Oct 2020        | August 2020 - 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;<br>Karon West-Clarke | 30 Oct 2020        | Ongoing August 2020 - Planned maintenance contract now procured and on site. CPAM able to cater for all statutory inspections subject to funding availability.   |

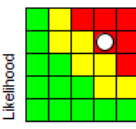

| Risk Title  | Description of Risk  | Directorate                   | Current Risk Matrix  | Risk - Latest Note   |                       |
|---|--|-------------------------------|--|--|-----------------------|
| FR DR 0004 Commercial Rental Income<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | As a result of a worsening economy and challenging economic conditions (particularly from the Coronavirus pandemic), rent from commercial properties is not received, leaving an 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>Likelihood<br/>Impact</p> |  <p>September 2020 - Risk reviewed by the Head of Commercial Estate.</p> <p>Covid-19 is having a very significant impact on rental income from the commercial property portfolio and the Council now has an agreed approach to what we are able to offer to tenants, which was agreed by the Mayor and Group Director of F&amp;R. With the majority of tenants we are able to defer rent payments and agree repayment over an extended period. However, in many cases we are able to offer additional support in the form of rent free periods. We have revised our income forecasts which now assume that rental income will be very significantly affected by Covid-19. The rent forecasts are being updated on a regular basis and this information is being taken into account in assessing the Council's overall financial position".</p> <p>Although we have some estimates of what the impact on rental income is likely to be it is best not to provide the figures in the note at this stage because they are constantly changing. However, the latest financial figures clearly illustrate the constrained circumstances the Council is operating in.</p> <p>Already, there had(pre Covid) been a considerable toughening in the commercial property market over the last 24 months, which was adding to this risk and increasing the likelihood.</p> <p>The team are keeping this under review and will ensure that the impact is taken into account in rental income forecasts. Also Universal Credit roll out is impacting on domestic rentals, and this is being carefully tracked.</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-2020  | 30 Oct 2020 - ongoing |
| FRDR 004 B Rental Income (Commercial)   | Debt collection function located within property service to chase debt and escalate where necessary. Also current rent free periods being offered in light of Coronavirus.   | Chris Pritchard               | Jonathan Angell  | 30-Nov-2020  | 30 Oct 2020 - 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-2020 | 30 Oct 2020 - ongoing |
|---------------------------------------|--|-----------------|-----------------|-------------|-----------------------|

| Risk Title  | Description of Risk   | Directorate                   | Current Risk Matrix | Risk - Latest Note   |   |
|---|---|-------------------------------|---------------------|--|---|
| FR DR 0009 Utilities cost<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | 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. If the Council fails to take steps to clearly reduce its carbon output, it may fail in its long term objectives. | Finance & Corporate Resources |                     | <p>September 2020 - Risk ongoing and remaining stable. The Mayor's climate emergency declaration occurred in February 2019, and Councillors have subsequently approved a motion to do 'everything within the Council's power' to deliver net zero emissions across its functions by 2040. This will continue to inform Utility Cost decisions. Hackney Light and Power was launched in Autumn 2019. Costs now need to be balanced with carbon footprint.</p> |   |
| 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                  | Rotimi Ajilore      | 31-Oct-2020  | September 2020 - ongoing.   |
| FRDR 0009 B Utilities Cost  | Reducing energy demand – a series of initiatives are underway across services. Hackney Light and Power has been launched, with its commitment to provide renewable energy, and emphasis on achieving positive change within the community.  | Ian Williams                  | Rotimi Ajilore      | 31-Oct-2020  | September 2020 - ongoing.- An example of this is in Fleet where greener options are being procured. |

| Risk Title   | Description of Risk  | Directorate                   | Current Risk Matrix   | Risk - Latest Note   |   |
|--|--|-------------------------------|---|--|---|
| FR FSV 0040 Pensions - Assets Risk<br><b>EXTERNAL RISK</b><br><b>FUTURE &amp; CURRENT RISK</b> | <p>Asset risks include:</p> <ul style="list-style-type: none"> <li>. 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.</li> <li>. Illiquidity - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.</li> <li>. Currency risk – The risk that the currency of the Fund’s assets underperforms relative to Sterling (i.e. the currency of the liabilities).</li> <li>. Environmental, social and governance (“ESG”) – The risk that ESG related factors reduce the Fund’s ability to generate long-term returns.</li> <li>. Manager underperformance - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.</li> </ul> <p>Asset risks are covered in more detail in the Fund’s Investment Strategy Statement.</p> | Finance & Corporate Resources |  | <p style="text-align: center;">↔</p> <p>Reviewed August 2020 - ongoing. Asset risk includes a number of significant threats to the financial health of the fund. Likelihood remains high, as conditions for investment markets over the long term are likely to be challenging, especially in light of the international emergence of Coronavirus and the impact it is having. 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"> <li>. The Fund’s strategic asset allocation benchmark invests in a diversified range of asset classes</li> <li>. Rebalancing arrangements in place to ensure the Fund’s “actual allocation” does not deviate substantially from its target</li> <li>- The Fund invests in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund’s asset concentration risk.</li> </ul>  | Michael Honeysett             | Rachel Cowburn  | 07-Dec-2020  | Reviewed August 2020 - ongoing.   |
| FR FSV 0040 B Regular cash flow monitoring   | <ul style="list-style-type: none"> <li>. Investment across a range of assets, including liquid quoted equities and bonds, as well as property</li> <li>. Majority of the Fund’s assets realisable at short notice</li> <li>. Medium term future cash flow position assessed at least triennially to indicate likely future income requirements.</li> </ul>   | Michael Honeysett             | Rachel Cowburn  | 07-Dec-2020  | Reviewed August 2020 - ongoing. Also, cash flow monitoring is being aligned to business objectives. |

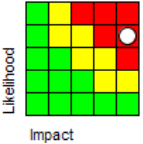

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|  | - Actual cash flows monitored on a regular (quarterly) basis to provide early warning of any insufficient funds  |                   |                |             |                                 |
| FR FSV 0040 C Currency hedging                           | . Investment in a range of overseas markets, providing a diversified approach to currency markets.<br>- Maintenance of a 50% hedge to USD, EUR and JPY exposures within active global equity mandates.               | Michael Honeysett | Rachel Cowburn | 07-Dec-2020 | Reviewed August 2020 - 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-2020 | Reviewed August 2020 - ongoing. |
| FR FSV 0040 E Multiple Managers & Performance assessment | . Appointment of more than one manager<br>. Having a proportion of the Scheme's assets managed on a passive basis.<br>. Regular assessment of performance<br>- Replacement of managers if underperformance persists. | Michael Honeysett | Rachel Cowburn | 07-Dec-2020 | Reviewed August 2020 - ongoing. |

| Risk Title   | Description of Risk   | Directorate                   | Current Risk Matrix  | Risk - Latest Note  |
|--|---|-------------------------------|--|---|
| FR FSV 0043 Pensions – Poor Membership Data<br><br>Inaccurate or Late Pay Information Supplied to Hackney Pension Fund (LGPS)/Local Pensions Partnership (LGPS)/Teachers Pensions<br><b>INTERNAL RISK</b><br><b>CURRENT RISK</b> | Inaccurate payroll data supplied to the Hackney Pension Fund results in poor membership data.<br><br>This poor administration could result in inaccurate data giving rise to financial and reputational risks. Without the correct figures and information, actuaries may be unable to set contribution rates, which could result in higher contribution rates and overall member dissatisfaction. Inaccurate benefit statements might be produced, which could result in the overpayment of benefits.<br><br>Enforcement action against the Council by the Pensions Regulator. | Finance & Corporate Resources |  <p>Likelihood<br/>Impact</p> |  <p>Reviewed August 2020 – the likelihood of this risk remains high, however the likelihood has slightly reduced. 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 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, there remain problems to work through. There are still issues on providing some data, but efforts at</p> |



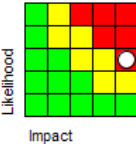

|  |  |                             |                                   | improving and obtaining better data for reports etc have started to be more successful. |   |
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|  |  |                             |                                   |   |   |
| <b>Control Title</b>                       | <b>Control Description</b>   | <b>Responsible Officer</b>  | <b>Service Manager</b>            | <b>Due Date</b>   | <b>Control - Latest Note</b>  |
| F RTP 0043 A Monitoring of membership data | Annual monitoring of membership records, valuation checks, external data validations   | Michael Honeysett           | Rachel Cowburn; Lorraine Robinson | 30-Nov-2020   | Reviewed August 2020  |
| F RTP 0043 B Contributions monitoring      | Monthly monitoring of contributions to ensure that employers paying across correct contributions along with membership data being supplied.  | Michael Honeysett; Dan Paul | Rachel Cowburn; Lorraine Robinson | 30-Nov-2020   | Reviewed August 2020 - Good communication with payroll, as accurate data is very important.   |
| F RTP 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 substandard performance.   | Michael Honeysett           | Rachel Cowburn                    | 30-Nov-2020   | Reviewed August 2020  |
| F RTP 0043 D Support & Payroll development | Provision of employer support to ensure employers have the knowledge and understanding necessary to provide correct information.<br><br>Ongoing work with the Council's payroll team to assist in developing Business As Usual processes for iTrent (payroll system) which are then 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; Julie Stacey      | 30-Nov-2020   | August 2020 - the employer portal is in the process of being rolled out to all employees. Team is also liaising with Hackney payroll team to roll out a new contribution monitoring report. Also ensuring that equiniti roll out the employer strategy in line with the contract. |

| <b>Risk Title</b> | <b>Description of Risk</b> | <b>Directorate</b> | <b>Current Risk Matrix</b> | <b>Risk - Latest Note</b> |
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| <p>FR FSV 0053 Pension Funding Risk<br/><b>EXTERNAL RISK</b><br/><b>FUTURE RISK</b></p> | <p>Funding risks include:</p> <ul style="list-style-type: none"> <li>. Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities.</li> <li>. 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.</li> <li>. Changing demographics –The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits.</li> <li>. 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.</li> </ul> <p>The sudden emergence of COVID-19 (hitting the UK in March 2020), has had an immediate and seismic impact on finances worldwide, with stock markets immediately falling substantially and continuing to drop. Long term, the risk here is that the economy fails to recover and the fund suffers considerable losses.</p> <p>Further detail on the treatment of funding risks can be found within the Funding Strategy Statement</p> | <p>Finance &amp; Corporate Resources</p> |  |  <p>Reviewed August 2020– likelihood of risk materialising remains high, given the likelihood of challenging conditions in investment markets (exacerbated by Coronavirus) and the ongoing impact of changing demographics. This is particularly true in the aftermath of the Coronavirus outbreak and the worldwide impact it is creating. Long term, this will pose a significant risk to the fund (and all funds worldwide), as illustrated by the initial dramatic falls.</p> |   |
| <p><b>Control Title</b></p>   | <p><b>Control Description</b></p>  | <p><b>Responsible Officer</b></p>        | <p><b>Service Manager</b></p>   | <p><b>Due Date</b></p>   | <p><b>Control - Latest Note</b></p>   |
| <p>FRFSV 0053B Pension - Valuation Monitoring</p>                                       | <p>Assessment of liabilities at the triennial valuation and the roll-forward of liabilities between valuations helps identify:</p> <ul style="list-style-type: none"> <li>. financial mismatch</li> <li>. falling risk free returns on government bonds</li> <li>. higher than anticipated inflation.</li> <li>. Increasing fund maturity</li> <li>. Insufficient deficit reduction payments</li> </ul> <p>Consistent monitoring of asset allocation and investment returns.</p>   | <p>Michael Honeysett</p>                 | <p>Rachel Cowburn</p>   | <p>30-Nov-2020</p>   | <p>Reviewed August 2020 – ongoing. Currently reassessing liabilities and requirements for matching assets at the triennial valuation.</p> |
| <p>FRFSV 0053C Diversified Portfolio</p>  | <p>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. Some assessment in bonds assists in liability matching. Also, stabilisation modelling at whole fund level allows for the probability that risk free returns on government bonds will fail.</p>   | <p>Michael Honeysett</p>                 | <p>Rachel Cowburn</p>   | <p>30-Nov-2020</p>   | <p>Reviewed August 2020 – ongoing.</p>  |

| Risk Title  | Description of Risk  | Directorate                   | Current Risk Matrix | Risk - Latest Note   |  |
|---|--|-------------------------------|---------------------|--|--|
| FR IT 0001 Information Assets<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b>               | The Council holds a wealth of information assets across its services. It is essential that this is managed in compliance with requirements such as the Data Protection Act, the NHS IG Toolkit and also the General Data Protection Regulation (which came into effect from May 2018).<br>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 2020: 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.<br/>The Council's accreditation for the NHS IG Toolkit (which is being replaced by a new assurance framework) is up to date and renewing these is part of BAU activity coordinated by the ICT Services division.</p> <p>As of Sept 2020, there is no further significant change. The Council's PSN accreditation has been renewed through to Jan 2021. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</p> |  |
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| Control Title   | Control Description  | Responsible Officer           | Service Manager     | Due Date   | Control - Latest Note  |
| FR IT 0001a Information management  | 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.<br><br>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.<br><br>This will be an ongoing activity (no fixed end date).              | Ian Williams                  | Matthew Cain        | 01-Dec-2020  | September 2020: 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.<br><br>As of Sept 2020, there is no further significant change. The Council's PSN accreditation has been renewed through to Jan 2021. Mitigation of this risk continues to be monitored by the Council's Information Governance Group. |
| FR IT 0001c EU General Data Protection Regulation: preparing for compliance from May 2018 | 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   | Ian Williams                  | Matthew Cain        | 01-Dec-2020  | 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   |

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|   | provisions and practise across all Council teams who handle people's personal information.  |              |              |             | Council's preparations for GDPR gave an assessment of Reasonable Assurance. As of September 2020, there is no further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group. |
| 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-Jul-2020 | <p>September 2020</p> <p>No further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group (which meets quarterly).</p>   |

| Risk Title   | Description of Risk   | Directorate                   | Current Risk Matrix   | Risk - Latest Note   |
|--|---|-------------------------------|---|--|
| FR IT 0003 Resilience of ICT systems / Disaster Recovery<br><b>INTERNAL RISK</b><br><b>FUTURE RISK</b> | <p>The risk that the Council does not currently have (a reviewed, tested and fit for purpose) 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 |  | <p style="text-align: center;"></p> <p>Sept 2020 - After the sudden need for all office based workers to move to working from home in March 2020, following the outbreak of COVID-19, the consensus is that Business Continuity was maintained and services were able to continue operating effectively. The IT framework was able to support this massive surge in home working, although longer term, more support will be required.</p> <p>A subsequent incident affecting the data connection to the Council's new datacentre facility on 30 July 2020 caused a significant outage, which impacted on all of the Council's internally hosted systems. The effects of this were:</p> <ul style="list-style-type: none"> <li>• Cloud hosted services (including G Suite and the Council's website and intranet) continued to function without impact</li> <li>• Internally hosted systems were unavailable for several</li> </ul> |

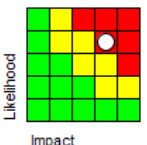

|   |   |                     |                 | <p>days, and longer for lower priority systems</p> <ul style="list-style-type: none"> <li>Recovered systems continued to experience a range of performance and stability issues for several weeks</li> </ul> <p>A retrospective has taken place to review the recovery from this incident and a report with conclusions and lessons learned will be produced by the end of September 2020.</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 critical part of future planning. Recent incidents emphasise the importance of careful management within this area.</p> |  |
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| 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</p> | Ian Williams        | Henry Lewis     | 01-Dec-2020  | <p>Sept 2020: the Council's ICT resilience arrangements will be reviewed following the major outage on 30 July 2020.</p> <p>March 2020: 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 the DR provision (from the ICT perspective) was internally audited and the report was completed at</p> |

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|  | 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.  |                          |             |             | the end of 2018. The final level assurance was significant, suggesting a robust approach is in operation.<br><br>The ICT service's business continuity arrangements are kept under regular review and reported to the Council's Business Continuity Management Group which meets quarterly. |
| FR IT 0003b Review of Business Continuity Plans across the Council's services. | The Business Continuity Manager is supporting service managers across the Council in carrying out a review of their Business Continuity Plans. This is designed to identify critical services and their continuity requirements, and will help ensure that their plans are based on accurate expectations of the provision available. It is planned to implement a rolling 18 month schedule of review for all the council's BCPs. This has been taking place and all plans are up to date, with a new review cycle underway. | Rob Miller; Ian Williams | Henry Lewis | 01-Dec-2020 | Sept 2020: The Council's Business Continuity / Corporate Resilience Management Group has asked for a review of service BCPs following the major ICT outage of 30 July 2020 to identify good practice and areas for further improvement.   |

| Risk Title   | Description of Risk  | Directorate                   | Current Risk Matrix | Risk - Latest Note  |
|--|--|-------------------------------|---------------------|---|
| SRCR 0021 Cyber / Information Security<br><b>INTERNAL /EXTERNAL RISK</b><br><b>FUTURE RISK</b> | There is a risk that the security of Council's systems, network and devices could be compromised. This would have very damaging, widespread implications. The sudden spread of the Coronavirus has increased risks here with the increased reliance on home working. | Finance & Corporate Resources |                     | <p>September 2020 - No further significant change. The Council's PSN accreditation has been renewed through to Jan 2021. Mitigation of this risk continues to be monitored by the Council's Information Governance Group. The Council's accreditations with external information security standards are therefore up to date. The Council's ICT team are also introducing proactive security assessment for new cloud based digital services and working with</p> |

|   |   |                             |                 |             | <p>the Cabinet Office, National Cyber Security Centre and Local Government Association to help shape future government security standards.</p> <p>The likelihood slightly decreased (4 to 3) at the previous 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 have been in line with Information Security risk management.</p>  |
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| Control Title   | Control Description   | Responsible Officer         | Service Manager | Due Date    | Control - Latest Note   |
| FR IT 0006a Ensure compliance with the PSN Code of Connection and other applicable standards (including the ICT security requirements for compliance with the NHS IGSOC). | <p>Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).</p> <p>In the wake of Coronavirus emerging and the new need for most Council staff to home work, all the protocols have been reiterated to staff, to ensure that in the environment of home working, standards are upheld and any security risks continue to be minimised. Regular support is on hand to deal with any uncertainties.</p> <p>This will be an ongoing annual activity (no fixed end date).</p> | Rob Miller;<br>Ian Williams | Henry Lewis     | 31-Dec-2020 | <p>Enhanced end-user training for information security and data protection was developed as part of the preparation for the General Data Protection Regulation. 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> <p>By the summer of 2019, the enhanced training has now been rolled out to 3271 officers and roll out to Members will take place soon. Enforcement of the mandatory training is also in place. This should help ensure full compliance (with annual refreshers thereafter).</p> <p>As of September 2020, there is no further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</p> |
| FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.   | <p>Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).</p>   | Rob Miller;<br>Ian Williams | Henry Lewis     | 31-Dec-2020 | <p>Sept 2020: No further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</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</p>   | Rob Miller;<br>Ian Williams | Henry Lewis     | 31-Dec-2020 | <p>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</p>  |

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|   | effectively so that the Council's systems remain supported.<br>This will be an ongoing activity (no fixed end date).  |                             |             |             | planned refresh of out of data software and hardware. This is ongoing as part of continuous maintenance and patching.<br><br>Sept 2020: No further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group. |
| 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;<br>Ian Williams | Henry Lewis | 31-Dec-2020 | Sept 2020: Work has continued to migrate from Windows 7 for the Council's legacy desktop service, but has been delayed due to the impact of COVID-19. Mitigation of this risk is in place and continues to be monitored by the Council's Information Governance Group.  |

| Risk Title  | Description of Risk   | Directorate                     | Current Risk Matrix  | Risk - Latest Note  |
|---|---|---------------------------------|--|---|
| <b>SRCR 0030</b><br>Pressures on Temporary Accommodation<br><b>INTERNAL RISK</b><br><b>CURRENT RISK</b> | The demand on temporary accommodation (TA) for homeless households exceeds the supply of property suitable for use, and also causes a clear shortfall between the subsidy provided and the actual cost of meeting TA need. This could result in serious difficulties in providing an effective provision for the accommodation of vulnerable children and adults, and also impact adversely on available budgets. This all produce financial, reputational and legislative (in terms of abiding by the Homelessness Reduction Act) risks. | Finance and Corporate Resources | <br>Likelihood<br>Impact | <div style="text-align: center;">  </div> <p><b>September 2020 – In light of COVID-19, score has risen.</b></p> <p><b>National update and drivers:</b></p> <p>Local authorities have a statutory duty to provide accommodation for homeless households that have been defined as being in priority need and unintentionally homeless, and are obliged to secure temporary accommodation (TA) for that household as an interim measure whilst a longer-term alternative becomes available. The number of homeless households in temporary accommodation across England climbed nearly 10% last year to reach a 14-year high as the coronavirus pandemic hit.</p> <p>Official figures released on Thursday also showed that councils assessed 75,140 households as either being homeless or threatened with homelessness within 56 days over the three-month period. That is a 9.7% jump from the figure for the previous quarter and the highest level since the assessment system was introduced in April 2018 as part of the Homelessness Reduction Act. On 31 March, there were 93,000</p> |



households in temporary accommodation including 129,380 children – up 5.3% from 88,310 households at 31 December and a 9.4% rise from the 85,040 recorded on the same date in 2019. The increase was mainly driven by single households, with a 28.5% rise over the 12-month period among this group.

DWP data released earlier this month showed more than 150,000 households had their benefits capped as of May 2020, an increase of 74,000 on the previous quarter.

Some 227,000 private renters are known to have fallen into arrears as of the end of June, and 174,000 have been threatened with eviction by their landlord or agent. The legal protection afforded to private renters as part of the Covid 19 Act has been extended for a further month until the end of September.

**Local update:**

The amount of temporary accommodation property needed to fulfill demand for homeless households continues to increase. The Council now houses the highest amount of households in temporary accommodation for a decade, at 3352 households, containing 3928 children. The sheer volume of units needed is expected to mean that the costs will continue to rise this year (especially in the aftermath of COVID-19 once the legal protection to private tenants expires in September 2020). Due to the closure of the rental market during the Covid emergency, the numbers of households usually exiting Temporary Accommodation ceased,

The number of households seeking advice and support with homelessness in borough has risen by 8.68% with 1352 households approaching YTD. The number of households booked into temporary accommodation is 455 YTD. This is artificially lower than the previous year due to the creation of the Covid 19 Emergency Accommodation Pathway which offered accommodation, food, health care and support to 251 individuals. This pathway hosts a mixture of rough sleeping clients some on a statutory and non statutory basis. This provision is costed separately and a bid has been made through

the newly created funding stream to MHCLG for £2.5m revenue and to GLA for 3.75m capital and £1.3m revenue.

The Council has estimated that a further 700 households will be impacted by the benefit cap by the Autumn due to the impact of the increase to the LHA levels and no adjustment to the overall benefit cap. Undoubtedly, this will cause an increase of those threatened with homelessness.

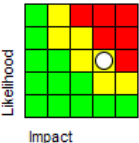

Currently the Council has no way of knowing the amount of tenants that are in rent arrears in the borough due to the economic downturn, who may present to the Council as homeless once the protection is lifted at the end of September. Despite delivery of 36 hostels within the borough, due to the ever increasing property prices in borough, 1332 of these households are placed outside the borough and London. Homeless households still present on the day and are placed wherever there is accommodation available, more often than not in Essex, Kent, Bedfordshire and Hertfordshire.

The Benefits and Housing Needs Service continue to look at ways to boost affordable temporary housing by pursuing hostel leases with private landlords and developers. 1 large hostel in borough is expected to open in September and another has passed planning permission stage for completion in 2021.

The Councils Housing Strategy Team are developing a Housing Supply Strategy as part of the Councils Housing Strategy, as all social lettings in the borough have dwindled and therefore the waiting times for social housing and length of stay in temporary accommodation is increasing. Current waiting times can be found here: <https://hackney.gov.uk/housing-application> The Housing Supply Strategy will pursue purchase of RTB properties, a cash incentive scheme and the usage of modular housing on meanwhile sites.

| Control Title   | Control Description  | Responsible Group Director / Officer | Service Manager | Due Date    | Control - Latest Note  |
|---|--|--------------------------------------|-----------------|-------------|--|
| <b>SRCR 0030a</b><br>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-Dec-2020 | Control ongoing September 2020<br><br>The Benefits and Housing Needs Service continues to utilise all Council owned void properties as temporary accommodation wherever possible and affordable to do so. In excess of 500 regeneration void properties have been utilised in this way.  |
| <b>SRCR 0030b</b><br>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-Dec-2020 | Control ongoing September 2020. The benefits and Housing Needs Service continue to make use of this wherever possible and affordable for homeless residents. Private Sector rented properties available outside the borough are the only realistic short term rehousing option. Various options to boost procurement in this area are being explored.<br><br>The Benefits and Housing Needs Service has increased the number of private rented properties procured for homeless households by more than 300% to 101 within the last three month period. This is compared to 25 for the corresponding three months last year. |
| <b>SRCR 0030c</b><br>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-Dec-2020 | Control ongoing September 2020.  |

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| <p>FR DR 0005 Recruitment and Retention / Workforce.<br/><b>EXTERNAL / INTERNAL RISK</b><br/><b>CURRENT RISK</b></p> | <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> | <p>Finance &amp; Corporate Resources</p> |  | <p style="text-align: center;"></p> <p>September 2020<br/>Within ICT, recruitment and retention continues to be challenging in key roles (especially data, development and delivery roles). The service continues to use approaches such as fixed term recruitment to meet anticipated demand for staffing, and agency staffing levels remain low. 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>The first phase of the ICT restructure finished last year 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 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 –<br/>-Following the completion of the ICT restructure we have successfully recruited permanently to 29 posts. The sources for the successful candidates were:</p> <ul style="list-style-type: none"> <li>○ External: 20</li> <li>○ Internal: 5 (existing Hackney employees)</li> <li>○ Agency: 4 (existing agency staff who are now permanent)</li> </ul> <p>-The staffing for our establishment once all new recruits have started will now be:</p> <ul style="list-style-type: none"> <li>○ Permanent staff: 100</li> <li>○ Agency cover: 2</li> <li>○ Vacant posts: 39</li> </ul> <p>-The vacancies include 18 apprenticeships which are currently being recruited to.<br/>-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"> <li>○ Data analytics</li> <li>○ Development</li> <li>○ Infrastructure engineers</li> </ul> |
|--|---|--|---|--|

|  |   |                     |                 |             | Ongoing work is taking place to assess the recruitment strategy for technology and data roles and identify further steps that can be taken to fill vacancies that arise. The ICT team have contributed to the development of the Council's new recruitment website. Use of longer fixed term commitments and effective recruitment activity has enabled a reduction in agency staffing to one third of the January 2018 (pre-restructure) level.   |
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| 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"> <li>- 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</li> <li>- review salary supplements to ensure that these are providing market competitive salaries and are also fair and transparent</li> <li>- review career development paths within the service and also ensure that apprenticeships / graduate trainee opportunities are being used effectively to develop internal talent.</li> </ul> | Ian Williams        | Rob Miller      | 30-Dec-2020 | <p>Sept 2020: work is close to completion for updating the salary supplement model, working closely with HR. This has been delayed due to the need to focus on the response to the COVID-19 pandemic and will be restarted in Q3 2020/21.</p> <p>The previous 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.</p> <p>ICT restructure 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.</p> |
| FR DR 007 A Training and development       | <p>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.</p> <p>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.</p>  | Ian Williams        | All managers    | 30-Dec-2020 | <p>Sept 2020: Training and development continues to receive significant focus and remains a high priority. The Council's first cohort of digital apprentices are graduating this year and successful recruitment for the second cohort has completed, despite the disruption caused by COVID-19.</p>   |