

STRATEGIC RISK REGISTER - CHIEF EXECUTIVE'S DIRECTORATE**AUDIT COMMITTEE MEETING DATE**
2021/22

13th October 2021

CLASSIFICATION:

Open

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

WARD(S) AFFECTED

All Wards

Mark Carroll, Chief Executive

1. CORPORATE DIRECTOR'S INTRODUCTION

- 1.1 This report advises the Committee of the key risks facing the Chief Executive's Directorate in 2021/22 and the actions being taken to reduce the likelihood and impact of those risks. This is all part of the Committee's role in overseeing Corporate Governance.
- 1.2 A review of the risk environment and management actions that the Directorate has lead responsibility for has been undertaken. This will inform the review of the highest level Corporate Risk Register which is presented to the Audit Committee at every other meeting and is next due at the first meeting of 2022.
- 1.3 This report reflects for the first time the new service structure within the Chief Executive's Directorate, in particular the creation of a new directorate for Economy, Policy and New Homes (EPNH) incorporating the council's Regeneration responsibilities. Risks related to Human Resources are now included in the Finance and Corporate Resources Risk Register.

2. RECOMMENDATION(S)

- 2.1 There are no specific recommendations arising from this report.
- 2.2 The Audit Committee is requested to note the contents of this report and the Chief Executive's Directorate Risk Register attached at Appendix 1, providing any feedback on the management of those risks identified.

3. BACKGROUND

- 3.1 The Council is exposed to a wide number of risks in its ordinary activities. This report focuses on the key risks within the Chief Executive's Directorate, which includes the following service areas:
 - Legal and Governance Service
 - Economy, Policy and New Homes (inc. Elections)
 - Engagement, Culture and Organisational Development.
- 3.2 The changing risk environment and progress in managing down risks have been assessed by the Chief Executive's Group Directorate Management Team at its annual review. The team each take individual responsibility for managing and reporting on their associated risks, in line with their overall remit within the Council and this work has informed the review.

4. SUMMARY OF KEY RISKS

- 4.1 Full details on the key risks facing the Chief Executive's Directorate and associated controls are detailed in Appendix 1. As Directorate Risk Champion, it is the role of the Director of Economy, Policy and New Homes to ensure that there is appropriate focus and support on risk management

through a range of ongoing work. This includes; robust risk management across all major programmes and projects, a quarterly review of the risk environment, and dedicated task groups to tackle major risk. This work will be done in conjunction with the Corporate Risk Team.

Legal and Governance

- 4.2 The key risks facing the Legal and Governance Service remains ensuring that directorates seek timely legal advice and follow the advice received; that all decisions are made in a lawful and transparent manner; that key decisions are properly recorded on the EMKDN at the appropriate time; that the statutory publication dates are met for all agendas and reports; that meetings of the Council are conducted in accordance with the relevant procedure rules; and that the Legal & Governance Service have the requisite ICT software (legal case management and Mod.Gov) to undertake their roles in a timely and productive manner. Failure to manage these risks will have legal, financial and reputational risks to the Council.

Economy, Policy and New Homes (inc Elections)

- 4.3 In the area of Employment and Skills, there continues to be several external risks that could increase the level of need in the borough and compromise the council's ability to deliver on priorities including Brexit, Welfare Reform, the impact of Covid on unemployment and increasing demand for high skill levels in the local labour market. In addition, a new risk has been added in relation to the transition of the London Legacy Development Corporation and our work with the other Growth Borough Partnership.
- 4.4 Risks relating to the boroughs Community Strategy have been reviewed and updated. The main identified risk is that external factors such as Covid limit our potential to deliver on priorities and that this presents strategic and reputational risks. The likelihood of this happening remains high because of Covid and the pace of economic and demographic change in Hackney, coupled with the pace of institutional and fiscal change.
- 4.5 The continuing management of risks associated with key partnerships focuses on the priorities of the Council's Community Strategy and on the risk that partners' plans diverge from these priorities. Our controls place an emphasis on formal partnership providing leadership and strategic direction so that all partners are working towards a coherent, shared vision for the local area, as articulated in a Community Strategy.
- 4.6 The Chief Executive's Group directorate is now responsible for the management of risks relating to the council's role in the regeneration of the borough. These risks include the impact of new building safety regulations, staff retention and the longer term effects of covid on the local economy and house prices.

Engagement, Culture and Organisational Development

- 4.7 The main communications risk remains around effective community engagement, in particular the effect of Covid on face to face contact with residents. Community Engagement is a key driver of the Communications Strategy alongside Council Corporate Plan; all consultation adheres to the standards of the Council's consultation charter and community engagement plans align with corporate priorities.

5. POLICY CONTEXT

- 5.1 The Directorate's management of risk reflects the Council's framework for managing risk.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 This report is for information only and as such does not require an Equality Impact Assessment.

7. SUSTAINABILITY

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

8. CONSULTATIONS

- 8.1 This report is for information only and as such does not require any consultation.

9. RISK ASSESSMENT

- 9.1 This report deals with the overarching management of risk in the Chief Executive's Group Directorate.

10. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 10.1 Whilst consideration of the risk register has no direct financial impact, many of the risks identified therein would have financial impact if they were realised. They therefore continue to be monitored to ensure that they are controlled to an acceptable level and that future actions to manage the risks are on track.

11. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

- 12.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk, as set-out in regulation 3. This Report fulfills this requirement and ensures that the appropriate controls are in place and fully effective.

APPENDICES

Appendix 1- Chief Executives Directorate Risk Register (October 2021)

BACKGROUND PAPERS

None

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