

<b>Title of Report</b>	<b>CHIEF EXECUTIVE'S DIRECTORATE RISK REGISTER - COVERING REPORT</b>
<b>For Consideration By</b>	Audit Committee
<b>Meeting Date</b>	25th October 2023
<b>Classification</b>	Open
<b><u>Ward(s) Affected</u></b>	All Wards
<b><u>Group Director</u></b>	<b>Dawn Carter-McDonald, Interim Chief Executive</b>

## **1. CORPORATE DIRECTOR'S INTRODUCTION**

- 1.1 This report advises the Committee of the key risks facing the Chief Executive's Directorate in 2023/24 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 2024.
- 1.3 Since the last update to the Audit Committee, this report now includes risks related to Human Resources and Organisational Development which now sits under the Chief Executive's Directorate following the appointment of a new Director of HR & OD.

## **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, and provide 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, Democratic and Electoral Services
- Policy and Strategic Delivery
- Human Resources and Organisational Development
- Communications and Engagement

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.

##### Legal, Democratic and Electoral Services

4.2 The key risks facing the Legal and Governance Service remain 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 Council's Forward Plan 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.

4.3 The Elections Act 2022 has brought with it a new risk for the Council. Representing significant change to election legislation, the changes have been identified as very high risk by the Association of Electoral Administrators as they are both numerous and far reaching in terms of affected electors. Non-compliance with the Statutory Requirements for Elections may lead to invalid processes resulting in legal action and the need to re-hold elections incurring additional costs and reputational damage.

##### Policy and Strategic Delivery

4.4 Risks relating to the borough's Community Strategy 2018-2028 remain high due to the external context and continuing uncertainty around the ongoing Cost of Living Crisis. This Cost of Living crisis and financial pressures impact the Council and partners' ability to deliver services as well as their staff, and will put some organisations at risk. Nationally the policy environment is likely to lead to a continued move of resources away from London directly and indirectly.

- 4.5 Risks relating to the Council's strategic partnership working have risen due to the likely closure of VCS organisations. The Council cannot fully mitigate in these situations or have a rescue package each time an impactful organisation struggles. This remains a risk because of capacity - the pandemic has highlighted the importance of long term goals that promote fairness, equality and cohesion. Having a strategy and partnership in place has demonstrated that Hackney had a level of preparedness to respond to the pandemic and to develop our strategic response. Partners are therefore valuing this infrastructure and engaging with it, as a way to focus on cross cutting priorities, which ultimately will help us address the immediate demands on services and inequalities in communities.
- 4.6 The impact of the Cost of Living Crisis on the Chief Executive's Directorate remains a risk, particularly building on existing work on Poverty Reduction.

#### Communication and Engagement

- 4.7 The main risk to consultation and community engagement activity remains not providing relevant information and/or not reaching or getting feedback from a wide and diverse range of people in Hackney. Failure to take an inclusive approach, and without proper community engagement, the credibility of work undertaken is adversely affected. The organisation's reputation would also be damaged.

#### Human Resources and Organisational Development

- 4.8 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.
- 4.9 There is also a risk that the Council's workforce does not reflect the diverse community it serves. 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. This would damage the Council's reputation for valuing diversity and equality at the top of its agenda.
- 4.10 A new Organisational Development Strategy is under development alongside the HR & OD Delivery Programme. It is important that staff feel engaged and supported in developing these programmes and there is cohesion within hybrid teams. There is potential for there to be a disproportionate impact on some groups of staff, and there are existing perceived disparities between front line/field based and office/home based staff.

## **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 INTERIM GROUP DIRECTOR, FINANCE**

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 ACTING DIRECTOR OF LEGAL, DEMOCRATIC 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 fulfils this requirement and ensures that the appropriate controls are in place and fully effective.

12.2 Continuous review of the Risk Register and impending legislation referred to is key to ensuring that the Council remains in control of the management of risk.

## **APPENDICES**

Appendix 1- Chief Executive's Directorate Risk Register (October 2023)

## **BACKGROUND PAPERS**

None



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