

<b>Title of Report</b>	Chief Executive's Directorate Risk Register
<b>For Consideration By</b>	Audit Committee
<b>Meeting Date</b>	13 January 2026
<b>Classification</b>	Open
<b>Ward(s) Affected</b>	All Wards
<b>Group Director</b>	Dawn Carter-McDonald, Chief Executive

## 1. CORPORATE DIRECTOR'S INTRODUCTION

- 1.1 This report advises the Committee of the key risks facing the Chief Executive's Directorate in 2025/26 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 2026.
- 1.3 Since the last update to the Audit Committee in October 2024, this report now includes risks related to management of the Corporate Transformation Programme and the organisational capacity to support the programme achieving its objectives.

## 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
  - Corporate Strategy and Transformation
  - Human Resources and Organisational Development

- Communications and Engagement
- Procurement

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 need for an alternative case management system continues to be a priority for the Legal Service. Since the last update to Audit Committee agreement has been reached to introduce a Windows based case management solution. A procurement exercise has been conducted and a successful bidder chosen and the contract award 'signed off' via delegated powers. Capital funding for Windows based equipment has already been secured via ICT. The deadline for transition to the new system is March 2026. To help meet this deadline the service is being supported by a project manager and user research is being conducted to identify process issues.

4.4 The Directorate also continues to monitor risks relating to the non-compliance with the statutory requirements for Elections which may lead to invalid processes resulting in legal action and the need to re-hold elections incurring additional costs and reputational damage. The risk score remains static.

##### Procurement

4.5 The main risk to the Council's Procurement service relates to the failure and poor performance of third party suppliers. If these contracting and / or partnering arrangements fail, it could have a negative impact in terms of cost, service delivery, and on the Council's reputation. This risk remains stable, but

liable to change due to ongoing external challenges (notably the cost of living crisis) and the Government's introduction of the new Procurement Act 2023.

The Council continues to in-source and bring more services back in-house, as a Manifesto commitment put forward by the Mayor in 2022. Since the last update, the Council's Insourcing Policy has been refreshed and amalgamated with the Sustainable Procurement Strategy to form the Sustainable Procurement and Insourcing Policy (SPIS) which was approved by Cabinet in December 2024.

The Procurement Service continues to work with key suppliers to improve service delivery and achieve savings particularly to contribute to the Council's savings targets. Contracts registers are being updated and reviewed by relevant officers, with training and support provided. Use of the UK Government Digital Marketplace and Technology Code of Practice continues to open up the Council's supplier base.

#### Policy and Strategic Delivery

- 4.6 Risks relating to the borough's Community Strategy 2018-2028 remain high with low economic growth nationally continuing to impact on residents and businesses. Nationally, debate around community cohesion and inclusion has been significant with demonstrations around asylum hotels, although these have not to date focussed on Hackney. Financial pressures continue to impact the Council's and partners' ability to deliver services as well as their staff, and will put some organisations at risk.
- 4.7 Risks relating to the Council's strategic partnership working and ability to deliver new cross-cutting priorities remain high with more closures 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 highlighted the importance of long term goals that promote fairness, equality and cohesion. To address this risk the Council continues to review its strategic partnership working. A refreshed VCS Strategy was presented to Cabinet in July 2025 and a full review of investment in the VCS across the Council is underway with an initial focus on grants completed.
- 4.8 The impact of the Cost of Living Crisis on the Chief Executive's Directorate remains a risk. A cross council Poverty Reduction Oversight group was established in September 2025 and design work has begun on the local policy for implementation of Crisis and Resilience Fund which will replace Household Support Fund and Discretionary Housing Payments from April 2026.
- 4.9 The roll out of Universal Credit remains a risk but has gone better than expected, with just 6% of cases known to the Council failing to migrate within the specified 3 month period. However, only about half of the 15,000 or so

claimants migrating to Universal Credit are currently known to the Council and migration is only the first step in the process. There remains a risk that some residents particularly with complex cases are not receiving the necessary levels of support. DWP officials do not always understand the rules, have insufficient time to spend with claimants or lack the training and support to operate in an empathetic, trauma informed, anti-discriminatory way. We are monitoring the situation via a multi-agency officer working group and engaging the DWP's Partnership Manager to resolve these issues.

#### Corporate Transformation

- 4.10 A new risk has been added in 2025 around having sufficient organisational capacity to support the transformation programme to ensure the desired progress takes place and that the benefits are realised. Mitigations in place include having clear portfolio, programme and project governance and reporting to deal with the scale and pace of change. A review of investment requirements and affordability is currently underway for completion in October 2025. To help ensure staff buy-in and adaptation to new ways of working a People and OD Strategy has been developed and will be going to Cabinet for approval in November 2025.

#### Communication and Engagement

- 4.11 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. Results from the upcoming resident insight survey will provide a timely update on the Council's efforts to engage residents.
- 4.12 The last resident survey was carried out in Summer 2024 and are available online. Individual teams have engaged with the Consultation and Engagement service to better understand the findings related to their areas. The results of the survey are used to inform communication and engagement campaigns.
- 4.13 The Council continues to develop and implement an insight and engagement led approach to communications and to work across the Council to ensure that residents are given the chance to influence the decisions that most affect them.

#### Human Resources and Organisational Development

- 4.14 In terms of the Council's workforce, the key risk is that after many years of austerity, the Council's workforce is less well equipped to deliver services effectively and provide the support that the community expects. As well as the risk that the Council's workforce does not reflect the diverse community that we serve.

- 4.15 Audit Committee was previously informed of the restructure taking place in HR & OD. The HR & OD Service is now well established with new roles created and recruited to so that they can support and lead on delivering the new People & OD Strategy, due to go to Cabinet in November 2025.
- 4.16 There has been significant focus on EDI and workforce equality with Equity, Equality, Diversity, Inclusion and Belonging (EEDIB) woven into our Equality Policy which is the foundation of our Anti-Racist Action Plan. Alongside this, new staff groups have been established to reflect the ambitions of the Council and all protected characteristics. The enhanced Gender and Equalities Pay Gap Report was taken to Corporate Committee in September 2025 and will go to Full Council in November for noting.
- 4.17 The Organisation Change Policy requires review and a Policy Review Project has been established with timescales for all policies to be reviewed by Q4 2026.
- 4.18 The risks to the workforce strategy aims of an engaged, motivated workforce, and inclusive workplace remains static. Work is ongoing with all staff networks and Trade Unions to determine future hybrid ways of working. This work needs to be aligned with change and transformation and will take staff survey outcomes, motivation and workforce inclusion into account.

## **5. POLICY CONTEXT**

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

## **6. EQUALITY IMPACT ASSESSMENT**

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

## **7. SUSTAINABILITY**

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

## **8. CONSULTATIONS**

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

## **9. RISK ASSESSMENT**

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



## **10. COMMENTS OF THE GROUP DIRECTOR - FINANCE & CORPORATE RESOURCES**

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

## **11. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL 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 2025)

## **BACKGROUND PAPERS**

None

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