

Finance and Corporate Resources Directorate Risk Register

September 2022



Generated on: 29 September 2022

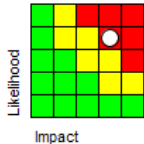

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 001 Budget Setting - Budgetary stability in relation to both budget setting and budgetary control and medium term financial planning INTERNAL & EXTERNAL RISK FUTURE RISK	<p>Due to ineffective planning, (or external 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 and the current cost of living crisis, this risk has seriously intensified with incomes reducing and costs dramatically increasing.</p>	<p>Finance & Corporate Resources</p>		<p></p> <p>Updated and amended September 2022.</p> <p>COVID-19 & the criminal cyber attack of October 2020 continues to have a significant impact on the Council's finances both in terms of additional costs and income collection. This is now compounded by the cost of living crisis and in particular rising energy costs. Additionally, the 22/23 pay offer (yet to be accepted) will place a further strain on finances.</p> <p>The July OFP reported to Cabinet in September forecasts a net overspend of £13.3m for 2022/23 which is reduced to £7.8m after the application of specific provisions and reserves set aside for the ongoing impact of the cyber attack and other pressures. Furthermore the pending pay award for the current year will exceed the provision made for in the budget. The Corporate Leadership Team will continue to consider further measures to reduce spend and report back in future OFPs. It is noted, for example, that specific measures have been identified in the high-spending areas of Adult's and Children's to bring down costs and the impacts will be factored into the forecast as and when then these materialise. Furthermore, additional one-off provisions were made as part of the budget setting process in relation to demand-led pressures and pressure on suppliers as a result of the NIC</p>

Document Number: 19196661

Document Name: F & R Oct 2022

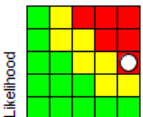

				<p>increase. At this stage these have not been applied in their entirety to the overspend position. Further consideration will be given to this as we get a better picture of the forecast as the year progresses</p> <p>The impending Fair Funding Review has over several years been reported as a risk to the finances of the Council as it almost certainly involves a loss to funding (possibly significant) which could have a severe impact on overall service delivery and strategic objectives. The Review was planned to be completed in the Summer of 2020 and introduced in 2021/22 but it has been postponed and is very unlikely to be introduced until 2025/26 at the earliest. So the risk remains albeit in the longer term. However one more immediate risk is that the Government may tinker with the grants system in 2023-24 and 2024-25 which could involve an unfavourable redistribution of resources away from Hackney.</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.</p>	
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>	Jackie Moylan	Mizanur Rahman	Ongoing	Forecasts indicate the ongoing impact of COVID-19, the cyber attack, inflation and demand pressures on the Council's budgets with a forecast overspend of £7.8m as at the end of July. Finance are working with the services to mitigate this pressure, however, unless additional Government funding is made available and/or there are significant reductions in spend levels, this position is likely to impact on the Councils reserve which have already been affected by both COVID-19 and the cyber attack.

FR AC 001B Corporate savings delivery	The Accounting function provides accurate information to budget holders to inform appropriate decision making around corporate savings requirement.	Jackie Moylan	Mizanur Rahman	Ongoing	Control updated Sept 2022 Note the Council's main accounting system was not impacted by the cyber attack.
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 allocated budgets as agreed through full Council.	Jackie Moylan	Mizanur Rahman	Ongoing	Control updated Sept 2022 Budgets set for the current financial year at Council in March 2022. Budget setting process for 2023/24 is well underway but is proving challenging with the ongoing impact of the cyber attack, inflationary pressures and demand pressures.
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)	Jackie Moylan	Mizanur Rahman	Ongoing	Control updated Sept 2022. Monthly reports to Cabinet (the OFP). Regular catch up meetings held between the S151 officer and the Mayor and the Lead Member for Finance as well as routine updates to Scrutiny and the Audit Committee.
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.	Jackie Moylan	Mizanur Rahman	Ongoing	Control updated Sept 2022. Key officers aware of changes to guidance and these are reflected in financial planning and the statutory accounts.

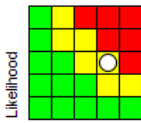
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 003 Accounts Closure INTERNAL RISK FUTURE RISK	Accounts are produced late, and the subsequent management of the audit then results in late production of the Council's accounts. The new deadlines introduced for 2017/18 closure of accounts 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	Finance & Corporate Resources		 Risk score has stabilised after the likelihood having risen at the last review.

	not meeting their own challenging deadline at the end of July, with additional regulatory scrutiny adding to the pressure.			Reviewed September 2022 - control ongoing. In the light of COVID-19, deadlines were relaxed for 2019/20, 2020/21 and 2021/22. The Accounts were produced late for 2020/21 due to the cyber attack. The audit of 2020/21 is substantially complete with the audit opinion delayed by a sector-wide issue in relation to infrastructure assets. The draft accounts for 2021/22 were published in line with the statutory deadline of the end of July 2022, however the external audit of the accounts is not due to commence until this month and there is a risk that the auditor will not have given their opinion by the deadline of the end of November 2022. This risk is driven by well- rehearsed issues in the external audit market.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 003A Annual statement of accounts process meets new, shorter statutory deadlines (31 May for publication of draft accounts and 31 July for publication of audited accounts).	. Appropriate staff expertise and resource are in place to meet needs of process . Detailed plan which meets new statutory timetable is in place which covers all parts of process and all stakeholders . Audit timetable is agreed with key stakeholders and monitored through process, with appropriate escalation processes where necessary . External Auditors are involved throughout, and well before the beginning of, the process . Interim audit is planned and agreed with external audit . Audit timetable for closing is agreed with external auditors which reflects need and appropriate scheduling of tasks 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.	Jackie Moylan	Mizanur Rahman	Ongoing	Controls updated September 2022- Statutory deadline for publication was met for 2021/22. Risk remains re the audit as set out above.
FR AC 003C Annual statement of Accounts meet latest CIPFA accounting code guidance	The Central Accountancy function keeps up to date with CIPFA codes through subscription to the latest version, liaison with external audit and peers.	Jackie Moylan	Mizanur Rahman	Ongoing	Controls updated September 2022 Note, no significant issues raised with 2020/21 audit to date, other than sector-wide infrastructure issue.
FR AC 003D Production of wholly owned subsidiary	Relevant officers given appropriate training Professional advice sought as necessary Appropriate accounting and audit processes, across LBH and subsidiaries are arranged well in	Jackie Moylan	Mizanur Rahman	Ongoing	Controls updated September 2022 Note, no significant issues raised with 2020/21 audit to date, other than sector-wide infrastructure issue.

accounts and group accounts	advance of closing period, with any issues resolved in time. Relevant processes and interactions built into closing timetable.				
-----------------------------	---	--	--	--	--

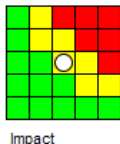

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0002 Management of Capital Programmes / Schemes EXTERNAL RISK FUTURE RISK	<p>From a financial perspective, as a result of substantial external borrowing to fund the ambitious capital programme, the Council moves from a debt free position and become more vulnerable to changes in the market (potential volatility of the housing market affecting sales volumes / value and increasing building costs as a result of weaker GBP against other currencies). This could lead to financial pressures as unexpected costs of borrowing would be incurred.</p> <p>Additionally, Major Capital Schemes may not be managed or targeted effectively to maximise use of resources available and ensure delivery according to expectations. This poses a risk to the successful completion of such schemes, incurring losses and dissatisfied stakeholders.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Neighbourhoods & Housing		<div style="text-align: right; margin-bottom: 10px;">  </div> <p>September 2022 - This risk is ongoing and intensifying somewhat in light of the quantity of high level programmes across the Council. Particularly in regards to property development, the ambitious capital programme requires forward funding, pending future sales of private residential units on completion of regeneration and other mixed use development schemes. In terms of this financial year, the capital programme for 2022/23 is currently £244.3m (non-Housing schemes totalling £120.3m and Housing schemes totalling £124m). A commitment to building affordable homes is part of the Mayor's priorities, so multiple building projects will be required to achieve this.</p> <p>The plans for Britannia 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 and has contracted construction specialist cost advice and financial viability advice for the project. This has meant that phase one (the school and leisure centre) have been delivered on budget. This approach will continue for phase two of the project, 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 on Morning Lane) contain detailed break clauses, which essentially provide guarantees that (even with the initial investment) the council cannot suffer serious losses. This risk has remained the same since the last period as there are no major changes to the project profile.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0002A Management of Capital Programmes / Schemes	All capital schemes are subject to review via the capital budget monitoring process. Slippages can be identified via this process and appropriate action taken. Following the Audit Committee Deep Dive, services have agreed to a target spend versus profile. The quarterly monitoring that is included in the regular Overall Financial Position (OFP) Report to Cabinet is also included in performance review report to Audit Committee.	Ian Williams	Jackie Moylan	Ongoing	September 2022 - The capital budget for 2022/23 is £244.3m (Non-Housing budget £120.3m and Housing budget £124m). The first re-profiling exercise of the year with a revised capital budget of £177.3m (Non-Housing budget £86.3m and Housing budget £91m).
SRCR 0002B Management of Major Capital Schemes	Major schemes are managed via project boards to ensure appropriate actions are taken to ensure delivery of scheme to expected standards.	Ian Williams	Jackie Moylan	Ongoing	September 2022 - Governance for major projects include next step gateway processes which ensure affordability of projects are subject to periodic review which is a significant risk in a time of high construction inflation.
SRCR 0002C Management of Major Capital Schemes	The Capital programme is currently subject to overall review in order to reduce the overall call on available resources and to ensure their use is prioritised in line with member decisions.	Ian Williams	Jackie Moylan	Ongoing	September 2022 - Following the Capital Management Review we are currently transitioning to new governance arrangements in respect of the Capital Programme. Via the new 'Capital Asset Steering Board' monitoring and oversight of the capital programme at member and chief officer level will be enhanced.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0002 Failure and Poor Performance of Suppliers and Contractors / Partnerships EXTERNAL RISK CURRENT RISK	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 negatively impact the services LBH can deliver. This could also result in notable financial losses for the Council (with additional resources spent on rectification of areas of non-compliance); also there would be high costs associated with re-letting contract if re-tender required. There is also the potential for there to be legal challenges	Finance & Corporate Resources	 <p>Likelihood</p> <p>Impact</p>	<p>September 2022 -</p> <p>The risk remains stable, but liable to change due to challenging and continuing external events (notably the cost of living crisis). 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, and the Learning Trust becoming Hackney</p>

	<p>from contractors dissatisfied with Council processes and decisions. All these risks are serious for the Council as it is supported by many of these bodies, or it is implicitly responsible for their financial soundness.</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. 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 during the 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>Education) 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 & bring more services back in-house, as a Manifesto commitment put forward by the Mayor in 2018. Council services worth nearly £12million every year are being reclaimed from private companies as part of a new strategy to deliver better, more reliable public services in-house rather than outsourcing them. Hundreds of cleaning, maintenance and parking enforcement staff were transferred to Council employment between January 2020 and March 2022, under a plan to bring in services from for-profit companies approved by the Council's Cabinet. This included over 130 parking wardens being brought back "in house" after previously having to contract for an external company (APCOA). This reduces risks related to external reliances.</p> <p>Brexit has also added to the uncertainty and risks in this area, but things have settled a little since the UK's formal departure. Risks still remain however.</p> <p>Across the Council, once Coronavirus became an urgent issue in March 2020 (and remains so over 2 years later), Contract managers were advised to review and have a clear understanding of contractual terms and conditions, in particular the force majeure provisions their contracts, to ensure that they could adequately deal with potential disruption to service should suppliers choose to trigger this clause. Key suppliers will need to be considered by all. Contracts registers have been updated and reviewed by all, with training /support provided. Use of the UK Government Digital Marketplace and Technology Code of Practice continues to open up the Council's supplier base.</p>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0002 Procurement to include definition of performance indicators and viability checks.	<p>Ensure that all procurements include definition of required performance indicators for the contract and financial viability checks before contracts are entered into.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Ian Williams; Rotimi Ajilore	Service Managers	Ongoing	<p>September 2022- : no further update or significant change - this is part of BAU. .</p> <p>Adoption of Technology Code of Practice provides a clear basis for assessment of future technology providers.</p>
FR IT 0002b Carry out regular reviews of identified key suppliers, including reviewing their financial viability.	<p>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.</p>	Ian Williams; Rotimi Ajilore	Service Managers	30 Oct 2022	<p>September 2022- :</p> <p>No further significant change. The ICT contracts register and commissioning plan is being used to support contract managers in proactive management of their contracts.</p>

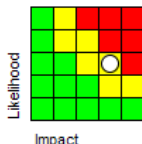

FR IT 0002c Identify opportunities for joined up supplier management with other Council services and external partners.	Work with other Council services who share common suppliers and also with external partners to maximise the impact of supplier relationship management activity. This will be an ongoing activity (no fixed end date).	Ian Williams; Rotimi Ajilore	Service Managers	Ongoing	Ongoing – continues as business as usual. September 2022. 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	Jackie Moylan	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR 0015 B Contracting / partnering	Monitoring of financial position by Section151 Officer and Director (Fin Man)	Ian Williams	Jackie Moylan	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR 0015 C Contracting / partnering	Post-implementation reviews carried out. Also a new Insourcing Guidance paper drafted.	Ian Williams	Rotimi Ajilore	30 Oct 2022	Reviewed September 2022- ongoing. Substantial progress made across the Council at insourcing more services.
FRDR 0015 D Contracting / partnering	Compliance with Contract Standing Orders.	Ian Williams	Rotimi Ajilore	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR 0015 E Contracting / partnering	Substantial Legal Services input into contract formulation and on-going advice.	Ian Williams	Rotimi Ajilore; Legal services	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR 0015 H Contracting / partnering	Improve and open information flows between the Council and its partners.	Ian Williams	Rotimi Ajilore	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR 0015 I Contracting / partnering	Additional training on contract negotiation skills, contract management.	Ian Williams	Rotimi Ajilore	30 Oct 2022	Reviewed September 2022- ongoing.
FRDR0015J - Immediate Coronavirus response - but continued good practice 2 years later.	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	Ian Williams; Rotimi Ajilore	All Contract Managers	30 Oct 2022	Reviewed September 2022- ongoing.

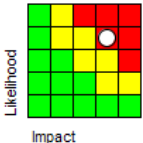

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR / AAF 015 Major fraud not identified INTERNAL RISK FUTURE RISK	The Council's response to a serious fraud is inadequate because either – (1) Management do not have adequate arrangements in place to identify irregularity in their service area;	Finance & Corporate Resources and Cross Council		 September 2022

	<p>(2) Concerns are identified but they are not reported to AAF in accordance with the Anti-Fraud & Corruption Strategy; or</p> <p>(3) There is a failure in the investigation process. This has not happened previously but it continues to be a risk we must guard against.</p> <p>Regarding the impact to the Council, 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 & Corruption Policy could lead to damaging accusations against the Anti-Fraud Service and the possible prosecution of innocent parties or failure to prosecute fraudsters, which would negatively impact on the Council's reputation.</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>The Covid pandemic and cyber attack resulted in new services being delivered at short notice and existing services being 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>It is widely acknowledged that fraud is likely to increase at times of rapid change, as a result the likelihood score remains at a 3, although new fraud types have not emerged as yet and the number of fraud cases is lower than pre-pandemic levels.</p> <p>New business systems have been introduced following the cyber attack, resulting in new processes and ways of working. Despite this progress there continue to be some legacy data issues which impact on multiple services, including AAF.</p> <p>AAF continue to provide advice to services about sensible precautions and adjustments to procedures to ensure 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>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AAF 015A – Cross organisation working & proactive approach of managers.	Fraud doesn't recognise geographical boundaries and the Council's approach to fraud is supported by good working arrangements between other organisations, including the police, local authorities, Cabinet Office (NFI), Borders Agency, HMRC etc.	Cross Council / Partnerships	All relevant managers	1 Dec 2022	August 2022 – ongoing.

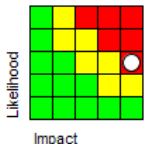

	SLAs are in place with RSLs. Also all managers need to be aware of their duties regarding suspicious activity, and how to comply with the Council's overall approach.				
FR AAF 015B – Robust Policy framework	<p>The Council has in place a number of key policy documents setting out the Council's approach, standards and expectations when dealing with suspected fraudulent activity. These include:</p> <ul style="list-style-type: none"> • Anti-Fraud and Corruption Strategy • Whistleblowing Policy • Codes of Conduct (staff and members) • Anti-Money-Laundering Policy • ICT policies & procedures • Financial Procedure Rules <p>These are reviewed on a regular basis.</p> <p>In addition, Audit and Investigations teams have policy and procedure documents which map the specific methodologies with which they carry out their work.</p>	Ian Williams	Michael Sheffield	1 Dec 2022	<p>August 2022 - Recommendations arising from fraud reports are tracked in the same way as those arising from audit reviews, so that progress toward rectifying any areas of concern that are identified can be monitored.</p> <p>The whistleblowing policy was updated in April 2022 and re advertised to all staff.</p>
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. If procedural issues are identified through AAF reviews, they are reported as widely as necessary within Hackney. Staff induction stresses the requirement to comply with the Code of Conduct.</p> <p>Particularly close links are maintained between investigators and service areas that are targets for fraudsters, for example, parking, housing, NRPf, contracts, etc. Specific high risk areas have received bespoke training.</p> <p>Notable investigation successes are reported to the Audit Committee and are advertised through the Comms team.</p>	Ian Williams	Michael Sheffield	1 Dec 2022	<p>August 2022</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> <p>Fraud intelligence is shared with service departments to raise awareness and identify issues at the earliest opportunity.</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.</p>	Ian Williams	Michael Sheffield	1 Dec 2022	<p>August 2022 A new case management system was introduced in April 2022 following the cyber attack, providing greater capacity to interrogate investigation data and improved case management.</p>

	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.				
--	--	--	--	--	--

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
FR DR 0001 Building Availability INTERNAL RISK FUTURE RISK	The Council is unable to conduct its business due to problems with the some buildings from which it operates. This could be caused by having to catch up on the historical lack of maintenance of buildings. This could result in incidents with severe financial or reputational impacts.	Finance & Corporate Resources		 September 2022 – Risk reviewed by Strategic Property Services Management team. An important development is that Stoke Newington Town Hall and Municipal Offices are now beyond reasonable repair and urgent refurbishment is needed. Discussions are underway to move the current occupiers to alternative locations, whilst full surveying and solutions are carried out. No further bookings for this building should be taken.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 001 A: Building Availability	Rolling programme of building surveys initiated to identify condition and risks.	Ian Williams	Chris Pritchard; Karon West-Clarke	30 March 2023	September 2022 - 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. As the above update shows, Stoke Newington Town Hall's building risks have been identified.
FRDR 001 B: Building Availability	Funding for reactive maintenance included in the Capital Programme.	Ian Williams	Chris Pritchard; Karon West-Clarke	30 March 2023	September 2022 - ongoing. This is managed by Corporate Property & Asset Management, (CPAM), for buildings under the Directorates financial control, along with the management of buildings for some other directorates.
FRDR 001 C Building Availability	Planned maintenance arrangements for new campus covering whole building lifecycle has been introduced.	Ian Williams	Chris Pritchard; Karon West-Clarke	30 March 2023	Ongoing September 2022 - 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 INTERNAL RISK FUTURE RISK	As a result of a worsening economy and challenging economic conditions (particularly from the Coronavirus pandemic, and now cost of living crisis), 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>September 2022 - Risk reviewed by the Acting Head of Commercial Estates.</p> <p>While the impact of Covid-19 on rental income has substantially reduced since the last update, we now have the cost of living crisis, which is expected to have a major impact on occupational costs and consequently property values. It is too soon to estimate accurately to what extent this will affect the Council's future rental income, but there is a strong risk of increased tenant default and longer void periods.</p> <p>During Covid, for the majority of tenants we were able to defer rent payments and agree repayment over an extended period. However, in many cases we were able to offer additional support in the form of rent free periods. Income forecasts were revised to now assume that rental income would be very significantly affected by Covid-19, and now from the cost of living crisis, which has noticeably worsened over the summer of 2022. 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 / cost of living crisis) been a considerable toughening in the commercial property market over the last 24 months, which was adding to this risk and increasing the likelihood. The team constantly keep 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	David Rice-Oxley	30-Mar-2023	Sept 2022 - this remains ongoing. The Council is continuing to chase historic debts and write off those considered as unrecoverable.
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	David Rice-Oxley	30-Mar-2023	Sept 2022 - ongoing. We are continuing to chase debt as an ongoing function of commercial property management. Numerous rent concessions were agreed as part of our support for our Covid-19 support for tenants. In some cases rent was deferred and this is now being monitored through the debt recovery process. Cost of living crisis is further having to be considered within this now.
FRDR 004 C Rental Income (Commercial)	Regular reporting as part of the OFP on income levels and historic debt.	Chris Pritchard	David Rice-Oxley	30-Mar-2023	Sept 2022 - There is regular reporting of commercial property income and debt to the Head of Finance and this is reported periodically as part of the OFP.

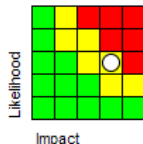

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
FR FSV 0040 Pensions - Assets Risk EXTERNAL RISK FUTURE & CURRENT RISK	<p>Asset risks (which would be the failure to meet overall objectives through poor asset performance) include:</p> <ul style="list-style-type: none"> . Concentration - The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives. . Illiquidity - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets. . Currency risk - The risk that the currency of the Fund's assets underperforms relative to Sterling (i.e. the currency of the liabilities). . Environmental, social and governance ("ESG") - The risk that ESG related factors reduce the Fund's ability to generate long-term returns. . Manager underperformance - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates. . Asset Pooling risk - that pooling prevents the Fund achieving its objectives. Excessive cost in the transition might contribute to this, as well as the potential of an excessive concentration of assets amongst relatively few large institutions. Also Central Government changes could destabilise things 	Finance & Corporate Resources		 <p>Reviewed September 2022 - ongoing. Asset risk includes a number of significant threats to the financial health of the fund. Likelihood reduced slightly, although conditions for investment markets over the long term remain uncertain,. Impact remains high , given the potential threat to the Fund's ability to pay benefits as they fall due if any of these events did occur. Asset risks are covered in more detail in the Fund's Investment Strategy Statement.</p>	

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR FSV 0040 A Investment in a range of asset classes	<ul style="list-style-type: none"> . The Fund's strategic asset allocation benchmark invests in a diversified range of asset classes . Rebalancing arrangements in place to ensure the Fund's "actual allocation" does not deviate substantially from its target - The Fund invests in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk. 	Jackie Moylan	Rachel Cowburn	07-April-2023	Reviewed September 2022 - ongoing.
FR FSV 0040 B Regular cash flow monitoring	<ul style="list-style-type: none"> . Investment across a range of assets, including liquid quoted equities and bonds, as well as property . Majority of the Fund's assets realisable at short notice . Medium term future cash flow position assessed at least triennially to indicate likely future income requirements. - Actual cash flows monitored on a regular (quarterly) basis to provide early warning of any insufficient funds 	Jackie Moylan	Rachel Cowburn	07-April-2023	Reviewed August 2022 - ongoing. Also, cash flow monitoring is being aligned to business objectives.
FR FSV 0040 C Currency hedging	<ul style="list-style-type: none"> . Investment in a range of overseas markets, providing a diversified approach to currency markets. - Maintenance of a 30% hedge to USD, EUR and JPY exposures within relevant mandates reflecting changes made to the overall investment strategy 	Jackie Moylan	Rachel Cowburn	07-April-2023	Reviewed September 2022 - 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.	Jackie Moylan	Rachel Cowburn	07-April-2023	Reviewed August 2022 - ongoing. Review of the Fund's Responsible Investment Strategy currently underway.
FR FSV 0040 E Multiple Managers & Performance assessment	<ul style="list-style-type: none"> . Appointment of more than one manager . Having a proportion of the Scheme's assets managed on a passive basis. . Regular assessment of performance - Replacement of managers if underperformance persists. <p>With Asset Pooling, the Council needs to monitor development / respond to consultations - responding where appropriate to influence outcomes. Also relationship management is key with the Fund being fully aware of developments at the pool level, and the pool being aware of and responding to the Fund's strategic requirements.</p>	Jackie Moylan	Rachel Cowburn	07-April-2023	Reviewed August 2022 - ongoing.

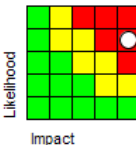

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
------------	---------------------	-------------	---------------------	--------------------

Document Number: 19196661

Document Name: F & R Oct 2022

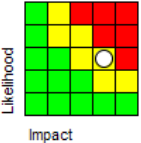

FR FSV 0043 Pensions – Poor Membership Data	Inaccurate payroll data supplied to the Hackney Pension Fund results in poor membership data.				
Inaccurate or Late Pay Information Supplied to Hackney Pension Fund (LGPS)/Local Pensions Partnership (LGPS)/Teachers Pensions INTERNAL RISK CURRENT RISK	<p>This poor administration (or inaccurate provision of data) 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. Inaccurate data could be submitted for valuation, and there could be inaccurate McCloud reconciliation. Data provided late also impacts on the Fund's ability to pay correct benefits and set accurate contribution rates. There also remains the risk of enforcement action against the Council by the Pensions Regulator.</p> <p>A related risk lies with the reliance on external systems. That the Fund's assets, systems or data are compromised including financial / data loss or systems downtime.</p> <p>Finally, other external factors (including regulatory changes) could impact the administration of the Fund - eg - changes from the McCloud case could impact the quality / timeliness of administration of the Fund.</p>	Finance & Corporate Resources			Reviewed September 2022 – the likelihood of this risk remains possible, although has slightly reduced given improved year-end data supplied over recent years. Significant problems with the payroll data being provided by the Council in the past has meant that the quality of membership data had deteriorated, particularly since the introduction of the 2014 CARE scheme. The complexity of the scheme has increased significantly and the Council's payroll provider has previously 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 improving and obtaining better data for reports etc have started to be more successful, hence the slight improvement. A major project aimed at producing single source interface file for the current financial year has made significant progress with full test files having now been produced. These are currently being reconciled ahead of test runs into the pensions administration system.
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRTF 0043 A Monitoring of membership data	Annual monitoring of membership records, valuation checks, external data validations (done by a third party administrator).	Jackie Moylan	Rachel Cowburn; Jacqueline King	30-Nov-2022	Reviewed September 2022
FRTF 0043 B Contributions monitoring	Monthly monitoring of contributions to ensure that employers are paying across correct contributions along with membership data being supplied (done by a third party).	Jackie Moylan; Stuart Thorn	Rachel Cowburn; Jacqueline King	30-Nov-2022	Reviewed September 2022 - 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.	Jackie Moylan	Rachel Cowburn	30-Nov-2022	Reviewed September 2022-enhanced monitoring etc with implementation of new contract
F RTP 0043 D Support & Payroll development	Provision of employer support to ensure employers have the knowledge and understanding necessary to provide correct information. 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.	Jackie Moylan; Stuart Thorn	Rachel Cowburn; Jacqueline King	30-Nov-2022	September 2022 - development of the employer portal continues with intention 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.
F RTP 0043 E Payroll data service	Ongoing project to develop single source interface from Midland Itrent payroll to the pensions system. All stakeholders for part of the project team with oversight/project management from governance and benefits advisers, Aon.	Jackie Moylan; Stuart Thorn	Rachel Cowburn; Lucy Patchell	30-Nov-2022	September 2022 - Test files have now been run with manageable exceptions. This project is nearing completion with consideration of process/ownership of running files as part of BAU now in progress
F RTP 0043 F - Reliance on external systems	All teams complete a Business Impact Analysis to assess timescales and impact of system failure. Also, the Pension Investments and Pensions Administration Business Continuity detail actions to take in the event of a system failure. Finally, assurances of system security are sought from third parties, along with suitable firewalls.	Jackie Moylan	Rachel Cowburn	30-Nov-2022	September 2022 - this is ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0053 Pension Funding Risk EXTERNAL RISK FUTURE RISK	Funding risks to the Council's finances include: . Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities. . Inflation risk. The risk that price and pay inflation is significantly more than anticipated, increasing the value of pension benefits accrued by active and deferred members of the Fund as well as increasing the value of pensions in payment.	Finance & Corporate Resources		 Reviewed September 2022– likelihood of risk materialising remains high, given the continued volatility and

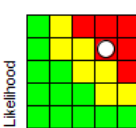
		<p>. Changing demographics –The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits.</p> <p>. Systemic risk - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial ‘contagion’, resulting in an increase in the cost of meeting the Fund’s liabilities.</p> <p>The sudden emergence of COVID-19 (hitting the UK in March 2020), had an immediate and seismic impact on finances worldwide, with stock markets immediately falling substantially and before continuing to recover. A recent drop again presents these risks once again. Long term, the risk here is that the economy fails to recover sufficiently and the fund suffers considerable losses.</p>			uncertainty in investment markets and the ongoing impact of changing demographics. Ongoing uncertainty remains as Covid/Brexit impact lingers - although initial dramatic fall experienced at start of pandemic recovered. Uncertainty remains regarding the future. Further detail on the treatment of funding risks can be found within the Funding Strategy Statement	
Control Title		Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFSV 0053B Pension - Valuation Monitoring		<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">. financial mismatch. falling risk free returns on government bonds. higher than anticipated inflation.. Increasing fund maturity. Insufficient deficit reduction payments <p>Consistent monitoring of asset allocation and investment returns. Also regular scrutiny of providers.</p>	Jackie Moylan	Rachel Cowburn	30 Nov-2022	Reviewed September 2022 – ongoing. Currently reassessing liabilities and requirements for matching assets at the triennial valuation.
FRFSV 0053C Diversified Portfolio		<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.</p> <p>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>	Jackie Moylan	Rachel Cowburn	30 Nov-2022	Reviewed September 2022 – ongoing.

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

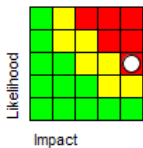
FR IT 004 Risks arising from the (October 2020) Cyberattack INTERNAL RISK FUTURE RISK	<p>In the aftermath of the cyberattack (October 2020) on the Council's legacy internally hosted systems, there are continued impacts on services where work to recover systems and data is not yet complete (potentially heightened by the ongoing pandemic).</p> <p>Substantial progress has been made with investigation and recovery, but this is still expected to take a significant period of time (at least many months). This presents significant risks in terms of service delivery and the ability of the Council's staff to carry out their roles in full.</p> <p>Data stolen by the attackers was published to the dark web in early January 2021, which presents a further risk. There is also the risk that recovery work may introduce new vulnerabilities / reintroduce vulnerabilities which existed at the time of the attack / retain elements of the attack which could be reused in future.</p>	Chief Executive's; Children and Education; Adults, Health and Integration; Finance & Corporate Resources; Climate, Homes & Economy		 <p>September 2022 - Further progress has been made with recovery and more services are now operating normally. Some workaround processes remain while recovery / rebuild of systems continues. The position is much stronger than when last reviewed.</p> <p>The Council is continuing to progress the recovery of the systems and data that were affected by the cyberattack of October 2020. While there remains significant work to fully restore services, progress has been made across all of the Council's recovery priorities.</p> <p>As recovery of systems and data continues, the Council's ICT team and service teams are working closely together to coordinate the planning and delivery of service recovery. In some of the affected service areas the recovery work to process operational backlogs is expected to continue for many months. The Council's Cyber GOLD (recently stood down) / SILVER groups continue to meet to monitor and direct the recovery.</p> <p>Work is continuing to respond to the publication of stolen data in January 2021.</p> <p>The Council is continuing to cooperate closely with the Information Commissioner's Office to support their investigation into the attack.</p>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 004a Recovering data	The cyber attack has resulted in all internally hosted legacy systems being unavailable. The recovery work is complex and extensive, so priority will need to be given in line with the Gold priorities.	Ian Williams	Rob Miller	30-Mar-2023	<p>September 2022</p> <p>The recovery work is continuing in line with the priorities set by Cyber Gold. The most critical services are:</p> <ul style="list-style-type: none"> • Mosaic (social care) • Academy (benefits and revenues) • M3 (Planning and land charges) • Housing (delivery of modern digital tools to replace the legacy system)

					<p>In all cases significant progress has been made, but due to the severe and complex nature of the attack there is still further work needed to fully recover all services.</p> <p>System recovery work and backlog clearance in Revenues and Housing Benefits means that Council Tax and Business Rates are now operating in normal timescales and Housing Benefits is expected to reach the same position towards the end of the calendar year.</p> <p>The social care system has been restored for children's social care and work is in progress to migrate adults' social care to the system by the end of the year (with interim systems in place to ensure service continuity).</p> <p>There are some data sets where recovery work is still subject to technical investigation, so timelines for full recovery are not yet clear.</p>
FR IT 004b Service continuity	<p>The systems that have been impacted by the cyber attack are essential for the delivery of many of the Council's critical services including: social care; housing benefits; Council Tax and Business Rates; land charges; and housing services.</p> <p>These systems and data sets being unavailable has a major impact on those services and business continuity and contingency arrangements will be essential to delivery of the most critical parts of those services.</p>	Ian Williams	James Groom	30-Mar-2023	<p>September 2022</p> <p>Coordination of service continuity and recovery continues and is led by the Corporate Leadership Team / directorate leadership teams.</p>
FR IT 004c Maximizing existing tools	<p>While primary services systems are unavailable it is essential to explore alternative interim tools that can be made available to support service continuity arrangements. The Council has a number of tools it can deploy to provide this, including tools developed using the Amazon Web Services cloud platform and Google Workplace.</p>	Ian Williams	Rob Miller	30-Mar-2023	<p>September 2022</p> <p>Where practical the Council's existing investments have continued to be used to provide interim solutions for service continuity and longer term migration of data and services to the cloud.</p>
FR IT 004d Communication to residents and staff	<p>Many services that residents depend on have been impacted by the attack, and they need to be kept updated on the progress.</p>	Ian Williams	Rob Miller, Comms team	30-Mar-2023	<p>September 2022</p> <p>Services are continuing to maintain updated information about the recovery of their services on the Council website. Progress updates have been provided to Members and the Council is continuing to</p>

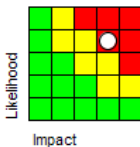
					engage positively with media enquiries about the continued impacts of the attack.
FR IT 004e Security of recovery work	<p>The work to recover systems and deploy contingency tools needs to move at pace and involves a large number of pieces of work. This presents potential security risks from using tools in different ways and the pace of work.</p> <p>There are also potential security risks arising from restoring legacy systems, with the risk that pre-existing vulnerabilities and any remnants of this attack are returned into the operational environment.</p>	Ian Williams	Rob Miller	30-Mar-2023	<p>September 2022</p> <p>The recovery is in line with our pre-existing plans for migration to modern, cloud services and provides the best possible cyber protections for the Council's systems and data.</p>
FR IT 004f Data exfiltration risk	<p>Alongside the significant disruption to the Council's services, data stolen-by the attackers was published on the dark web in early January 2021.</p> <p>This presents a risk that the Council will need to control against-for an extended period of time (years), and a data response team has been established.</p>	Ian Williams	Rob Miller	Ongoing	<p>September 2022</p> <p>The Council has continued to work in line with the risk mitigation plans that have been developed.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0001 Information Assets INTERNAL RISK FUTURE RISK	The Council holds a wealth of information assets across its services. It is essential that this is managed in compliance with requirements such as the Data Protection Act, the NHS IG Toolkit and also the General Data Protection Regulation (which came into effect from May 2018). Failure to do this creates serious regulatory / legislative risks for the Council. 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>Likelihood</p> <p>Impact</p>	<p>September 2022</p> <p>No substantive change to the risk.</p> <p>Following the cyber attack in October 2020, the Council took swift action to notify national Government and also the Information Commissioner's Office. The Council is continuing to work closely with the Information Commissioner's Office to support their investigation into the incident.</p> <p>The Council's preparations for GDPR helped to support the incident response. Specifically, the Information Asset Register has been effective in providing the basis for assessing the risks of data exfiltration / publication to inform mitigation plans.</p>

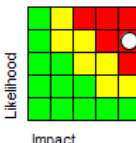

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0001a Information management	<p>Ensure effective information management policy and processes are in place so that the Council meets the requirements of the Data Protection Act / other legal and regulatory compliance arrangements.</p> <p>Ensure that the Council's information assets are managed robustly and used effectively to provide insight and to integrate Council and partner services, and deliver the maximum benefit to residents and businesses.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Ian Williams	Rob Miller	30-Mar-2023	<p>September 2022</p> <p>Following the cyber attack on 11 October the Council took swift action to notify national Government and also the Information Commissioner's Office. The Council is continuing to work closely with the Information Commissioner's Office to support their investigation into the incident.</p> <p>The Council's preparations for GDPR have helped to support the incident response. Specifically, the Information Asset Register has been effective in providing the basis for assessing the risks of data exfiltration / publication to inform mitigation plans.</p>
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>	Ian Williams	Rob Miller	30-Mar-2023	<p>September 2022</p> <p>Review of third party information sharing is coordinated by the Information Management Team, who support services in applying the relevant Council policies to their information sharing arrangements.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0021 Cyber / Information Security INTERNAL /EXTERNAL RISK FUTURE RISK	There is a risk that the security of Council's systems, network and devices could be compromised. This would have very damaging, widespread implications. Especially because reliance on these systems have increased in the aftermath of the COVID-19 crisis.	Finance & Corporate Resources		<div data-bbox="1563 1058 1650 1099" style="border: 1px solid black; width: 40px; height: 26px; margin-bottom: 10px;"></div> <p>September 2022</p> <p>The recovery is in line with our pre-existing plans for migration to modern, cloud services and provides the best possible cyber protections for the Council's systems and data. Our recovery is consistent with the Council's pre-existing technology strategy, through which we have removed a number of underlying risk factors (eg replacement of Windows PCs with Chrome OS devices for almost all users).</p>

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).	Ensure that good security practice is reflected in the Council's technical architecture and operational practices, including annual PSN Code of Connection compliance assessment (supported by IT health check). This will be an ongoing annual activity (no fixed end date).	Ian Williams	Rob Miller	30-Mar-2023	September 2022 The Council has a current PSN compliance certificate, valid to January 2023. The Council worked with the Cabinet Office to prepare the submission for this PSN accreditation based on the new architecture for our recovered systems.
FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.	Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).	Ian Williams	Rob Miller	30-Mar-2023	September 2022 The Council's Data Awareness Training continues to be managed as a Business As Usual process for all users (including Members). Users are required to complete the training and access is removed if it is not completed.
FR IT 0006c Ensure that all hardware and software is supported for security updates.	Ensure that infrastructure and application lifecycle management practices are in place and functioning effectively so that the Council's systems remain supported. This will be an ongoing activity (no fixed end date).	Ian Williams	Rob Miller	30-Mar-2023	September 2022 Our security assurance workstream is establishing our policies and processes for ongoing management and assurance of our systems and data. This includes compliance with NCSC guidance and other required standards.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0043 Recruitment and Retention / Workforce. EXTERNAL / INTERNAL RISK CURRENT RISK	Within a competitive market, numerous Service Areas (particularly ICT) are struggling to successfully recruit for important positions, and seeing a high turnover adding to recruitment pressures. Failure to successfully tackle this could seriously impact service delivery. 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.	Finance & Corporate Resources		September 2022 - NEW This has also been re-escalated to the Corporate register, reflecting its severity. Previously, it had remained a risk at Service level but was taken off this register following the successful completion of the ICT restructure in 2020. Significant market pressures and demand for digital skills, with high turnover within the Council (particularly at Senior level) and other employers who need similar skills, have necessitated

	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.			its inclusion again.	
Control Title	Control Description	Lead Responsible Officer(s)	Service Manager	Due Date	Control - Latest Note
SRCR 0043a Recruitment and Retention (ICT)	The ICT service will work with HR / OD to carry out the following suggested mitigations: - review recruitment strategy and identify other measures which can be taken to promote Hackney Council as a great place to work in technology and attract high quality candidates - review salary supplements to ensure that these are providing market competitive salaries and are also fair and transparent - review career development paths within the service and also ensure that apprenticeships / graduate trainee opportunities are being used effectively to develop internal talent.	Ian Williams	Rob Miller	31-March-2023	September 2022 Work is in progress to finalise restructure proposals for the ICT service, including benchmarking of roles against the market and comparator councils. The new structure will continue the substantial commitment to apprenticeships (which has seen 2 cohorts of digital apprentices since it was launched, with over 50 apprentices). The Council is also working with the London Office of Technology & Innovation to develop a pan-London approach to developing digital skills and teams, including collaborative recruitment (https://loti.london/jobs/) and shared approaches to service development and career progression (https://loti.london/resources/jd-library/).
SRCR 0043b Training and development	Training and development needs for all staff have been captured from yearly appraisals and 1-2-1 documents. All HR procedures are followed correctly to ensure staff are valued and treated appropriately whilst at work. Where possible acting up and secondment opportunities are made available to staff. This helps contribute to an improved experience of working at Hackney and to an extent, mitigates the risks of absences and departures.	Ian Williams	All managers	31-March-2023	September 2022 Staff training and development needs will be assessed as part of the work to deliver and embed the new service structure for ICT.

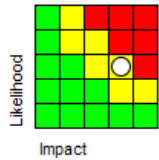
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0030 Pressures on Temporary Accommodation INTERNAL RISK CURRENT RISK	The demand on temporary accommodation (TA) for homeless households exceeds the supply of property suitable for use, and also causes a clear shortfall between the subsidy provided and the actual cost of meeting TA need. This could result in serious difficulties in providing an effective provision for the accommodation of vulnerable children and adults, and also impact adversely on available budgets. This all produces financial, reputational and legislative (in terms of abiding by the Homelessness Reduction Act) risks. The risk is currently heightened by high numbers of homeless singles with multiple, complex and high risk needs, and often a dual diagnosis with no suitable accommodation offer.	Finance and Corporate Resources	 <p>Likelihood</p> <p>Impact</p>	 <p>September 2022</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.</p> <p>The number of households seeking advice and support with homelessness in the borough has risen by 52% since March 2018 and the introduction of the Homeless Reduction Act.</p> <p>Since April 2022 we have seen a further 7% increase in households requiring temporary accommodation with an increase seen in those fleeing domestic violence and gang violence. Homeless households are still presenting on the day and are placed wherever there is accommodation available.</p> <p>The amount of temporary accommodation needed to fulfil demand for homeless households continues to increase. Current TA levels are on the increase, 3117 households, with 1000 placed outside the borough despite the use of all void properties and the creation of a number of new TA hostels and RTB buy back programmes to boost social housing availability. Despite c.2000 temporary accommodation units within the borough, demand far outstrips supply.</p> <p>We have seen four major changes this quarter:</p> <ol style="list-style-type: none"> 1. Temporary Accommodation providers are now leaving the market with currently 30 properties requested back from Council usage and securing temporary accommodation, even outside London boundaries, is challenging. 2. Remaining TA providers are requesting steep increases in rates and officers are modelling a range of increases. In the meantime, the usage of commercial hotels is increasing. 3. Increased competition from the Home Office for their Asylum accommodation programme is affecting LA's ability to procure property and observe agreed Pan London rates across London. The Home Office recently procured a property of 60 rooms within the borough gazumping the Council by a suspected £437k pa. 4. Temporary accommodation providers who own their buildings are having cash flow problems and are now selling their properties onto their competitors. The risk of these hostels being requested back from the Council has increased suddenly.

				<p>The majority of the Council's expenditure on temporary accommodation is on c.1000 households placed outside the borough and London in nightly paid accommodation. The Benefits and Housing Needs Service in conjunction with Strategic Property Services and Housing Strategy team continue to look at ways to boost more affordable temporary housing in borough by pursuing hostel leases with private landlords and developers, to reduce the reliance on nightly paid accommodation and contain expenditure. Keen negotiating on new hostels, lease renewals and refurbishment deals for hostels in the borough is evidenced via cabinet reports.</p> <p>However, this programme is no longer enough and an urgent injection of stable temporary accommodation is needed. Purchasing of properties and procurement of temporary accommodation in Peterborough is currently being explored.</p> <p>The sheer volume of TA units, the increasing rates of providers, an increase in utilities and repairs and maintenance costs means that temporary accommodation expenditure will continue to rise this year and next.</p>
--	--	--	--	---

Control Title	Control Description	Responsible Group Director / Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0030a Utilising all available accommodation	Utilise 100% of all regeneration voids as additional temporary accommodation reducing the need for costly nightly paid TA provision.	Ian Williams	Jennifer Wynter	31-Nov-2022	September 2022- The Benefits and Housing Needs Service continues to utilise all Council owned regeneration void properties as temporary accommodation wherever possible and affordable to do so. The current figure is c.738 units. There are no further regeneration voids available as the surplus that were unusable for TA were brought into use for the Council Afghanistan refugees programme.
SRCR 0030b Make best use of the provision of discharge of duty into the private rented sector	Additional duty afforded LA's to discharge our homeless duty with provision of an affordable 1 year monthly PRS let, albeit if further homelessness within 2 years we retain the duty. TA strategy in place and agreed way forward with Mayor & Members on OOL placements.	Ian Williams	Jennifer Wynter	31-Nov-2022	<p>September 2022 - The Benefits and Housing Needs Service has formally discharged the Councils housing duty by securing tenancies for 265 households into the private rented sector for 2021/22.</p> <p>For the first time we are starting to see the constriction of the private rented sector in Hackney.</p> <p>The number of private rented sector (PRS) lets achievable are dependant on three variables:</p> <ul style="list-style-type: none"> • Resident willingness to move into the PRS • Number of staff available with the right tools, including finance, to support the individual and the landlord with a move

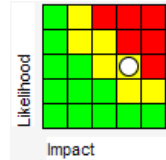

					<ul style="list-style-type: none"> rental market buoyancy. <p>The number of staff and tools to support residents moving has been boosted by the creation of a new team, Prevention to PRS (funded by Homeless Prevention Grant monies) to assist residents during the prevention stage of the statutory duty to move into the PRS and thereby avoid the usage of costly TA.</p> <p>However, the rental market in Hackney has recovered from the affects of the Covid pandemic and the ability to secure affordable rented properties is virtually impossible. Capital Letters (pan London provider of PRS properties) is also struggling to secure properties and Central Government has reduced their procurement targets from 4000 units pa to 1000 pa in recognition of the tough market. Capital Letters are averaging the provision of three properties per month to the Council.</p> <p>Previous out turn is below: 2018-19 = 88 2019-20 = 118 2020-21 = 466 2021-22 = 391 2022-23= 102</p>
SRCR 0030c Observe pan London cap on nightly paid accommodation procurement	Maintain influence on the rental market by continued observation and no breaches (except emergency disabled accommodation) of the agreed Pan London TA rent cap.	Ian Williams	Jennifer Wynter	31-Nov-2022	September 2022 - Reports issued quarterly to pan London Homeless group for monitoring purposes identify that Hackney now has one of the highest breach rates in the Capital. The reason for this number of breaches is to prevent families staying in B&B for more than 6 weeks (illegal practice) and to secure properties for disabled and large families. The only alternative to this position is to increase the Pan London rate for Hackney, which will result in increasing the rental market further and will encourage existing hackney providers to ask for the additional rates for existing placements incurring a large financial outlay.
SRCR 0030d Provide appropriate accommodation with support for mental and physical needs	C.40% of all single homeless residents that approach for help have a support need and 19% of these have multiple and complex needs. Large supported schemes, rough sleeping pathway, general needs housing do not work for this client group and do nothing to mitigate the risk of further deterioration and suicide and in some cases increase the risk. Look to provide a housing option and support that suits mental, physical and behavioural needs - ie dual diagnosis specialist schemes and	Ian Williams	Adults Social Care Commissioning	31-Nov-2022	September 2022 - It is Adult Social Care who now provide and commission supported accommodation for Hackney.

	additional housing first. First chance, last chance saloon assessment model needed in addition.				
--	---	--	--	--	--

Risk Title *	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
Risk LR HR 1920 004 Workforce	<p>There is a risk that after many years of austerity, the Council's workforce is not fit to deliver services effectively and provide the support that the community expects. If resources and ability are not in place or effectively supported, service delivery will suffer.</p> <p>There is also a risk that the Council's workforce does not reflect the diverse community that we serve.</p> <p>Also, risks relating to equality within the pay, grading and terms and conditions structure could lead to grievances and/or claims alleging equal pay, equal value and/or discrimination.</p>	Finance and Corporate Resources		The Chief Executive's Directorate now have responsibility for the workforce strategy and 2021 saw the launch of the Inclusive Management Toolkit, which was shared with all at the Council. This will continue to be reviewed in light of the Covid pandemic.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
LR HR 1920 004 A Workforce Strategy	A comprehensive workforce strategy addressing issues raised by Covid pandemic is being put into place and approved by CLT. Workforce is a regular monthly item on the CLT agenda, where progress on the actions and controls outlined in this risk are discussed.	Mark Carroll	Polly Cziok	Nov 2022	September 2022 - workforce strategy has been reviewed in light of Covid pandemic. This has now been moved as a responsibility within the Chief Executive's Directorate

LR HR 1920 004 B Inclusive Leadership Action Plan	A specific and comprehensive action plan that addresses workforce diversity priorities and embeds and inclusive leadership culture to be put into place and delivered. Also, the Council undertook a local recruitment campaign in order to attract local people to work for the Council.	Mark Carroll	Sonia Khan	Nov 2022	September 2022 The majority of senior managers participated in inclusive leadership training, delivered by inclusive leadership champions, recruited from across the organisation. We are progressing actions on workforce diversity, having drawn on insight from focus groups and co-produced solutions with staff. These actions and priorities have been revised in the light of the pandemic.
LR HR 1920 004 C Enhanced Workforce Data	Workforce analysis capability to be enhanced, including analysis of pay gaps and a review of the data provided in the workforce profile.	Ian Williams	Stuart Thorn	Nov 2022	September 2022 Gender and Equalities Pay Gap reports are submitted to full Council in January each year. Gender Pay Gap Report is then published on the Council's Website. Annual Pay Statement is also approved by Full Council in January each year.
LR HR 1920 004 D Data monitoring of HR processes	Work to be undertaken to collect demographic data of employees within HR processes, starting with the Grievance process as a proof of concept. Also, there is a technology plan in place to ensure the technology we operate keeps pace with the way we need to deliver services.	Ian Williams	Stuart Thorn	Nov 2022	September 2022 - Because of the Cyber Attack ICT have not been able to focus resources on this.
LR HR 1920 005 E Agency Spend	The Chief executive tasked CLT with reducing agency spend in order to reduce the risk of an unstable workforce and excess spend	Mark Carroll	Mark Carroll	ongoing	Sept 2022 - this is ongoing and has been identified as a further opportunity for savings.
LR HR 1920 004 I Organisational Change Policy	There is a comprehensive and best practice organisational change policy and procedure in place to manage the changes that the Council needs to implement in the workforce.	Stuart Thorn	Stuart Thorn	ongoing	September 2022 - This Policy is deemed fit for purpose, however, additional management guidance was introduced to support managers during the COVID Pandemic. The Organisational Change Policy will be reviewed in accordance with the corporate guidelines or change in employment legislation
LR HR 1920 004 J Equalities in pay	The legal landscape and equality in the pay and grading structure continue to be monitored ongoing. Also, a control and monitoring system has been implemented for market supplements	Stuart Thorn	Meryl Wade	ongoing	Pay questions were particularly prevalent at the last review as a result of potential issues in the Housing Fair Pay scheme.

Risk Title *	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
LR HR 1516 001 HR Systems	HR and payroll systems are critical to the operation of the Council. If these were to fail, the consequences would be severe with employees not being properly remunerated on time creating widespread dissatisfaction which could then impact on service delivery.	Finance and Corporate Resources		 <p>Risk reduces in severity and likelihood as new system has now been implemented. Incremental improvements being made. Following the COVID Pandemic a review needs to take place in respect of the process for BACS payment and options could include asking our Payroll Provider to undertake this role.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
LR HR 1819 001 A HR systems	There is ongoing monitoring of system speed, resource issues and support issues by ICT	Ian Williams	Rob Miller	Nov 2022	September 2022 - control updated
LR HR 1819 001 B HR systems	A project has been set up to manage improvements to the system and processes whilst maintaining core performance	Stuart Thorn/Rob Miller	Jacqueline King / Stuart Thorn	Nov 2022	September 2022 - control updated
LR HR 1819 001 C HR systems	Switch more resources into payroll and HR systems as this is where the issues currently are.	Stuart Thorn	Jacqueline King	Nov 2022	A structure review of Payroll and HR Systems was planned. Unfortunately, the review cannot take place because a number of posts within Payroll and HR Systems are not funded