



## **CORPORATE GOVERNANCE COMMITTEE – 23 JUNE 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 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) – updates on risks
  - Update on emerging risk – Local Government Reorganisation

##### **Corporate Risk Register (CRR)**

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. To assist with their understanding of this topic, the most recent update to the Council's Risk Management Policy Statement and Strategy (January 2025) was sent to all Committee members in advance of the meeting.
4. 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.
5. 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.

6. Updates to the current risks on the CRR (last presented in full to the Committee on 31 March 2025), are shown in **Appendix A**. Corporate risks reflect the Council's Strategic Plan (2022-26), which was approved by the County Council on 18 May 2022 and refreshed for 2024-26.

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.

A more detailed update of the CRR (providing additional information on current and further controls/actions on how the risks are being mitigated), will be presented to a future meeting.

Movements since the CRR was last presented in full are detailed below: -

### **Risks added**

#### **8.1 ALL (Business Continuity)**

7. A) If there is a failure to restore services or maintain services in a major disruption e.g. pandemic, power outage, cyber incident, etc., then the Council is at risk of not being to deliver identified critical services.

Rationale: This is an additional risk description, separating the mitigations required for managing risks to delivering internal critical services from those relating to external delivery.

### **Presentation**

8. A presentation will be provided on risk #8.1(A), 'If there is a failure to restore services or maintain services in a major disruption e.g. pandemic, power outage, cyber incident, etc., then the Council is at risk of not being to deliver identified critical services.' This follows a presentation to Committee at its meeting on 24 January 2025 on cyber security which was shared with all members in advance of this meeting.

### **Emerging risk – Local Government Reorganisation**

9. At its meeting on 31 March 2025, the Committee was informed that in February 2025, the Minister of State for Local Government and English Devolution set out the formal invitation to the County Council (and all local authorities in two-tier areas and neighbouring unitary authorities) to develop a proposal for local government reorganisation which required interim plans to be submitted to the Government by 21 March 2025. The Council submitted its interim plan for reorganisation and other proposals were sent to the government by Leicester City Council and Leicestershire's district councils in conjunction with Rutland County Council.
10. On 3 June, the government provided initial feedback on the interim plans so that final proposals can be worked on and submitted by the end of November 2025. In response to media queries, the Council stated that it noted the request for a single final submission, which can contain different options, and that will require discussion at a political level across Leicester, Leicestershire and

Rutland. The Council agreed it will be helpful if all proposals are supported by the same evidence base and analysis so that the Government is able to clearly identify the right solution for Leicestershire.

11. Regardless of the government's approach to the proposals submitted and its preferred way forward, there will follow a period of intensive work and demand on internal resources and short-term uncertainty and instability which will require mitigation.

### **Recommendations**

It is recommended that the Committee:

- a. Approves the status of the corporate and strategic risks facing the County Council.
- b. Makes recommendations on any areas which might benefit from further examination.
- c. Notes the update to the emerging risk on Local Government Reorganisation

### **Resources Implications**

None.

### **Equality and Human Rights Implications**

None.

### **Circulation under the Local Issues Alert Procedure**

None.

### **Background Papers**

Reports of the Director of Corporate Resources – 'Risk Management Update' – Corporate Governance Committee, 26 May 2023, 22 September 2023, 17 November 2023, 26 January, 20 May, 16 September and 6 December 2024, 24 January and 31 March 2025.

### **Officers to Contact**

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**Appendices**

Appendix A – Corporate Risk Register Update (April/May 2025)