



CORPORATE GOVERNANCE COMMITTEE – 19 SEPTEMBER 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
 - Emerging risks
 - The Worker Protection Act
 - Local Government Reorganisation - update

Corporate Risk Register (CRR)

2. Within the County Council's Constitution (revised March 2025), the Terms of Reference at Section 2: Governance and Risk places a responsibility on the Committee, '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. Updates to the current risks on the CRR (last presented in full to the Committee on 23 June 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 was refreshed and approved in April 2024 for the remaining two years (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: -

Risk added

1.14 Chief Executives (East Midlands Gateway 2)

6. If the East Midlands Gateway 2 (EMG2) Segro Development Consent Order (DCO) application is approved by the Secretary of State without mitigating infrastructure, then this could significantly impact the Council's services and responsibilities and could stifle wider growth in the International Gateway, including significantly impacting on the ability to deliver Local Plan growth in North West Leicestershire District Council.

Risk removed

3.8 Chief Executives (Business Intelligence)

7. If there is a failure to provide appropriate strategic and operational business intelligence then the council's policy and strategy will not be evidence-led and day-to-day service delivery, costs and reputation may be negatively impacted, including meeting statutory requirements.

Rationale: The Business Intelligence team has successfully migrated all data to a new physical server, so the risk as originally outlined no longer applies.

Presentation

8. A presentation will be provided on risk #4.4, 'If there is an actual or perceived breach of procurement guidelines then there may be a challenge which results in a financial penalty'.

Emerging risks

The Worker Protection Act

9. In recent years, there has been a notable increase in reported incidents of harassment and sexual harassment both within society at large and within workplace environments. This societal trend, coupled with heightened public awareness and expectations around sexual safety, reinforces the importance of proactively addressing these issues within our organisation. The Worker Protection (Amendment of Equality Act 2010) Act 2023, often called the Worker Protection Act, introduces a proactive duty for employers to take reasonable

steps to prevent sexual harassment. The Act came into force on 26 October 2024. Officers have been working on policy, procedure and a corporate risk as recommended by Equality and Human Rights Commission (EHRC). It is following this work and review that we are now raising a risk given the diversity of work undertaken across the Council, we are now seeking to test and refine our approach, particularly to assess whether there are areas of higher risk within the organisation. This assessment will help us to prioritise targeted interventions, such as tailored training and enhanced support, ensuring our efforts and resources are directed where they are most needed.

10. Non-compliance with the Act could result in: -

- a. legal action by the Equality and Human Rights Commission (EHRC). Their powers include investigating the employer, issuing unlawful act notices, implementing a formal legally binding agreement and seeking an injunction against the employer for committing an unlawful act
- b. Increase in compensation for sexual harassment, if an employment tribunal finds in favour of the claimant:
- c. Increase in grievance and discrimination cases that the employer cannot defend, especially in relation to third party actions against employees.

11. Mitigations implemented so far include: -

- a. Adoption of EHRC guidance and an 8-step guide developed to support compliance to the legislation. This provides the template for complying with the duties and taking all reasonable steps to protect our employees.
- b. An Action Plan has been developed and will continue to be updated. It includes: -
 - i. Development of a Zero Tolerance Statement
 - ii. Review of all current policies and procedures to ensure that anti-harassment is included.
 - iii. Development of risk assessment process that can be used across the organisation, with specific focus on services and potential hazards.
 - iv. Inclusion of harassment and sexual harassment in current system/s and procedures, including updating guidance and training for all employees.
 - v. Development of learning and training programmes for all employees, managers and senior officers, including key leads in departments who will support in the completion of the risk assessment.
 - vi. Inclusion of reporting on harassment and actions taken into Health & Safety reporting.

12. A wide range of further mitigations are planned before the end of the calendar year, including an independent review into the Council's approach to 'Sexual Safety' (this is routinely referred to in Health organisations and can be defined

as feeling secure and protected from any form of sexual harm, including unwanted sexual behaviour, harassment, assault, and exploitation). These steps reflect our ongoing commitment to have a safe and respectful workplace for everyone.

Local Government Reorganisation – update

13. At its meeting on 23 June 2025, the Committee was provided with background to the Government's proposals for local government reorganisation. It was informed that initial feedback had been provided by the Government on the interim plans submitted and final plans were to be worked on and submitted by the end of November 2025.
14. A report was provided to Cabinet on 12 September to provide members with an overview of the Government's policy on local government reorganisation, the local response earlier this year, a summary of the current position across Leicester, Leicestershire and Rutland (LLR) and the picture which is emerging regionally and nationally. The report also references the financial modelling that is currently being undertaken to inform an options appraisal with a final proposal for a unitary structure required to be submitted to the Government by 28 November 2025.

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 emerging risk on the Worker Protection Act, and an update on 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, 22 September 2023, 17 November 2023, 26 January, 20 May, 16 September and 6 December 2024, 24 January, 31 March and 23 June 2025.

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Appendices

Appendix A - Corporate Risk Register Update (July/August 2025)

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