



Audit & Risk Committee

Corporate Risk Register Update September 2024

Date: 11 September 2024

Key decision: No.

Class: Part 1.

Wards affected: All.

Contributors: Rich Clarke, Head of Assurance

Outline and recommendations

This paper sets out the current corporate risk register. Risk management remains a live and developing field, so the paper also sets out plans for further enhancing our risk information through 2024.

We ask Members to **note** the report.

Timeline of engagement and decision-making

The Corporate and Directorate Risk Registers are updated by risk owners throughout the year. On this specific refresh and iteration of the Corporate Risk Register. There were further quarterly rounds earlier in 2024, which did not come to Audit & Risk Committee because the March and June meetings were cancelled.

15 July 2024: Q2 Risk register discussed at Executive Management Team

3 September 2024: Q2 Risk Register circulated to Mayor & Cabinet Briefing

11 September 2024: Q2 Risk Register published to Audit & Risk Committee

1. Summary

- 1.1. This report and appendix provides an update on continuing refresh of risk management at Lewisham. Specifically, it includes (in appendix) the revised Corporate Risk Register.

2. Recommendations

2.1. We ask that Members **note** the report.

3. Policy Context

3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

3.2. The report supports each priority as part of establishing and maintaining a sound governance system throughout the Council.

4. Corporate Risk Registers

4.1. The risk register is presented in the new format shared with Audit & Risk Committee in December 2023. Since that time the principal changes are:

- LBL001 (Failure to achieve regulatory compliance for Council Housing Stock) raised from score of 20 to 25 (i.e. 5 x impact and 5 x likelihood, with the change coming on the likelihood measure). The attached appendix gives further detail, but the principal change is intervention of the Regulator of Social Housing, plus adverse audit reporting described elsewhere at tonight's meeting.
- LBL011 (Loss of overall financial control). Risk revised from previous focus on budgetary control failure to recognise the Council is experiencing significant persistent overspends as a present issue rather than a risk. Therefore, the risk management focus shif
- LBL021 (Housing Management System Software Implementation Failure). A new, very high rated, risk arising from delays in the Council introducing its planned new Housing Management System. The attached appendix gives further detail.
- LBL020 (Building for Lewisham Programme Failure). Now separated into seven sub-risks each detailing specific threats to the programme. Consistent with our risk management policy, the overall 'head' risk is scored equivalent to the largest of its sub-risks (rather than any attempt at average). The largest of those components relates to the risk of further financial constraints.

- LBL016 (RAAC In School & Corporate Buildings). No longer appears on the Corporate risk register. As we have learned more about our limited exposure to this threat after additional survey work, the risk has reduced in prominence. It still appears in the wider risk landscape, as PLA-IRG028 on the Place Directorate risk register (related to the corporate and schools estate) and HOU-H&S021 on the Housing Directorate risk register (related to housing assets). The risk will likely remain on directorate risk registers while remedial work to fully neutralise the risk takes place.
- LBL022 (Loss of power in corporate buildings). A new addition to the corporate risk register. This risk arises from a business continuity desktop review exercise led by the Council's resilience team earlier this year which highlighted a lack of guaranteed back up power sources and some uncertainty on the impact on Council operations. Work is ongoing, led by the Director of Law and Corporate Governance, to fully establish the extent of the Council's vulnerability and put in place appropriate remedial actions. The risk is assessed as moderate because, while there is some uncertainty on the impact of significant power loss on the Council's function in general, we are confident that crucial systems and operations have appropriate safeguards.
- LBL023 (Significant underperformance or disruption in partner IT). A refinement of previous risk LBL015 which divides risk between the IT services administered direct by Lewisham Council and those overseen through the Shared Technology Service (STS – a shared service between Lewisham, Brent, Southwark and others). The partner IT is maintained on the corporate risk register as that is where the Council's critical infrastructure sits. The risk related to in-house IT now sits on the Corporate Resources Directorate risk register.

5. Directorate, Service and Project Risk Registers

- 5.1. We continue to expand risk management across the Council using a variety of additional risk registers tailored to directorate and project need. These registers also sit within our Pentana Risk software and permit analysis across all risk types, as well as the ability to move risks between registers as appropriate during their lifecycle. One significant new addition is an Emergency Planning Risk register which uses the software's facility to incorporate multiple scoring frameworks. In this instance we have adopted a scoring framework which aligns to that used by the London Resilience Forum to better support consolidation into resilience and risk management work shared between boroughs.

12. Health and wellbeing implications

12.1. There are none arising direct from this report.

13. Background papers

13.1. All relevant background papers are included as appendices.

14. Report author and contact

14.1. For any queries on the report please contact Rich Clarke, Head of Assurance on 020 8314 8730 or by email at rich.clarke@lewisham.gov.uk.

15. Appendices

15.1. Appendix A – Corporate Risk Register, September 2024