



Corporate Risk Management Performance Overview October 2021 (Appendix 2)

1. INTRODUCTION

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

2. CORPORATE RISK REGISTER

- 2.1 The table below is a scorecard of the Council's Corporate Risks, as ratified by the Hackney Management Team in June 2021, and further updated and discussed since then:

Corporate		Current Risk	Direction of Travel	Previous Score	Target Risk
1	Pandemic - further waves / lockdowns / negative impacts (COVID-19)	20	↓	25	12
2	Cyberattack (aftermath)	15	↔	15	10
3	National / International Economic Downturn (SRCR001)	20	↔	20	12
4	Management of Major Capital Programmes (SRCR002)	15	↔	15	9
5	Pension fund (SRCR 0010)	15	↔	15	12
6	Impact of New Legislation / Welfare reform (SRCR 0013)	12	↔	12	12
7	Workforce (SRCR 0018)	12	↑	8	9
8	Information Assets (SRCR 0020)	16	↔	16	9
9	Corporate Resilience (SRCR 0020B)	15	↔	15	12
10	Cyber / Information Security (encompassing fall out from the Cyberattack)	20	↔	20	9
11	Person suffers significant harm, injury or death (SRCR 0023)	15	↔	15	12
12	Risks posed by unregistered schools and settings (SRCR 0027b)	16	↔	16	12
13	Serious Safeguarding failure in regard to pupils not in school (SRCR 0029)	16	↔	16	12
14	SEND funding (SRCR 0028)	25	↔	25	12
15	Pressures on Temporary Accommodation (SRCR31)	16	↔	16	12
16	Inaccurate or late pay information supplied to LGPS (SRCR 0033)	20	↓	25	12
17	Setting up Council owned companies (SRCR 0035)	12	↔	12	9
18	Insourcing (SRCR 0036)	12	↔	12	9
19	Universal Credit (SRCR 0037)	20	↔	20	12
20	Climate Change / Climate Emergency	10	↔	10	8

Additional Risks		Current Risk	Direction of Travel	Previous Score	Target Risk
1	North London Waste Authority (NLWA)	12	↔	12	9
2	Reputation Management (SRCR 009)	9	↔	9	6
3	Insurance: Premiums exceed budget	16	↔	16	12
4	Major Fraud not identified (SRCR 0034)	9	↔	9	6
5	Breach of Statutory Requirements on Elections and Electoral Registration	12	↔	12	8

6	Integrated Commissioning (SRCR 0032)	16		16	12
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- 2.2 The Scorecard provides a quarterly overview of the Council's Corporate risks, along with a selection of leading Directorate risks (to ensure a comprehensive overview is provided). These are assessed in advance of each Audit Committee meeting and after being ratified by HMT, are updated accordingly. There is sometimes as little as two months between updates which means that scores can remain static for periods of time. This is not a reflection of a lack of dynamism within the approach, but rather the fact that high level scores are unlikely to change dramatically within short spaces of time. New risks are regularly incorporated into the Corporate Register and will always be marked as 'new'. The Scorecard will contain clear reference as to the movement (of the score) of the risk, and clarity as to the exact nature of the risk (whether it is of an internal or external nature to the Council).
- 2.3 In terms of this latest iteration of the (Corporate) register, there are 15 red risks and 5 amber risks. Clearly, numerous external events and influences are having a considerable impact on the Council's objectives, notably the continuing impact of the Coronavirus pandemic and the effects it is having in multiple areas, along with the Cyberattack which occurred in October 2020. Areas like finances (with budget cuts, and especially current challenges like the volatile energy market and rapid increases in cost of living) were already problematic before the pandemic, and they have intensified now, and the Cyberattack has severely affected the effective operation of some Services. The finalising of a Brexit deal at the end of 2020 meant that the previously high risk of there being 'no deal' has dissipated, but supply chain risks related to this are still a problem. The latest COVID-19 risk relates to the possibility of further waves occurring (or current numbers continuing to persist) and ensuring that the Council is well positioned to manage these. There also remain concerns about local uptake of the vaccines, and the overall effectiveness of testing and tracing. From an internal Council perspective there is a clear challenge to all Services, especially those of a more front facing nature and this is reflected in details on the Corporate register. An important control for the Council clearly lies in the detailed Business Continuity Plans which are up to date for every service area. These should provide assurance that in the continuing case of closures of offices and potential absences of staff, services can still continue to operate as effectively as possible. The Fire Safety risk on the previous iteration of the Corporate register remains extremely important but now sits at Directorate level, as does the Recruitment risk (which is also very important but effectively managed and now monitored as an HR risk), so there is a slight reduction in the number of risks from the earlier iteration.

Some risks have remained red with no change – this score reflects the continued severity of both the impact and likelihood of the risk. For example, financial cuts (and their effects) are likely to remain a significant risk, simply because they will always have a high impact on service delivery, and in the light of the current economic uncertainty, the chances of this continuing remain very probable. COVID-19 itself, has been having detrimental impacts on the overall world economy and stock markets which will be felt by all. However, even in the light of this continued red rating, the controls should still be able to provide assurance that the risk is being managed so far as is possible, and that the Council is taking appropriate action to best position itself in the light of challenging circumstances. Areas which are alluded to in the Corporate register, such as Integrated Commissioning and major

programmes like Britannia, have their own separate registers going into much more detail with regards to all areas of risk.

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

3. FUTURE REPORTING TO AUDIT COMMITTEE

- 3.1 The reporting of the Corporate risks to Audit Committee will continue at future meetings, on a quarterly basis. With twice yearly updates of the full Corporate Register, the next one is scheduled for January 2022, so the full details on all risks will be provided then.