



**Corporate Risk Management Performance
Overview April 2024 (Appendix 2)**

1. INTRODUCTION

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

2. CORPORATE RISK REGISTER

- 2.1 The table below is a scorecard of the Council's Corporate Risks, as ratified by the Corporate Leadership Team (CLT) Team in January 2024 and further reviewed since then:

Corporate		Current Risk Score (with mitigations)	Direction of Travel	Previous Score	Target Risk
1	The Economy (SRCR001) - The impact the long term economic downturn may have, and also the risk that the cost of living crisis disproportionately impacts on the organisation, affecting the cost of providing services, the funding available to deliver them and the level of demand.	25	↔	25	15
2	Cyber Security (SRCR0021) - The risk that ICT systems are attacked (again) and this severely impacts on overall work and resources across the Council.	20	↔	20	10
3	Management of Major Capital Programmes (SRCR002) - These schemes become overly expensive to run and difficult to deliver.	15	↔	15	9
4	Pension fund (SRCR0010) - Market volatility etc threatens investment returns which can impact on future liabilities.	12	↔	12	12
5	Impact of New Legislation / Welfare reform (SRCR 0013) - The Council fails to effectively respond to new legislation	12	↔	12	12
6	Workforce (SRCR 0018) - Numerous challenges lead to staff morale, focus and efficiency being lowered.	12	↔	12	9
7	Information Assets (SRCR0020) - That Information Assets are not managed in compliance with the required legislation (eg - GDPR).	16	↔	16	9
8	Corporate Resilience (SRCR 0020B) - That the Council lacks BC arrangements / plans for a major incident.	15	↔	15	12
9	Person suffers significant harm, injury or death (SRCR 0023) - A failure of the Council to take appropriate measures results in the harm of a person.	15	↔	15	12
10	Risks posed by unregistered schools and settings (SRCR 0027b) - Risks to children here who may fail to receive the safeguarding that they need.	16	↔	16	12
11	SEND funding (SRCR 0028) - The number of pupils continuing to require this funding increases and far exceeds available budgets.	25	↔	25	12
12	Pressures on Temporary Accommodation (SRCR31) - The demand for TA exceeds the supply and budgets cannot cope.	25	↔	25	12

13	Setting up Council owned companies (SRCR 0035) - Risk that these are not established properly and so not fit for purpose	12	↔	12	9
14	Insourcing (SRCR0036) - The Council insources more than it needs to, or misses an opportunity to bring a service in-house.	12	↔	12	9
15	Universal Credit (SRCR 0037) - Complications relating to the full roll of UC.	20	↔	20	12
16	Climate Change/Climate Emergency (SRCR 0039) - That the Council is unable to deliver its extensive range of environmental commitments.	15	↔	15	8
17	Recruitment pressures - (SRCR43) - Continuing struggles to recruit for critical positions.	16	↔	16	12
18	Reduction in the use of residential placements. (SRCR45) - increasing pressures on looked after children arrangements / care costs.	16	↔	-	12
19	Surplus school places (SRCR46) - surplus places put heavy financial pressures on schools and even threaten their long term viability.	16	↔	-	12
20	Adult Social Care Budgets (SRCR0047) - That existing ASC budgets and resources are not sufficient to meet demand.	16		NEW (Jan 24)	12
21	Synergy (Education ICT system) (SRCR0048) - Potential failure of this education management system caused by infrastructure issues and resourcing challenges due to already stretched budgets.	16		NEW (Jan 24)	12
22	Housing property Repairs - the risk of failing to reach expected standards and also the impending Para 49 investigation.	16		NEW (March 24)	

2.2 The Scorecard provides a quarterly overview of the Council's Corporate risks. These are assessed in advance of each Audit Committee meeting and after being ratified by CLT, are updated accordingly. There is sometimes as little as two months between updates which means that scores can remain static for periods of time. This is not a reflection of a lack of dynamism within the approach, but rather the fact that high level scores are unlikely to change dramatically within short spaces of time. New risks are regularly incorporated into the Corporate Register and will always be marked as 'new'. The Scorecard will contain clear reference as to the movement (of the score) of the risk, and clarity as to the exact nature of the risk (whether it is of an internal or external nature to the Council).

2.3 In terms of this latest iteration of the (Corporate) register, there are 17 red risks and 5 amber risks. Clearly, numerous external events and influences are having a considerable impact on the Council's objectives, notably the fragile economy and accompanying cost of living crisis, whilst previous events (such as the pandemic and cyberattack) also had a massive impact on Services. Areas like finances (with budget cuts and rapid increases in cost of living) were already problematic before the pandemic, and they have intensified now, and the Cyberattack severely affected the effective operation of some Services.

There were previously two distinct risks relating to the economy, but these have now been merged to present one overall picture. As the cost of living crisis has now been ongoing for

over a year, the reality of its problems have started manifesting themselves across the Borough. This has merged with the existing problems relating to the continuing economic downturn, a symptom of which has been reduced funding from Central Government and therefore less money to carry out services within the Borough. There remains risks that the cost of living crisis could worsen further placing an increased strain on already limited resources. However, it is hoped that the measures currently in place (as detailed in the accompanying controls) and prudent financial management should provide assurance that the organisation is positioning itself as well as possible in the light of challenging circumstances

There were two new risks in the January iteration of this Corporate register, and they remain in place (at the time of this review March 2024). The first relates to Adult Social Care budgets. This has been an area under extreme pressure with regards to the funding and resources available and it was thought appropriate to raise it to this level. The risk relating to the potential failure of the new Synergy software (used by Hackney Education) has also been requested to be considered as a Corporate risk, reflecting current concerns about the usage and management of this software. A further risk relating to Housing repairs and the impending Paragraph 49 Ombudsman investigation, have also been proposed for escalation to the Corporate register. The full version of these new risks will be available in the next complete iteration of the register in June.

Some risks have remained red with no change – this score reflects the continued severity of both the impact and likelihood of the risk. However, the controls should provide assurance of the Council's approach towards managing these risks. The risk relating to a major service outage has now dropped off the Corporate register, although remains under review at Directorate level. Areas which are alluded to in the Corporate register, such as Integrated Commissioning and major programmes like Britannia, have their own separate registers going into much more detail with regards to all areas of risk.

3. FUTURE REPORTING TO AUDIT COMMITTEE

- 3.1 The reporting of the Corporate risks to the Audit Committee will continue at future meetings, on a quarterly basis. With twice yearly updates of the full Corporate Register, the next one is scheduled for June 2024, so the full details on the next review will be provided then.