

Title of Report	Corporate Risk Register
For Consideration By	Audit Committee
Meeting Date	13 January 2026
Classification	Open
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Naeem Ahmed, Group Director, Finance and Corporate Resources

1. Introduction

- 1.1. This report updates members on the current Corporate Risk Register of the Council as at January 2026 (attached). It also identifies how risks within the Council are identified and managed throughout the financial year and our approach to embedding risk management.
- 1.2. This report assists the Committee in its role of overseeing corporate governance and is presented for information and comment.

2. Recommendations

- 2.1. **To note the contents of this report and the attached risk registers and controls in place.**

3. Reason(s) for decision

- 3.1. Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate these as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that the Audit Committee is aware of this.

4. **Background**

The current Council risk profile was reviewed and ratified by the Corporate Leadership Team (CLT) in December 2025. In discussions and meetings with Directorate Risk Champions, various Heads of Service/Directors and other managers in different services, ideas and proposals on new risks and the current risks have been discussed, before the review was shared with CLT. Numerous risks have changed or now exist in different circumstances compared to when the register was last reviewed by the Committee in June 2025, particularly with unpredictable global events like the ongoing financial challenges, major political change and instability in numerous areas across the world.

Policy Context

- 4.1. All risk related reporting is in line with the Council's Risk Policy, ratified biennially by the Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

Equality impact assessment

- 4.2. For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

Sustainability and climate change

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

Consultations

- 4.4. In order for Risk Registers to progress to Committee, they will already have been reviewed by the relevant Senior Management Team within the corresponding Directorate, or at overall Council level. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

Risk assessment

- 4.5. The relevant Risk Register is attached in Appendix one.

5. **Corporate Risk Register**

- 5.1 The Corporate Risk Register comprises risks that cut across the Council's Directorates, which could potentially impact on overall strategic objectives.
- 5.2 The contents of the attached register tend to focus on the more negative, potentially threatening sides of risk to the Council – looking at the consequences that might happen if a particular event occurs. However, with risk management there is often an opportunity connected with a potential risk where an upside can be exploited. This is referred to explicitly in the

Council's Risk Strategy where it is stated: *"if we focus on opportunities when assessing the merits of different possible solutions, this often allows us to look at bolder, more creative or innovative solutions - essentially to take greater risks, but calculated risks."* In the case of the Council, there have been situations (as referred to in the Risk Register) where potentially negative events like funding cuts have occurred, or new legislation has been issued. In fact, this has often led to improved efficiencies, and has served as an opportunity to sometimes streamline services, and encourage new and more effective approaches to an area of work. It should be stressed that the Council, in managing risks, strives to look for this positive angle within risk management.

5.3 Notable risks included on the current register are:

- The Council's Financial Position - this is an overarching risk looking at the current economic situation from the perspective of the whole organisation. The Council is now in a position that has tightened further since the latest full update in June. There is now a predicted overspend of £11 million in this financial year even after the utilisation of £17.8m of reserves. Overall, savings totalling £51 million are required over the next three years. The overspend has been fuelled by ever increasing costs on Temporary Accommodation and Adult / Children's Social Care. The risk details how the Council is undertaking to deal with this and provide as much support as possible to those affected in the Borough. The risk also aims to go beyond the impact on service delivery and reference impacts on residents, staff and local businesses. It is not a risk that can be conclusively managed and reduced but we can provide assurance that we are doing everything within our powers and resources to deal with it as effectively as possible.
- Cyber Security. Cyber threats continue to rise and create risk for the organisation. The council applies a variety of measures to protect our systems and data against the continued and growing risk around cyber threats. Work continues internally to defend against new vulnerabilities including implementation of a range of technology controls, organisational controls, and resilience measures. AI is alluded to and the Council's efforts on working positively with these new technological developments is described. AI does constitute an opportunity for greater efficiencies across the organisation but does also have to be managed carefully and responsibly and in line with guidance.
- Workforce
Another risk resulting from budgetary pressures is the impact it is having on staffing levels and accompanying restructures. This could clearly impact on how efficiently staff are able to work, and whether they have the resources to do it effectively. The (Pulse) staff survey was recently completed, and results have been shared providing a greater insight into the workforce.

- Corporate Resilience

This is an iteration of the risk previously more about Business Continuity (within ICT), emphasising the importance of the Council being suitably prepared to respond and adapt to incremental change and sudden disruptions . Clearly, failure to do this would impact massively on our ability to effectively deliver services and CLT have supported this being featured at Corporate level.

- Person suffers significant harm

This risk related to child welfare initially but after discussion at CLT was broadened to encompass all persons at risk in the Borough (including Council staff), and the safeguarding steps the Directorates are taking to protect them.

- Temporary Accommodation.

This has escalated in recent years to the maximum score reflecting the extremely serious pressures on (dramatically increased) budgets and in light of the implementation of the Homelessness Reduction Act, placing further obligations on Councils. With temporary accommodation, there has been an increase in demand outstripping resources and a shortage of affordable supply. Over the last year, there has been a slight improvement in the figures, reflecting the budget growth and work of the TA supply transformation board. Therefore the probability has dropped slightly but this remains a red risk.

- Climate Change. This was escalated at the end of 2019, and remains integral to the Council's overall objectives. With the publishing of the Council's Climate Action Plan (CAP), (which was ratified by full Council in May 2023), targets are brought even more into focus - with increasingly challenging commitments to be met, and questions about the resources to do this. This risk has recently been revised and rewritten but the themes remain the same.

- New Legislation - this risk remains ongoing but some additional commentary has been incorporated relating to the recent Supreme Court Judgement and the uncertainties this poses regarding equalities legislation.

- The Corporate Transformation Programme. A new risk has been escalated relating to the ongoing programme and this is a reflection of how important the completion of this work is to the organisation.

6. Comments of the Group Director Finance and Corporate Resources

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 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.

7. Comments of the Director of Legal, Democratic and Electoral Services

- 7.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.
- 7.2 Continuous review of the Corporate 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 - Hackney's Corporate, Strategic Risk Register.

Background documents

None

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