

	Audit & Standards Advisory Committee 23 September 2026
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader and Cabinet Member for Finance & Resources (Councillor Gwen Grahl)
Strategic Risk Report	
Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix 1: Strategic Risk Register
Background Papers:	None
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1.0 Executive Summary

- 1.1. This report provides an update on the Council's Strategic Risks as of September 2026. The update has been prepared in consultation with risk leads and Directorate Leadership Teams and summarises the risks that are considered to be of an impact and/or likelihood of materialising, and which may have an adverse effect on the achievement of the Council's corporate objectives.
- 1.2. Since the previous update, the overall strategic risk profile has remained heightened. Most risks remain stable, although Risk C – Increase in Dedicated Schools Grant High Needs Block Deficit has reduced from 20 to 16, Risk N –

AI Risks has reduced from 12 to 6 following progress in establishing the Council's AI governance framework, and Risk F – Cyber Attacks has increased from 12 to 16 to reflect the heightened external threat environment. Risk L – Non-compliance with Statutory Housing Duties remains one of the highest scoring risks at 25 and continues to require close oversight.

- 1.3. One new strategic risk has been added to the register: Risk O – Business Continuity. Risk N – AI Risks was added as part of the February 2026 update and has been updated in this iteration to reflect progress in embedding the Council's AI governance framework. No risks have been closed. The climate-related risks remain consolidated into a single overarching risk covering mitigation, adaptation and resilience.

2.0 Recommendation(s)

- 2.1 The Committee is asked to note the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 Risk Management is a core element of the Council's corporate governance framework. The primary objective of risk management, as a process, is to identify, assess, manage and control potential events or situations that may prevent the achievement of objectives. The Council's approach to risk management, including the preparing of the Strategic Risk Report, is therefore closely linked and aligned to the Borough Plan priorities and forms an integral part of decision-making, business planning and performance management practices.
- 3.1.2 The overarching vision of the Risk Management Strategy is to assist the Council with achieving its Borough Plan priorities and objectives through the application of best practice risk management principles.

3.2 Background

- 3.2.1 The Strategic Risk Report, seen at **Appendix 1**, presents the Council's most significant risks which have the potential to significantly impact on the success of the Council as a whole. These risks are strategic, cross-cutting and have the potential to impact a range of different services or functions.
- 3.2.2 The Strategic Risk Report is owned collectively by the Council Management Team (CMT), with each risk assigned a Senior Responsible Officer. The report is provided via a 'bottom-up' provision of risks from services and departments, which are deemed to require consideration at the higher level. Additionally, risks are also input directly via CMT.
- 3.2.3 Internal Audit is responsible for working with risk sponsors and nominated risk leads, in an advisory capacity, to coordinate the review and update all strategic risks.

3.3 Strategic Risks - Overview

- 3.3.1 The Strategic Risk Report was last updated in September 2026. The Council continues to operate in a complex and heightened risk environment, with significant external pressures affecting housing demand, financial resilience, community cohesion, climate adaptation, cyber security, statutory housing compliance and the responsible adoption of artificial intelligence.
- 3.3.2 The Council's overall risk profile therefore continues to reflect this heightened risk environment, with thirteen of the fifteen strategic risks sitting above their target risk score and two risks currently at target. Most risks have remained stable since the previous update; however, Risk C and Risk N are reporting reduced scores, Risk F has increased, and Risk O has been added as a new strategic risk. Key highlights and themes include:

- **Risk A – Lack of Supply of Affordable Accommodation**

Demand from homeless households remains high. Between August 2025 and July 2026, the Council received 8,882 homelessness approaches, averaging 24.3 per day. In the current financial year to date, 3,081 approaches have been received, averaging 24.8 per day. However, demand over the most recent 30-day period has reduced to 22.7 approaches per day, although it remains too early to determine whether this represents a sustained trend.

Affordability challenges continue to drive high demand, alongside rising rents and a contraction in the supply of private rented accommodation. The Renters' Rights Act 2025 may have a positive impact on demand following the implementation of the ban on Section 21 'no fault' evictions, although this remains subject to ongoing monitoring. Officers are also progressing work to increase the supply of self-contained leased accommodation over longer terms, which is expected to support both supply and financial mitigation.

This remains one of the Council's highest-scoring risks, with a current score of 25 against a target score of 10.

- **Risk B – Cost of Living Crisis**

Financial pressures continue to affect many Brent residents, driven by high housing costs, rising rents, wider affordability challenges and economic uncertainty. The risk remains scored at 20 against a target of 15. The Council's Resident Support Fund transitioned to the three-year Crisis and Resilience Fund on 1 April 2026, shifting the emphasis towards prevention, income maximisation and longer-term financial resilience. Delivery is being strengthened through the Household Income Maximisation Team and the LIFT platform, using data-led targeting to identify and support vulnerable

households before they reach crisis point. The Council Tax Hardship Scheme also continues to provide direct support during 2026/27.

- **Risk G – Financial Resilience and Sustainability**

This risk remains scored at 15, with a target score of 10. The Council continues to face significant financial pressures, particularly in relation to homelessness and temporary accommodation.

In February 2026, Full Council agreed the 2026/27 budget, including a £10.4m package of savings. In July 2026, a £50m medium-term budget gap was identified across 2027/28 to 2031/32. This followed the final 2025/26 revenue overspend of £18.3m and a reported £9.5m overspend at Quarter 1 of 2026/27, concentrated primarily in homelessness and temporary accommodation.

The Council is taking mitigating action, including continued spending controls and an exercise to identify achievable in-year savings through vacancy management, delaying recruitment, reducing discretionary spend, rephasing activity and pausing non-essential projects where appropriate.

The Council is also implementing an Integrated Business Planning approach to better align service planning, budgets, risk and performance. This will support the 2027/28 budget setting cycle and is intended to strengthen the link between resources, strategic priorities and value for money.

- **Risk F – Cyber Attacks**

The cyber threat landscape continues to evolve rapidly, with the increasing use of AI by threat actors, faster vulnerability discovery and a significant increase in the volume of security patches released by vendors. Although the Council continues to demonstrate a strong control environment, including 24/7 Security Operations Centre monitoring, improved identity protection and delivery of the Cyber Improvement Plan, the likelihood score has increased from three to four to reflect the heightened probability of a significant cyber incident affecting local government.

There have been no reportable cyber security incidents during this reporting period. The Council has also noted recent changes in cyber security leadership within the Shared Technology Service, with interim arrangements in place while future structure requirements are reviewed.

- **Risk L – Non-compliance with Statutory Housing Duties**

This risk remains at the maximum score of 25, against a target score of 5, and continues to require enhanced oversight and recovery action.

As landlord, the Council must comply with statutory health and safety duties covering Fire, Legionella, Asbestos, Gas, Electric and Lifts (FLAGEL).

Failure to do so breaches consumer standards and risks sanctions from the Regulator of Social Housing (RSH).

As previously reported to the Committee, in April 2025 the Council self-referred to the RSH over fire safety concerns, with subsequent reviews identifying similar issues in water safety and asbestos. In May 2025, the RSH issued a regulatory judgement grading the service C3 and citing serious failings. This judgement did not represent an overall regulatory assessment of the Council's housing service, but confirmed that significant improvement was required in specific areas of landlord health and safety assurance.

Recovery action is underway through a strengthened compliance team, the rebuilt True Compliance dataset, monthly governance through the Building Compliance Safety Project Board, and a wider programme including Building Safety Cases, verification of previously closed fire-risk actions, independent data assurance, contractor monitoring, workforce retention and preparation for an RSH re-grading submission.

3.3.3 Eight risks currently sit within the upper/red section of the heat map:

- Risk A. Lack of Supply of Affordable Accommodation
- Risk B. Cost of Living Crisis
- Risk C. Increase in Dedicated Schools Grant High Needs Block Deficit
- Risk D. Risk to Community Cohesion
- Risk E. Climate and Ecological Emergency
- Risk G. Financial Resilience and Sustainability
- Risk L. Non-compliance with Statutory Housing Duties
- Risk O. Business Continuity

3.4 New/Closed Risks

- 3.4.1 One new strategic risk has been added to the register in this update. Risk O – Business Continuity reflects the need to maintain and recover critical services within acceptable timeframes following disruptive events, including cyber incidents, severe weather, utility failure, supply chain disruption and other prolonged service interruptions. Risk N – AI Risks was added as part of the February 2026 update and has been reviewed and updated in this iteration to reflect progress in embedding the Council's AI governance arrangements. No risks have been closed or de-escalated to a departmental level since the previous iteration.

3.5 Amendments to Risks

- 3.5.1 Amendments have been made to the individual risk scores of existing risks, as illustrated by the 'previous' and 'updated' risk score columns. Amendments have also been made to the detailed risk plans in Appendix 1, where appropriate.

- 3.5.2 Target risk scores introduced in February 2023 reflect the risk score that the Council is working towards achieving or maintaining. Amendments to risk scores are reflected in the 'previous' and 'updated' columns of Appendix 1. The most notable changes in this update are the reduction in Risk C – Increase in Dedicated Schools Grant High Needs Block Deficit from 20 to 16, the reduction in Risk N – AI Risks from 12 to 6, the increase in Risk F – Cyber Attacks from 12 to 16, and the addition of Risk O – Business Continuity with an initial current score of 16. Risk L – Non-compliance with Statutory Housing Duties remains at 25 and continues to be subject to enhanced oversight and recovery action.

3.6 Action Plans

- 3.6.1 Each strategic risk is accompanied by a strengthened action plan, which includes a dedicated section tracking progress against previously identified actions and assigns clear ownership to promote accountability. The actions outlined are designed to reinforce existing controls and mitigation measures, with the aim of either reducing the risk to its target score or maintaining it at that level.
- 3.6.2 It is important to note that monitoring the completion of actions requires a longer-term view across multiple reporting cycles. Additionally, not all actions are discrete or time-bound; for example, the ongoing acquisition of street properties through i4B and delivery of the Preventing Homelessness Work Programme reflect continuing commitments rather than one-off tasks. As such, the Committee is encouraged to assess actions within the context of each specific risk, considering whether completed actions have meaningfully influenced the associated risk scores.

3.7 Departmental Risk Registers

- 3.7.1 All Council departments are responsible for maintaining their departmental risk registers to ensure that all operational risks are effectively managed, and to ensure that risks are escalated to the Strategic Risk Report, via CMT, where risk scores exceed agreed tolerances.
- 3.7.2 To this end, all departmental risk registers were reviewed and updated, as appropriate, prior to preparing the Strategic Risk Report. Internal Audit continues to liaise with all departments to provide risk management support and to assist with the updating of their risk registers. Internal Audit also comments on the completeness and reasonableness of the information provided and uses the information within the risk registers to inform annual and in-year audit planning. This helps to ensure that audit resource is effectively targeted at providing assurance on the highest-risk areas.

3.9 Risk Management Strategy

- 3.9.1 The Council's [Risk Management Strategy](#) was subject to a comprehensive review and update in Summer 2023. This presented a significant revamp that seeks to outline the Council's approach to risk management, to support a robust and consistent process for managing risks and opportunities.

3.9.2 The strategy was updated to ensure that the Council's risk management arrangements remain fit for purpose, but also complement other elements of the Council's governance processes.

3.9.3 A key addition to the strategy was the articulation of a risk appetite statement. Risk appetite is typically defined as the amount and type of risk that an organisation is willing to take in pursuit of its objectives and is a key component of effective risk management. The Council's risk appetite statement seeks to recognise that delivering the Council's strategic objectives is not without risk and some risks may need to be tolerated in order to innovate and improve. Equally, it is acknowledged that there are some risks that the Council should take every effort in managing and mitigating. The risk appetite statement therefore seeks to strike a balance between the Council's responsibility for managing risks against a need to work flexibly in delivering our strategic ambitions. To this end, the risk appetite statement defines six types of risks that the Council will seek to avoid at all cost.

3.9.4 Due to the significance and importance of the statement, it is envisaged that this will be reviewed and refreshed at regular intervals, where necessary and independently to the overall strategy, to reflect changes in the Council's risk profile. To this end, there have been no changes made to the Council's risk appetite statement during this period.

3.10. Enhancing the Risk Management Framework

3.10.1 Over the last two years the Council has made a number of significant improvements to the Council's risk management framework, including:

- Developing and implementing a new Risk Management Strategy;
- Defining the Council's risk appetite;
- Improved impact and likelihood metrics;
- Introducing target risk scores;
- Enhancing the number and level of risks at a strategic level; and
- A more comprehensive approach to presenting the Strategic Risk Report.

3.10.2 As detailed above, as part of this iteration the Strategic Risk Report continues to use strengthened action plans to provide a clear and transparent way of tracking actions to manage and mitigate risks.

3.10.3 It is however acknowledged that continuous improvement and enhancement is required to ensure that the Council's risk management framework and arrangements remain effective. To that end, two objectives and goals will guide future improvements:

- 1) Increased analysis and categorisation of departmental risks to provide more insight as to the full make up of the Council's risk profile.

- 2) To develop an integrated assurance plan to demonstrate a clearer link between assurance activities (by Internal Audit and other assurance providers) and the Strategic Risk Report.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 None.

5.0 Financial Considerations

- 5.1 The purpose of this report is to provide an update on the Risk Register, for which there are no immediate financial considerations.
- 5.2 Should there be any actions that are required from this update, then these will be considered within existing budget requirements.

6.0 Legal Considerations

- 6.1 There are no legal implications directly arising from this report. However, having robust arrangements and oversight to manage risk, and emerging risks, throughout the council is an important feature of good corporate governance.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

- 7.1 The strategic risks identified may affect residents and staff differently, with potentially greater impacts on individuals and communities experiencing socio-economic disadvantage or with protected characteristics. Risk owners should consider equality impacts when developing and reviewing controls and actions, supported by proportionate equality analysis, inclusive engagement and relevant disaggregated data. This will help ensure mitigations are accessible, do not create unintended disadvantage and support equitable outcomes.

8.0 Climate Change and Environmental Considerations

- 8.1 The council captures risks in relation to the Climate and Ecological Emergency under risk E of the Strategic Risk matrix. There is a significant risk that carbon neutrality as a borough will not be achieved by either 2030 or 2050 and that Brent's infrastructure, public health, and natural environment will be adversely affected by the physical effects of climate change and the consequences of extreme weather. This is due to a severe lack of funding, resources, and the level of widespread behaviour change required to meet the scale of the challenge.
- 8.2 The Council's Climate and Ecological Emergency Strategy is being refreshed during autumn 2026, informed by engagement and consultation, and will be accompanied by a new four-year Climate Programme covering 2027 to December 2030. The updated strategy and programme are scheduled for consideration by Cabinet in February 2027. This work will take account of the latest Local Area Energy Plan evidence, which identifies 2040 rather than 2030

as the earliest practicable date for borough-wide carbon neutrality, and will support a coordinated approach to mitigation, adaptation and resilience.

9.0 Communication Considerations

9.1 None

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources