



CORPORATE GOVERNANCE COMMITTEE – 26 JANUARY 2024

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT UPDATE

Purpose of the Report

1. One of the roles of the Corporate Governance Committee is to ensure that the Council has effective risk management arrangements in place. This report assists the Committee in fulfilling that role by providing a regular overview of key risk areas and the measures being taken to address them. This is to enable the Committee to review or challenge progress, as necessary, as well as highlight risks that may need to be given further consideration. This report covers:
 - The Corporate Risk Register (CRR) – summary of risks
 - Risk Management Policy Statement and Strategy
 - Insurance Policy
 - Property & Occupants Risk Management

Corporate Risk Register (CRR)

2. Within the County Council's Constitution, Article 9.03 'Role and Function of the Corporate Governance Committee' states that the Committee shall have responsibility for the promotion and maintenance within the Authority of high standards in relation to the operation of the Council's Code of Corporate Governance with an emphasis on ensuring that an adequate risk management framework and associated control environment is in place.
3. The Council maintains Departmental Risk Registers and a Corporate Risk Register (CRR). These registers contain the most significant risks which the Council is managing, and which are 'owned' by Directors and Assistant Directors.
4. The CRR is designed to capture strategic risk that applies either corporately or to specific departments, which by its nature usually has a longer time span. The CRR is a working document and therefore assurance can be provided that, through timetabled review, high/red risks will be added to the CRR as necessary. Equally, as further mitigation actions come to fruition and current controls are embedded, the risk scores will be reassessed, and this will result in some risks being removed from the CRR and managed within the relevant departmental risk register.

5. Updates to the current risks on the CRR (last presented to the Committee on 17 November 2023), are shown in Appendix A. Risks which have been removed in the last two years, and a brief reminder of the risk scoring process are at the end of the Appendix.
6. Movements since the CRR was last presented are detailed below: -

Risks removed

3.6 CR (Corporate Resources)

7. If the updates to the ORACLE Fusion system do not meet the County Council's requirements, then there is a risk of work arounds continuing and efficiencies not being delivered.

This risk will be managed at department level as initial issues are resolved and work continues on existing workstreams and processes.

4.3 E&T (Environment and Transport)

8. If bus operators significantly change services due to wider external or economic pressures then there could be substantial impacts on communities accessing essential services and lead to required intervention under our PT Policy & Strategy.

This risk will be managed at department level as increased confidence level in receiving the money from government.

7.5 A&C (Adults and Communities)

9. If there is continuing increase in demand for assessments (care needs and financial) then it may not be met by existing capacity.

The risk will be managed at department level as assessment backlog has been reduced by 50%.

Risks amended

Cost of Living Risk (All departments)

10. From: If the current cost of living crisis continues and even intensifies without any UK Government interventions, then the people and businesses of Leicestershire as a whole will be significantly impacted, and the County Council will have to take some difficult decisions.

To: If the current cost of living crisis continues and even intensifies, or if UK Government interventions cease, then the people and businesses of Leicestershire as a whole will be significantly impacted, and the County Council will have to take some difficult decisions.

Presentation

11. In accordance with the Committee's request at its meeting on 17 November 2023 a presentation will be provided as part of this item on risks related to Property & Occupants Risk Management.

Risk Management Policy Statement and Strategy

12. The Council's Risk Management Policy Statement and Strategy has been reviewed and minor revisions were made. It will be submitted as an appendix to the report on the Medium-Term Financial Strategy to the Cabinet on 9 February and full County Council at the Budget Meeting on 21 February.
13. Within its Terms of Reference, this Committee has a responsibility to monitor the arrangements for the identification monitoring and management of strategic and operational risk within the Council. Therefore, the recommendation to Cabinet is to approve the Risk Management Policy Statement and Strategy subject to consideration by the Corporate Governance Committee with delegation to the Director of Corporate Resources to amend it if necessary. A copy of the revised Policy and Strategy is included in Appendix B.

Insurance Policy

14. The Insurance Policy has also been reviewed and revised and will be submitted as an appendix to the report on the Medium-Term Financial Strategy to the Cabinet on 9 February and full County Council at the Budget Meeting on 21 February. The Policy (included as Appendix C) explains that last year the Council completed three important exercises: -
 - A re-procurement of broker services
 - A 'Total Cost of Risk review' of the Council's insurance programme,
 - An actuarial review of earmarked funds to meet future liabilities and the level of annual contributions to the funds.

Outcomes of the exercises were reported to Corporate Governance Committee on 22 September 2023.

Property & Occupants Risk Management

15. Following the tragic events of both the Grenfell Tower fire and high-profile terrorism attacks during 2017, a corporate group was established, initially to review fire safety risk across the Council's owned and procured properties but was widened to incorporate the Council's identification and management of terrorism and marauder risk. The span of property and people related risks covered is considerably wider now than when the group was established. The group is chaired by the Head of Internal Audit & Assurance Service and meets quarterly. It contains a wide breadth of representatives from the Council's services and has regular inputs from the Council's insurers and brokers and has links to the emergency 'blue light' services.
16. Revised terms of reference for the group are contained in Appendix D and an update on work undertaken by the group in 2023 and planned for 2024 is contained in Appendix E.

Recommendations

17. It is recommended that the Committee:
- a. Approves the current status of the strategic risks facing the County Council;
 - b. Makes recommendations on any areas which might benefit from further examination;
 - c. Notes the updates regarding: -
 - i. The Risk Management Policy Statement and Strategy
 - ii. The Insurance Policy
 - iii. Property & Occupants Risk Management

Resources Implications

18. None.

Equality Implications

19. None.

Human Rights Implications

20. None

Circulation under the Local Issues Alert Procedure

21. None.

Background Papers

Report of the Director of Corporate Resources – ‘Risk Management Update’ – Corporate Governance Committee, 30 September 2022, 21 November 2022, 26 January 2023, 16 March 2023, 26 May 2023, 22 September 2023 and 17 November 2023.

<http://politics.leics.gov.uk/ieListMeetings.aspx?CommitteeId=434>

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Appendices

Appendix A – Corporate Risk Register Update (January 2024)

Appendix B – Risk Management Policy Statement and Strategy (2024)

Appendix C – Insurance Policy

Appendix D – Property & Occupants Risk Management Group revised terms of reference

Appendix E – Property & Occupants Risk Management Group update on work undertaken in 2023 and planned for 2024.

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