



RISK MANAGEMENT REPORT

Q1 2025/26

30 June 2025



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

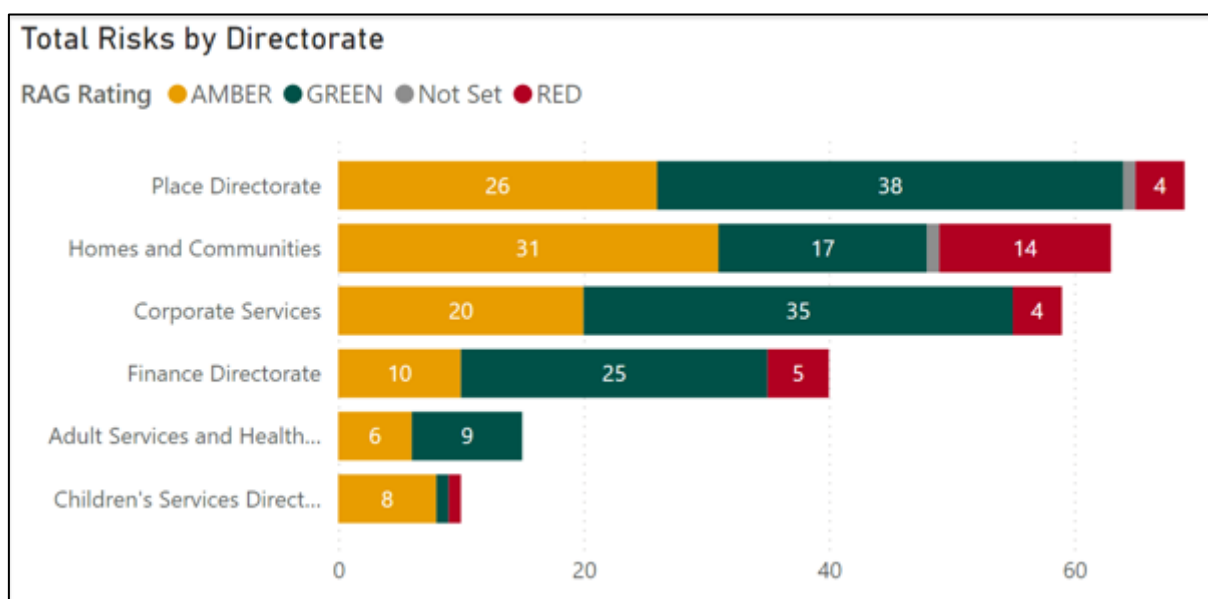
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1. INTRODUCTION

- 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.

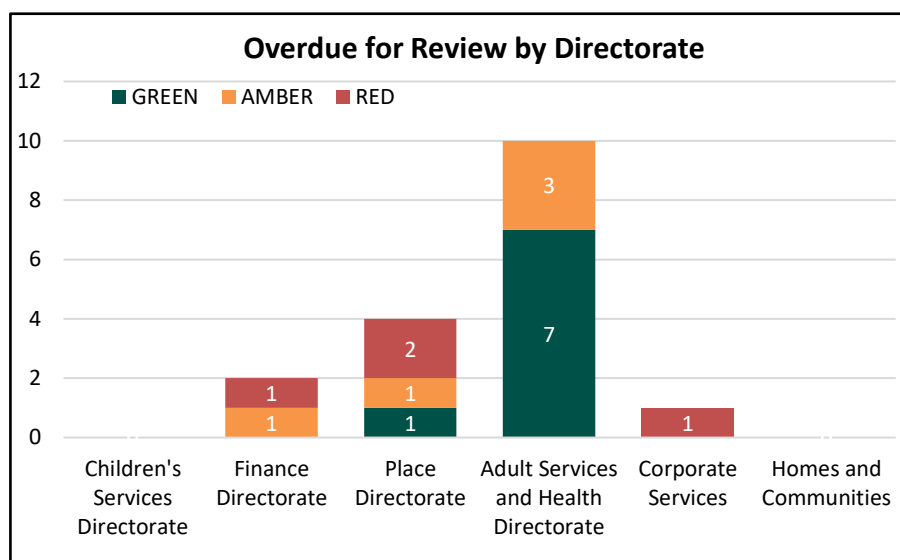
2. RISK REGISTER UPDATE

- 2.1 There were **256 total risks** recorded on the Risk Management System at the end of June 2025. This is an increase from 242 risks at the end of 2024:



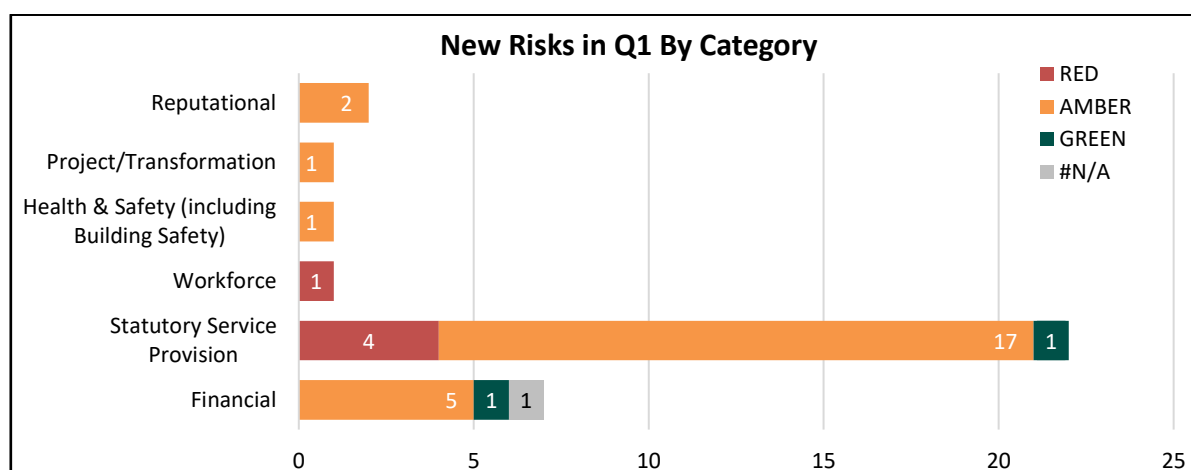
- 2.2 There were **28 red rated risks** on the risk register (a net increase of two at the end of 2025/26). During the quarter three red risks were downgraded to amber and removed from the corporate risk register and five were escalated or added to the register. The details of the red rated risks are shown on the corporate risk register in section three of this report.
- 2.3 The Place Directorate continue to have the highest number of risks on JCAD, followed by Homes and Communities and Corporate Services. Corporate Services have had the largest increase in risks (net increase of 19 risks), followed by Homes and Communities with a net increase of 12. The increase in Corporate Services is predominately due to a services moving between directorates during Q1, including Internal Audit and Counter Fraud moving to Corporate Services.
- 2.4 There were only **two unscored risks** at the end of the quarter. This is a positive indication officers have become more comfortable scoring risks in line with the Council's Risk Scoring Methodology (see Appendix A) to ensure they are escalated and monitored appropriately.

2.5 At the end of the quarter there were **17 risks overdue for review**, a positive decrease from 34 risks at the end of 2024/25 and 61 risks at the end of Q3 2024/25. The majority of these were green rated risks in the Adult Services and Health Directorate.

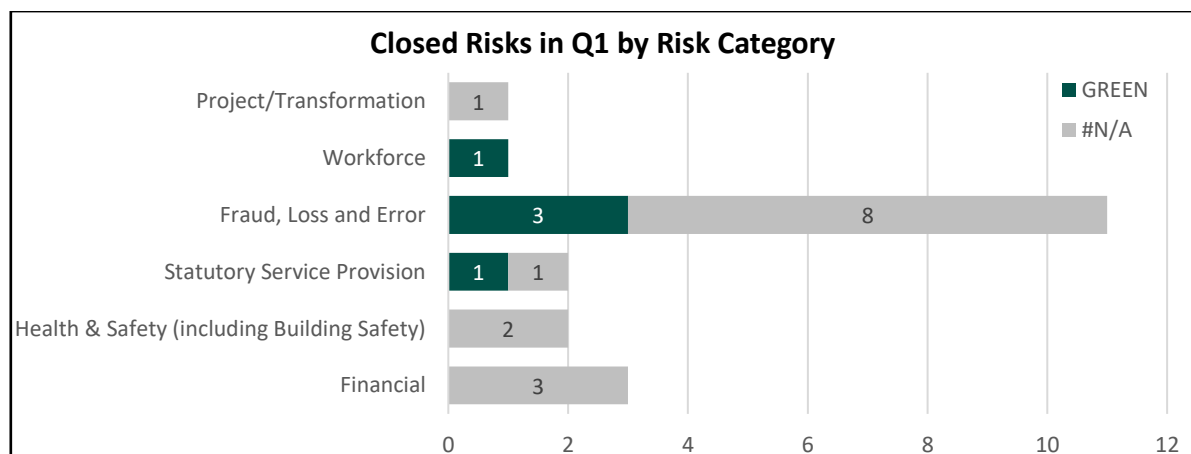


2.6 Four red rated risks were overdue for review at the end of the quarter. These are highlighted in the corporate risk register in section three of this report.

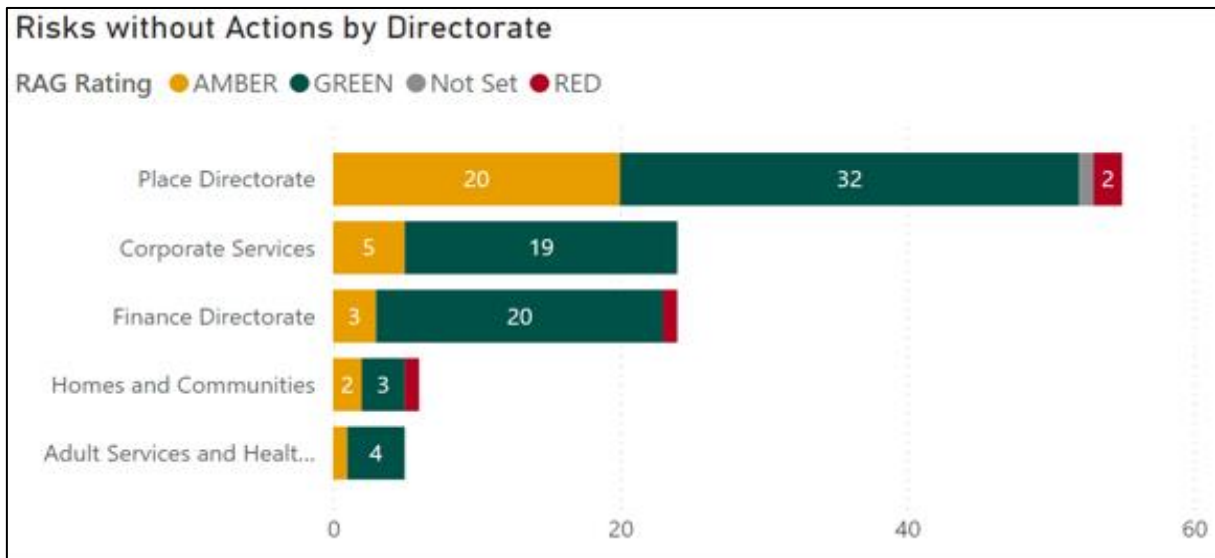
2.7 During the quarter there were **34 new risks added to the risk register**. 65% related to Statutory Service Provision, including four red rated risks relating to the Housing Needs Service. The fifth red risk added during the quarter related to Workforce and ensuring legal compliance with the 'Safer Recruitment' Standards.



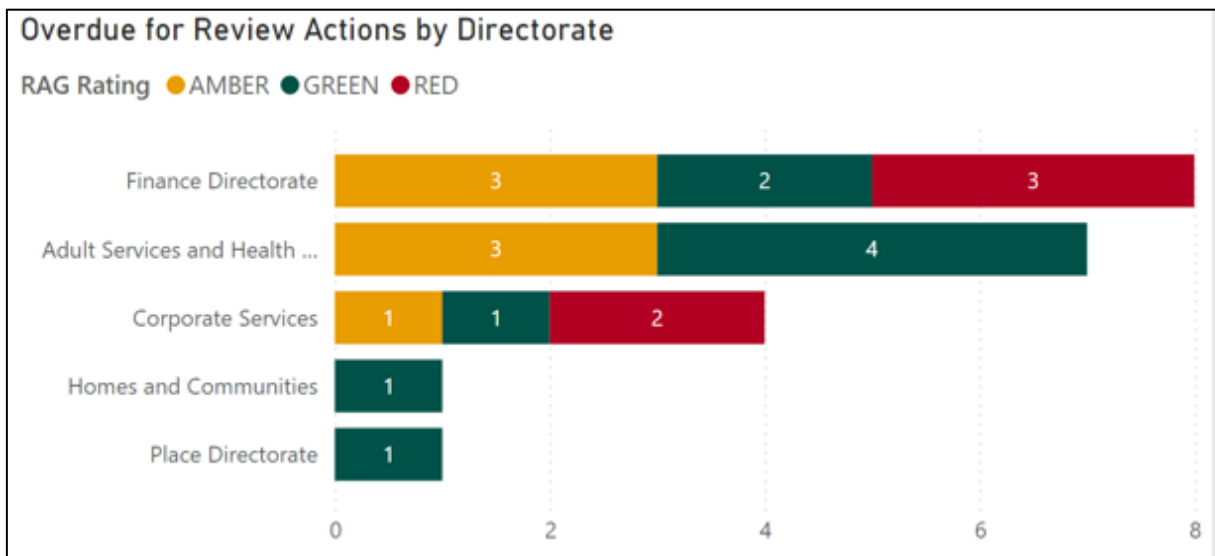
2.8 During the quarter there were **20 risks closed and removed from the risk register**. 55% related to Fraud, Loss and Error risks previously added by the Counter Fraud team and now closed as tolerated by the relevant service.



- 2.9 All risks added to the Risk Management System should have actions allocated to reduce the likelihood or impact of the risk. If a risk does not have actions in place to reduce the risk score it should be considered whether the current risk score is within the Council's risk appetite level and therefore it is appropriate to tolerate the risk.
- 2.10 At the end of the quarter there were **115 risks without actions** allocated on the risk management system. This is 45% of all risks however a reduction from 56% of all risks at the end of 2024/25. Unfortunately, this includes four red rated risks which would be unusual to tolerate with such a high likelihood and/or impact. These risks are highlighted in section three of this report.



- 2.11 In total there were 188 actions allocated against 141 risks on the system. Of these only **21 actions were overdue** for review at the end of the quarter (11%).



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. These risks are then monitored by the Corporate Management Team and used to inform the Strategic Risks presented to the Audit Committee in the Strategic Risk Report. The Corporate Risk Register is outlined in Appendix A.
- 3.2 The CRR is presented to the Corporate Management Team (CMT), Corporate Governance Group and the Audit Committee quarterly. The Corporate Management Team is responsible for ensuring the identified risks are being managed and mitigating actions are being implemented. The Corporate Governance Group and Audit Committee maintain oversight of the risk management arrangements and monitor the CRR to gain assurance the arrangements are working effectively.
- 3.3 During the quarter three risks were removed from the Corporate Risk Register:

CRR Risk:	2024/25 Q4	2025/26 Q1
EDUSEN0004 - Uncertainty over the Safety Valve Agreement and impact if it is not held by DfE	Static B1	Reduced to Amber (E1) on 22/04/2025 following positive discussions with the DfE
PLANRE0010 - Delivery of Carbon Neutrality by 2030	Static C2	Reduced to Amber (C3) on 03/04/2025 when reviewed by the new risk owner
PLANRE0015 - Unable to spend S106 funding on time	Static D1	Reduced to Amber (D2) on 03/04/2025 as there were no funds at risk at the time.

- 3.4 During the quarter five new risks were added to the Corporate Risk Register:

HR0015 - Safer Recruitment and compliance	This risk relates to improving workforce related activities to ensure legal compliance with the 'Safer Recruitment' standards. Additional HR resources have been appointed to accelerate the implementation of the required standards.
HOUSNE0014 - Low volume of preventions achieved resulting in static or increased demand for TA.	These risks have been added following an in-service review of their risk register to reflect the increasing demand on temporary accommodation, against the limited supply of accommodation. Leading to increasing cost pressures and reduced services. These risks also relate to the wider Strategic Risk around meeting housing needs and are being mitigated through the overarching Temporary Accommodation Action Plan.
HOUSNE0018 - Risk of being overwhelmed by NASS evictions if Central Government do not intervene.	
HOUSNE0024 - Lack of TA supply within capped rates will see TA costs continue to rise and not meet targets savings	
HOUSNE0025 - Do not deliver 2025/26 Service Plan target of 350 PRS moves and savings.	

4. FORWARD PLAN

- 4.1 During quarter one the Head of Internal Audit also worked with the Business Intelligence Team to develop a PowerBI Risk Dashboard for CMT. This will be further refined during quarter two and consolidated into the wider governance reporting, in line with the Directorate Governance workstream from the Governance Review Improvement Programme.

APPENDIX A: SUMMARY OF CORPORATE RISKS AS AT Q1 2025

CRR Risk:	2024/25 Q2	2024/25 Q3	2024/25 Q4	2025/26 Q1	Last Reviewed	Next Review Due
PROCUR0002 - Financial Resilience of Contracts	Static C2	Static C2	Static C2	Static C2	26/06/2025	26/09/2025
TECH0001 - Cyber Security	Static C1	Static C1	Decrease D1	Static D1	25/06/2025	25/12/2025
STRAF0002 - Ability to Deliver a Balanced Budget in the Short & Medium Term	Static A1	Static A1	Static A1	Static A1	09/06/2025	31/10/2025
LANNB0004 - Decent Homes/ Thermal efficiencies	Static B1	Static B1	Static B1	Static B1	30/06/2025	17/09/2025
LANDB0003 - Decarbonisation	Static C2	Static C2	Static C2	Static C2	17/06/2025	17/07/2025
PENS0015 - Failure of employers to deliver accurate and timely employee administration information	Static A3	Static A3	Static A3	Static A3	12/05/2025	12/08/2025
TRSA0003 - Liquidity Risk	Static D1	Static D1	Static D1	Static D1	02/06/2025	02/07/2025
CHILSC0012 - Increasing cost of external residential provision and reduced internal resilience	Static C2	Static C2	Static C2	Static C2	27/05/2025	27/08/2025
HOUSNE0001 - High Levels of Homelessness Demand	Static C2	Static C2	Static C2	Static C2	24/06/2025	17/09/2025
LANDB0011 - Housing Landlord Service - Not Meeting Regulatory Requirements	Static A2	Static A2	Static A2	Static A2	24/06/2025	17/09/2025
LANDB0019 - Lone-working devices - no visiting officers within housing have lone working devices.	New B2	Static B2	Static B2	Static B2	19/06/2025	19/07/2025
PROPER0001 - Disposal Programme		New D1	Static D1	Static D1	31/03/2025	30/04/2025
PROPER0006 - Insurance Valuations		New A1	Static A1	Static A1	31/03/2025	30/04/2025
FINMAN0007 - Insufficient capacity to meet support demand		New C2	Static C2	Static C2	19/03/2025	19/04/2025
PLANRE0008 - Planning, Building Control and Land Charges System (Ocella) unsupported and unfunded from Jan 2027		New A2	Static A2	Static A2	09/06/2025	09/09/2025
PENS0011 - Failure of the pool in management of funds / access to funds			New D1	Static D1	12/05/2025	12/08/2025
LANDB0021 - Compliance IT systems and reliance on spreadsheets			New C2	Static C2	30/06/2025	30/07/2025
HOUMAN0024 - Current RSH inspection notice - Reputational risk of failing against the standards required.			New C2	Static C2	19/06/2025	19/07/2025
LANDB0026 - Rent increasing because of operating model and structure of the line management.			New B2	Static B2	19/06/2025	19/07/2025
LANDB0025 - There is concern in all areas of the service with Data Quality and Performance analysis.			New B2	Static B2	19/06/2025	19/07/2025
LANDB0022 - Complaint reporting and management.			New C2	Static C2	19/06/2025	17/09/2025
ASSETS0018 - Upcoming Regulatory Compliance and Enhanced Operational Efficiency			New C2	Static C2	30/06/2025	30/07/2025

BUSTRA0001 - The transformation programme required to deliver significant savings in order for the Council to achieve a balanced budget.			New C2	Static C2	24/03/2025	24/06/2025
HR0015 - Safer Recruitment and compliance				New C2	26/06/2025	26/09/2025
HOUSNE0014 - Low volume of preventions achieved resulting in static or increased demand for TA.				New C1	24/06/2025	24/09/2025
HOUSNE0018 - Risk of being overwhelmed by NASS evictions if Central Government do not intervene.				New B2	16/04/2025	17/09/2025
HOUSNE0024 - Lack of TA supply within capped rates will see TA costs continue to rise and not meet targets savings				New C2	16/04/2025	17/09/2025
HOUSNE0025 - Do not deliver 2025/26 Service Plan target of 350 PRS moves and savings.				New C2	16/04/2025	17/09/2025

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