



RISK MANAGEMENT REPORT

Q3 2024/25

31 December 2024



HILLINGDON
LONDON

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The key contacts in connection with this document are:

Claire Baker

Head of Internal Audit and Risk Assurance
cbaker@hillingdon.gov.uk

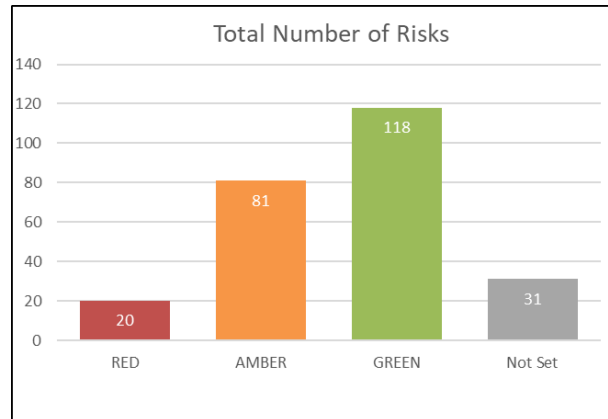
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1. INTRODUCTION

- 1.1 Hillingdon Council has a statutory responsibility to ensure arrangements are in place for managing risks. Risk management is about managing opportunities and threats to objectives to help create an environment of “no surprises”. It is a crucial element of good management and a key part of corporate governance. Although risks can never be entirely eliminated, proportionate and targeted action can be taken to reduce risks to an acceptable level.
- 1.2 Managing risk should be viewed as a mainstream activity and something that is an integral part of everyday management. Risk Management involves the early identification of risks, assessing their potential consequences, and determining the most effective way to reduce the likelihood and/or impact of the risk. The Council’s Risk Management Policy provides a framework to ensure there are clear roles, responsibilities and methodologies for identifying, recording and managing risks.
- 1.3 This report summarises the Council’s Risk Register as at the end of the quarter and outlines the work undertaken during the quarter to improve risk management arrangements. It is designed to support the Audit Committee to monitor and review (but not direct) the authority’s risk management arrangements, as per the Committee’s terms of reference.

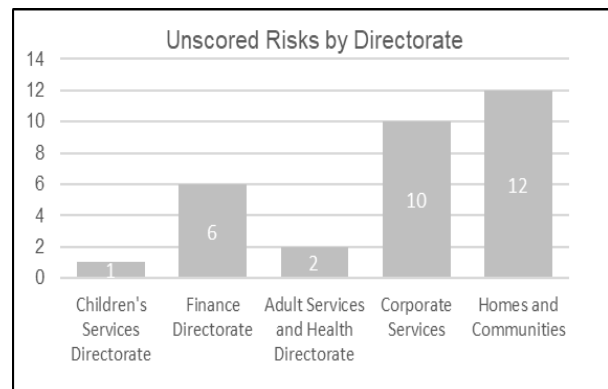
2. DIRECTORATE RISK REGISTER UPDATE

2.1 There were **250 total risks** recorded on the Risk Management System at the end of December 2024. This is an increase from 227 risks at the end of September, and a positive indication the system is being used to record new risks as they emerge.



2.2 There were **20 red rated risks** on the risk register (an increase from 14 at the end of September), which are shown on the corporate risk register in section three of this report.

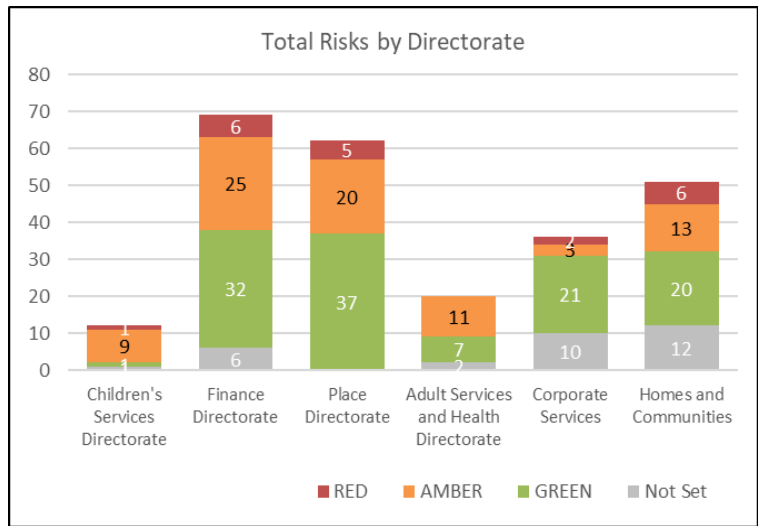
2.3 There were **31 unscored risks** at the end of the quarter. This is a significant decrease from 90 at the end of September, when this was raised as an area of concern. All risks should be scored in line with the Council’s Risk Scoring Methodology (see Appendix A) to ensure they are escalated and monitored appropriately.



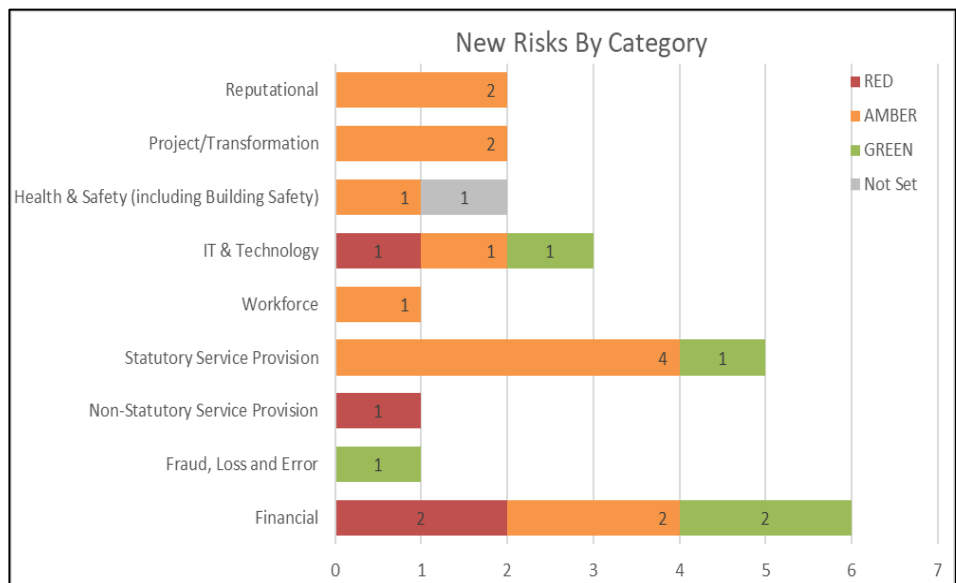
2.4 The largest number of unscored risks were in the Homes and Communities and Corporate Services Directorates. Further investigation has highlighted that 18 of the 31 unscored risks have been marked as reviewed on the risk management system but not scored, and 26 had an original risk score recorded but not a current risk score. This indicates the risk owners are aware of the risks but may not be aware they are required to add a current risk score, the Head of Risk Assurance will contact the risk owners directly to highlight the requirement and ensure they are scored before the next Audit Committee meeting.

2.5 The Finance Directorate continues to have the highest number of risks per directorate at the end of Q3.

2.6 During November the Directorate risk registers in the risk management system were updated to reflect the new Directorate structures and titles. As further restructures take place within the new directorates the risk registers and risks will be re-allocated to ensure they are escalated through the correct reporting lines.

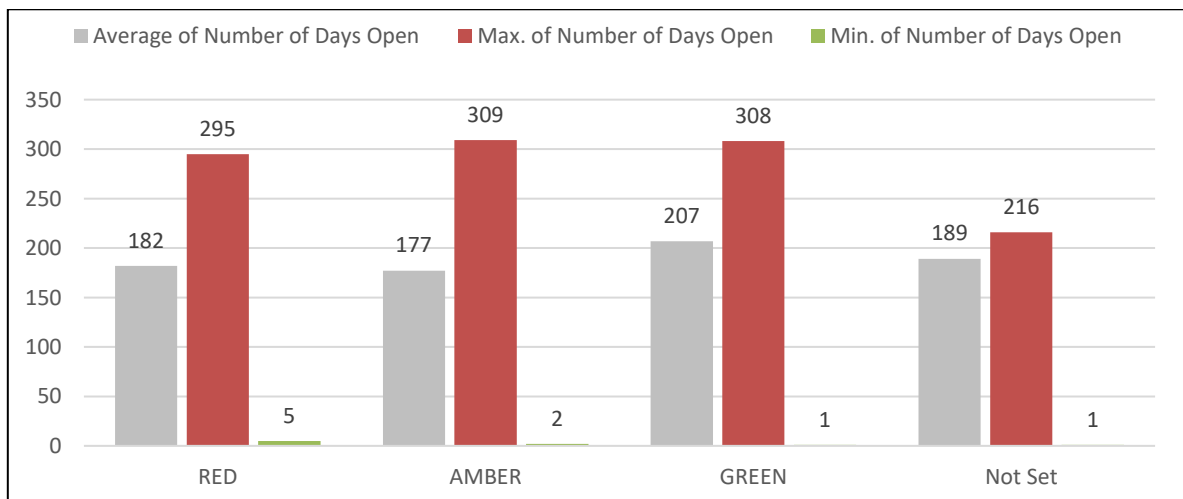


2.7 During Q3 there were **23 new risks** added to the risk register, including three red rated risks highlighted in Section 3 of this report.



2.8 In particular there was an increase in the number of Financial risks, including two of the three red rated risks, which is consistent with the Council's current financial position.

2.9 During Q3 only **3 risks have been closed** on the system. These were all unscored risks which were closed as tolerated. Due to the low number of risks closed we have also analysed the length of time risks remain on the system. Some risks may be difficult to mitigate, especially when they are caused by external factors, and therefore stay on the register for a long time. However, most risks should be addressed, reduced to a tolerated level and then closed.



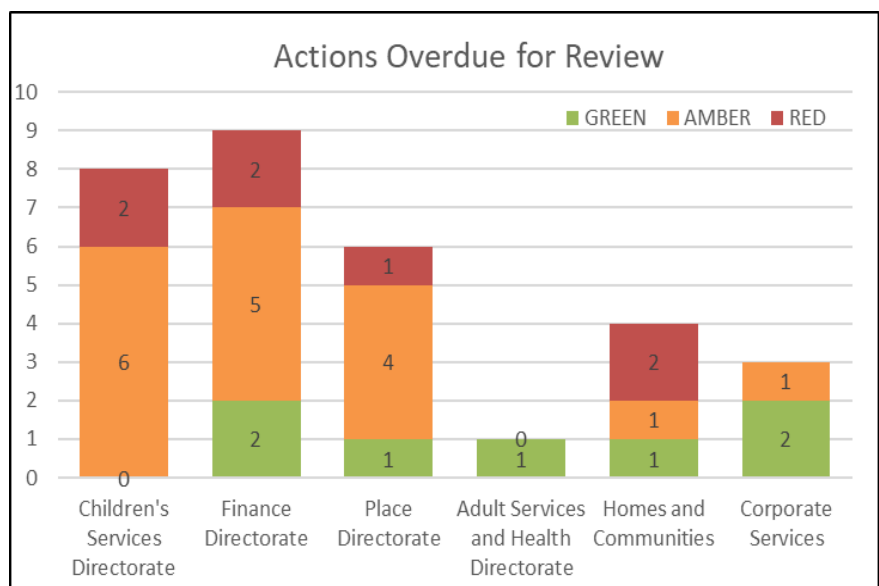
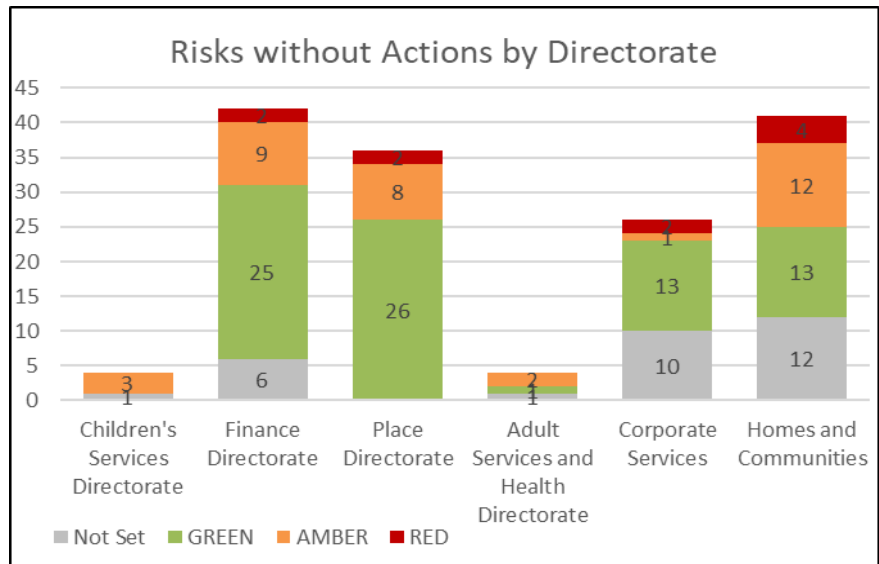
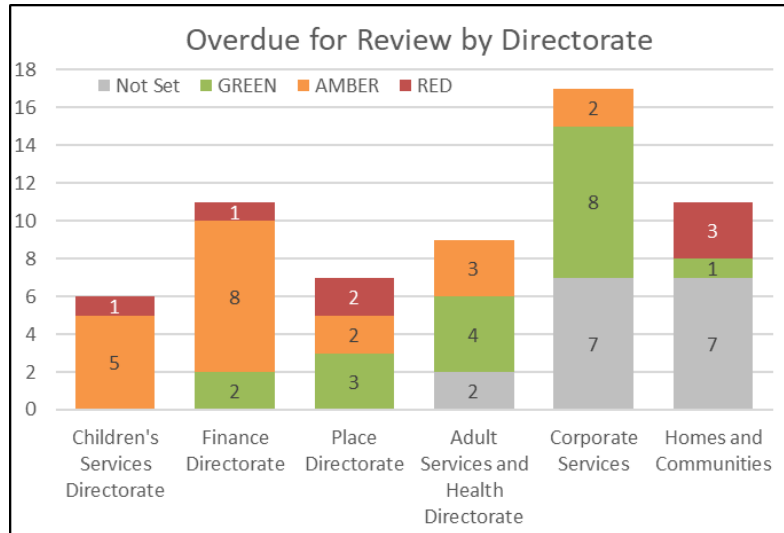
2.10 At the end of Q3 there were **61 risks overdue** for review on the system. This is a negative increase from 48 risks overdue at the end of Q2, however may have been impacted by the Christmas period. Seven of these were red rated risks which should have been reviewed monthly.

2.11 A new Governance Board is currently being established which will monitor these KPIs and help ensure the high number of overdue risks are addressed.

2.12 At the end of Q3 there were also **153 risks on the system without actions** assigned to them (61.2% of all risks). This is an increase from 138 risks at the end of Q2 (61% of all risks).

2.13 This included ten red rated risks did not have actions recorded. It is expected officers are taking actions to reduce the risks in practice, however these are not documented on the Risk Management system and therefore cannot be monitored.

2.14 Finally, at the end of the quarter there were **38 actions overdue for review**, a slight increase from 31 at the end of Q2. However, as the number of risks without actions have increased this is another indication risk owners are not being held accountable for ensuring their risks are proactively managed.



3. CORPORATE RISK REGISTER UPDATE

- 3.1 The Council's Corporate Risk Register (CRR) is an essential part of the Council's Risk Management arrangements. The CRR includes any operational risks from the Risk Management System graded 'red' due to their potential likelihood and impact.
- 3.2 During Q3 seven new risks were added to the CRR and one was removed. The seven that were added related to:
- PROPER0006: Insurance Valuations – There is a risk a property may not be valued correctly due to poor asset data leading to a low or no insurance payout if the asset is damaged.
 - PLANRE0008: The Planning, Building Control and Land Charges System is unsupported and unfunded from Jan 2027 which could lead to a loss of data.
 - LANDB0020: Affordable Housing Funding Risk due to outstanding action plan required for GLA Funding.
 - FINMAN0007: Insufficient capacity in the finance team to meet demand for support from budget managers.
 - PLANRE0010: Delivery of Carbon Neutrality by 2030 due to lack of service delivery of actions
 - PROPER0001: Disposal Programme high risk due to the volume of disposals still in progress
 - PLANRE0015: Unable to spend S106 funding on time due to delays on identifying and progressing projects
- 3.3 The Home to Schools Transport risk was removed from the CRR as it was reduced from red to amber at the end of November. This was reduced following action by the service to identify future demand and optimise routes to meet this demand.
- 3.4 Red rated risks should be reviewed monthly however nine of the risks have not been reviewed in December, including two that have not been reviewed since June. These will be raised with the relevant Risk Owner and Corporate Director to ensure they are addressed before the next Audit Committee meeting.

4. FORWARD PLAN

- 4.1 Over the next quarter the Head of Internal Audit will focus on supporting the development of the new Governance Board to ensure it has the necessary risk information to proactively review the risk register and hold officers accountable for risk management.
- 4.2 The Head of Internal Audit will also continue to monitor the use of the new Risk Management System on behalf of the Audit Committee and follow up on the overdue and unscored risks with the relevant Risk Owner and Corporate Director to ensure they are addressed.

APPENDIX A: SUMMARY OF CORPORATE RISKS AS AT Q3 2024

LIKELIHOOD	Very High (A)		(7)	(4) (15)	(1) (14)
	High (B)			(6)	(2) (3)
	Significant (C)			(10) (11) (12) (13) (17) (18)	(5) (16)
	Medium (D)				(8) (9) (19) (20)
	Low (E)				
	Very Low (F)				
		Small (4)	Medium (3)	Large (2)	Very Large (1)
IMPACT					

CRR Risk:		2024/25 Q1	2024/25 Q2		2024/25 Q3	
		Rating	Review Date	Rating	Review Date	Rating
1	STRAF0002 - Ability to Deliver a Balanced Budget in the Short and Medium Term (15/05/2024)	Increase A1	22/08/2024	Static A1	16/12/2024	Static A1
2	FINMAN0005 - Uncertainty over the Safety Valve Agreement and impact if it is not held by DfE (15/05/2024)	New D1	10/07/2024	Increase B1	13/11/2024	Static B1
3	LANDB0004 - Decent Homes Non-Compliance (12/04/2024)	Static B1	19/09/2024	Static B1	02/12/2024	Static B1
4	LANDB0011 - Housing Landlord Service - Not Meeting Regulatory Requirements (29/06/2024)	New A2	29/06/2024	Static A2	29/06/2024	Static A2
5	TECH0001 - Cyber Security (17/06/2024)	Static C1	17/06/2024	Static C1	27/12/2024	Static C1
6	LANDB0019 - Lone-working devices - no visiting officers within housing have lone working devices. (17/09/2024)	-	17/09/2024	New B2	11/12/2024	Static B2
7	PENS0014 - Failure of employers to deliver accurate and timely employee administration information (30/05/2024)	New A3	29/08/2024	Static A3	02/12/2024	Static A3
8	TRSA0003 - Liquidity Risk (10/06/2024)	New D1	17/09/2024	Static D1	16/12/2024	Static D1
9	HESAFE0001 - Non-compliance with the Civil Contingencies Act 2004 (13/06/2024)	-	17/09/2024	New D1	31/12/2024	Static D1
10	PROCUR0002 - Financial Resilience of Contracts (12/03/2024)	Decrease C2	23/09/2024	Static C2	10/12/2024	Static C2
11	LANDB0003 – Decarbonisation (12/04/2024)	Static C2	19/09/2024	Static C2	02/12/2024	Static C2
12	HOUSNE0001 - High Levels of Homelessness Demand (29/06/2024)	New C2	29/06/2024	Static C2	29/06/2024	Static C2
13	CHILSC0012 - Increasing cost of external residential provision and reduced internal resilience (25/06/2024)	Increase C2	26/09/2024	Static C2	26/09/2024	Static C2
14	PROPER0006 - Insurance Valuations (15/04/2024)	-	-	-	04/11/2024	New A1

15	PLANRE0008 - Planning, Building Control and Land Charges System (Ocella) unsupported and unfunded from Jan 2027 (26/11/2024)	-	-	-	26/11/2024	New A2
16	LANDB0020 - Affordable Housing Funding Risk (02/10/2024)	-	-	-	02/10/2024	New C1
17	FINMAN0007 - Insufficient capacity to meet support demand (13/06/2024)	-	-	-	07/11/2024	New C2
18	PLANRE0010 - Delivery of Carbon Neutrality by 2030 (24/12/2024)	-	-	-	24/12/2024	New C2
19	PROPER0001 - Disposal Programme (15/04/2024)	-	-	-	04/11/2024	New D1
20	PLANRE0015 - Unable to spend S106 funding on time (27/12/2024)	-	-	-	27/12/2024	New D1
-	DIRECC0005 - Home to School Transport	Static C2	08/08/2024	Static C2	Reduced to D3 (30/11/2024)	

APPENDIX B: RISK SCORING METHODOLOGY

LIKELIHOOD			RISK SCORE			
Greater than 90%	This Week	Very High (A)	A4 (6)	A3 (12)	A2 (18)	A1 (24)
70% to 90%	Next Week / This Month	High (B)	B4 (5)	B3 (10)	B2 (15)	B1 (20)
50% to 70%	This Year	Significant (C)	C4 (4)	C3 (8)	C2 (12)	C1 (16)
30% to 50%	Next Year	Medium (D)	D4 (3)	D3 (6)	D2 (9)	D1 (12)
10% to 30%	Next 5 Years	Low (E)	E4 (2)	E3 (4)	E2 (6)	E1 (8)
Less than 10%	Next 10 Years	Very Low (F)	F4 (1)	F3 (2)	F2 (3)	F1 (4)
			IMPACT			
			Small (4)	Medium (3)	Large (2)	Very Large (1)
Financial:			Up to £250k	£250k - £1million	£1million - £5million	Over £5million
Service Provision:			Slightly reduced	Service suspended short term	Service suspended long term / statutory duties not delivered	
Health & Safety:			First Aider required	Broken Bones/Illness	Loss of life / Major illness	Major loss of life / large scale major illness
Workforce:			Negative morale	Some hostility / minor non cooperation	Industrial action	Mass staff leaving
Reputation:			Minor Letters	Adverse local media	Adverse national publicity	Remembered for years
Government Relations:			Poor assessment		Service taken over temporarily	Service taken over permanently