



Title of Report	Housing, Climate & Economy Directorate 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>	Rickardo Hyatt, Group Director, Housing, Climate & Economy

1. INTRODUCTION AND PURPOSE

- 1.1 This report updates Members on the current Risk Register for the Housing, Climate and Economy Directorate as at January 2026 (attached at Appendix 1). It also identifies how risks within the directorate 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.
- 1.3 This report reflects the third annual review of the risk register for the Housing, Climate and Economy Directorate which was created in the early part of 2022 (last fully reviewed in January 2025). The Benefits and Homeless Prevention service transferred to the Housing, Climate, and Economy directorate in June 2024 and risks relating to this service are now included in this risk register.

2. RECOMMENDATION(S)

The Audit Committee is recommended to note the contents of this report and the attached risk register and controls in place.

3. REASONS 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 directorate. 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.

- 3.2 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 Audit Committee is aware of this.

4. BACKGROUND

- 4.1 The directorate risk profile is reviewed and ratified by the Directorate Leadership Team (DLT) on a regular basis throughout the year; the current risk register was last reviewed by the DLT in December 2025. The report is presented as a high level risk management report for the directorate.

4.2 Policy Context

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

4.3 Equality Impact Assessment

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.

4.4 Sustainability

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

4.5 Consultations

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. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 Risk Assessment

The Risk Register is attached in Appendix one.

5 DIRECTORATE APPROACH TO THE MANAGEMENT OF RISK

- 5.1 To ensure that the management of risk within the directorate is effective, our risks are aligned to our directorate aims and objectives, which reflect corporate and the Council's priorities. The directorate approach to embedding risk management at all levels of management is to create a culture that spreads best practice, identifies and communicates lessons learnt from both internal and external experiences. This approach runs through all levels of management from the Directorate Risk Register, monitored and managed by DLT, through the divisional risk registers, managed and monitored by the Divisional Management Teams through to team and project risk registers.
- 5.2 Effective risk management anticipates and avoids risks where possible rather than dealing with the consequences of events happening. However, not all risks can be managed, particularly those that are caused by external factors over which the Council has no control e.g. the Covid-19 pandemic, nationwide austerity measures and introduction of new legislation. These are the risks that are likely to be rated high, and will require constant monitoring by senior management and escalation to the Corporate Leadership Team (CLT) for inclusion on the Corporate Risk Register.
- 5.3 The Directorate Risk Register, attached at Appendix 1, comprises risks that cut across the directorate's business and those which have potentially the greatest impact on service delivery, the performance of the directorate and therefore the Council as a whole. It is informed by the divisional and service risk registers and is maintained at directorate level to ensure that risks are managed and monitored at senior management level.
- 5.4 The risks contained in the Directorate Risk Register assesses risk in light of the controls already in place so that the register is focused on those key risks that could prevent the directorate from achieving its objectives. Any risk that DLT consider significant enough will be escalated to the status of a Corporate Strategic Risk as per the Council's risk impact guidelines. All other risks will remain as directorate risks.

6 DIRECTORATE RISK REVIEW

- 6.1 The Directorate Risk Register consists of risks that cut across the numerous services of Housing, Climate and Economy and represent the most significant risks faced by the directorate.
- 6.2 The contents of the attached register tend to focus on the more negative, potentially threatening sides of risk to the directorate and 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 directorate, 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 introduced. 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 in managing risks, the Council strives to look for this positive angle within risk management.

6.3 Regarding the contents of the current Directorate Risk Register, important areas to note are:

- **Budget pressures / insufficient budgets to deliver services** - the tightening of the economy, and the impact this is having on budgets is having a severe effect on much of the Council's work and objectives. The pressure on finances and the ongoing cost of living crisis continue to present risks which impact specifically on the directorate in multiple ways, whether from the perspective of residents, services, businesses or partners. All of these could ultimately affect the overall cohesion and stability of the Borough. Individual services within HC&E are responding in different ways, which is reflected within individual service registers. Due to the financial challenges facing the Council and the expectations of our residents, there remains a risk that the directorate is unable to deliver services within the budget available. This is especially critical where services are dependent on income streams such as housing rents. The HRA Rent Cap (introduced in 23/24) resulted in a reduction of income to the HRA which threatened having insufficient resources to meet the inflationary pressures of delivering the service. This real term reduction of income is causing a detrimental impact on the HRA business plan going forward which could reduce our ability to deliver core housing management services and maintain investment in our homes.
- **Building Safety** - This risk remains red rated and whilst the risk is stable it is at a high red rating. The risk relates to new and emerging building safety legislation which place additional responsibilities on the Council including enforcing fire safety measures in the private rented sector, as well as ensuring the 'golden thread' of building information is passed from Regeneration to Housing Services for new council homes. The risk remains at this high level due to emerging legislation yet to be fully embedded into working practices.
- **Customer Services Satisfaction** - There have been significant challenges for the Council over the last few years in this area. Additionally, there have remained some ICT development challenges within Housing Services. The importance of a responsive repairs unit is critical, and the resources need to be in place to meet these demands. A recent management conference theme was about excellence in customer focused service delivery and how we can achieve that given where we have come from.
- **Council property repairs** - The report from the Housing Ombudsman was published in May 2025 and the Council immediately acknowledged the assessment's finding that tenants have not received the service they should

be receiving from the Council. The new Cabinet Member for Housing apologised for this shortfall and reassured tenants and the Ombudsman that the Council is fully committed to improving the service it provides as a landlord to homes it has responsibility for. This risk continues and describes the continuing challenge of ensuring that repair services consistently reach exact standards. Also, in the aftermath of the paragraph 49 report, there is an increased focus on the performance of the service, hence it is essential all work is managed and performed to a high standard.

- **Failure of ICT Infrastructure** - The cyberattack (in October 2020) impacted the directorate's key systems, Universal Housing, Planning and land charges. In the years following the attack, managers have worked closely with ICT colleagues to assist in the recovery of services and alternative methods of delivering services - such as more cloud based hosting, helping to minimise future risks. We continue to use alternatives such as Google workplace as we work with ICT to progress procurement of cloud based systems to replace legacy systems. The ICT Housing system (purchased in December 2024) is a positive step to improve this infrastructure and Phase 1 of the new system (covering Finance, Tenancy Services and Home Ownership) is on track to go live by Q1 2026/27.
- **Temporary Accommodation** - this has been a long standard Corporate risk and now falls within this directorate. Council spend on homelessness has dramatically increased in recent years and this risk reflects the intense pressures the Benefits and Homeless Prevention Service is facing. 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 Programme Delivery and Governance.** This is a new iteration of the Climate risk, with an increased emphasis on the Governance side of our approach, and also detail on the importance of reliable data to ensure decisions are properly informed and that any successes can clearly be illustrated.
- **North London Heat and Power Project (NLHPP).** This is newly escalated to the Directorate register, reflecting the challenges this partnership is facing as it looks to move towards the end of this project.
- **Emissions Trading Scheme** - With the extension of this scheme to begin covering emissions from the incineration of fossil-based waste, this new (carbon) cost is expected to be passed along to Local Authorities which presents a financial risk to the Council. The level of this risk justifies this being included as a new risk on the Directorate register.

6.4 There are a number of risks on the Directorate Risk Register that have been escalated and included in the strategic risks within the Corporate Risk Register. This

reflects the need for these risks to be managed at a strategic and operational level and management focus is needed at all levels in order to respond to these unprecedented challenges.

- 6.5 The Climate Programme delivery risk remains in its entirety on the Corporate Risk Register which, though thematically led within the directorate, continues to represent a significant risk to the Council and Corporate Leadership Team wish to maintain a close oversight of the management of this risk. The Council has developed a Hackney Climate Action Plan (CAP) which was approved at Cabinet and formally adopted in May 2023. The CAP provides the strategic framework to work through a number of key issues and challenges, utilising recently completed evidence assessments to underpin a more strategic approach for future delivery and integrate better with external stakeholders.

7. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES

- 7.1 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 within services are made as a result.
- 7.3 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 by the Directorate to ensure that they are controlled to an acceptable level and that future actions to manage the risks are on track.

8. COMMENTS OF THE DIRECTOR FOR LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

- 8.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.
- 8.2 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 One - Housing, Climate and Economy Directorate Risk Register.

BACKGROUND PAPERS

Publication of Background Papers used in the preparation of reports is required

None

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