



CORPORATE GOVERNANCE COMMITTEE – 24 JANUARY 2025

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT UPDATE

Purpose of the Report

1. One of the roles of the Corporate Governance Committee (the 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 an overview of key risk areas and the measures being taken to address them. This report covers:
 - Corporate Risks Update
 - Risk Management Policy Statement and Strategy
 - Insurance Policy

Corporate Risks Update

2. Within the County Council's Constitution (revised December 2024), the Terms of Reference at Section 2: Governance and Risk places a responsibility on the Committee at 2.5, 'To review and monitor the effective development and operation of risk management in the Council including the Council's risk management framework'.
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. The previous update to the Committee was 6 December 2024. Because of the short interval between that committee and this meeting, a decision was taken to seek written assurances from the risk owners that there had not been any significant changes to positions, and whether any corporate risks could be removed or should be added to the CRR.

6. Written assurances were gained and there was only one change: -

Risk removed

1.11 CEx (Freeport)

7. If transition to the operational stage were not finalised, then the County Council would not be fulfilling its role as lead authority and accountable body for the East Midlands Freeport.

Assurance was provided that the process is sufficiently advanced in the 'transition to operational' that it would be safe to remove the risk, but it will continue to be managed at department level.

8. The regular practice of a complete and detailed review of all department risk registers will reconvene in time for reporting to the 31 March Committee.

Presentation

9. In accordance with the Committee's request at its meeting on 6 December 2024, a presentation will be provided as part of this item on risk 3.7, 'If the council does not effectively manage its exposure to cyber risk, then there's a substantial risk of a successful cyber-attack which could severely damage the Council's reputation and affect service delivery which might result in incurring significant costs, both in order to successfully recover systems (downtime, incident response and possible ransom payment) and potential personal liability claims and regulator fines.

Risk Management Policy Statement and Strategy and Insurance Policy

10. Within the County Council's Constitution (revised December 2024), the Terms of Reference at Section 2: Governance and Risk places responsibilities on the Committee: -
- a. at 2.6, 'To review and make recommendations to the County Council on the Council's Risk Management Policy Statement and Strategy
 - b. at 2.10, 'To review and make recommendations to the County Council on the Council's Insurance Policy'.
11. Both documents have been reviewed and minor revisions were made.
12. Key points for the Risk Management Policy Statement and Strategy are: -
- a. Page 2 – The Policy Statement reflects the potential impact and opportunities of the government's English Devolution White Paper and local government funding reform
 - b. Page 4 – The revised constitutional requirements for risk management at the Council are included
 - c. Page 6 (and Annex 1 page 16) – Chief Officers have decided to retain the Council's overall risk appetite as 'open' i.e. Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk

- d. Page 7 - The risk maturity review has been further delayed. It is planned to use the Council's new insurers to undertake a review in the spring.
 - e. Page 19 – Chief Officers have decided to retain the practice that departmental risks scoring 15 or above should be escalated to them for review and consideration for including on the Corporate Risk Register
 - f. Page 27 – Action Plan for 2025
13. Key points for the Insurance Policy are: -
- a. Page 1 - From 1 October 2024, the Council has new insurers, Maven Public Sector for casualty and property risks, and Travelers UK for motor risk.
 - b. Page 1 - Maintained schools are no longer insured under the main insurance programme but through a separate scheme
 - c. Pages 2 & 3 – the self-insured retention/excess for employers' liability, public liability, professional indemnity and motor have been increased.
14. Both documents will be submitted as appendices to the report on the Medium-Term Financial Strategy to the Cabinet on 7 February and full County Council at the Budget Meeting on 19 February.
15. The recommendation to Cabinet is to approve the Risk Management Policy Statement and Strategy and the Insurance Policy subject to consideration by the Corporate Governance Committee with delegation to the Director of Corporate Resources to amend it if necessary.
16. A copy of the revised Risk Management Policy and Strategy is included in Appendix A and the revised Insurance Policy in Appendix B.

Recommendations

It is recommended that the Committee:

- a. Notes the current status of the corporate 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

Resources Implications

None.

Equality and Human Rights Implications

None.

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Report of the Director of Corporate Resources – ‘Risk Management Update’ – Corporate Governance Committee, 6 December 2024.

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Appendices

Appendix A – Risk Management Policy Statement and Strategy (2025)

Appendix B – Insurance Policy (2025)