



CORPORATE GOVERNANCE COMMITTEE – 23 JANUARY 2026

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
 - Property & Occupants Risk Management

Corporate Risks Update

2. Within the County Council's Constitution (revised November 2025), the Terms of Reference at Section 2: Governance and Risk place 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 captures strategic risks that affect corporately or specific departments, typically over a longer time frame. It is a dynamic document, reviewed regularly to ensure high/red risks are added as needed. As mitigation measures take effect and controls are embedded, risk scores are reassessed, and some risks may be removed from the CRR and managed within departmental registers
5. The last update to the Committee was on 24 November 2025. Given the short interval since then, written assurances were gained from risk owners confirming there were no significant changes to corporate risks and none to add or remove from the CRR.

Presentation

6. A presentation will be provided on the emerging risk of the use of Artificial Intelligence (AI) technologies to include assurances on accuracy of outputs, training plans and the use of personal data within AI, and the risks associated with this.

Risk Management Policy Statement and Strategy and Insurance Policy

7. Within the County Council's Constitution (revised November 2025), 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'.
8. Both documents have been reviewed, and some (mostly minor) revisions were made.
9. Key amendments and items for consideration 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 local government reorganisation and devolution plans and the continuing financial uncertainty following the Government's late changes to local government funding reform
 - b. Page 7 (and Annex 1 page 17) – 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. Work will be undertaken during 2026 to develop and agree risk appetite levels for individual risk categories then apply the selected appetites to the CRR and eventually to all risk registers which will give an overview of where identified risks are i.e. within or outside of appetite.
 - c. Page 8 – Whilst the external risk maturity review using the Council's insurers is yet to be arranged, any recommendations for improvement from an objective internal audit undertaken e.g. the decoupling and management of risks and issues, will be considered for implementation.
 - d. Page 11 – a new area of specialist risk management has been added to reflect the requirements to identify, evaluate and manage risks (and opportunities) that will arise from the outcome of local government reorganisation
 - e. Page 20 – Chief Officers have decided to retain the practice that departmental risks scoring 15 or above must be escalated to them for review and consideration for including on the Corporate Risk Register
 - f. Page 27 – Action Plan for 2026
10. There was only one key amendment for the Insurance Policy: -
 - a. Page 2 – specific limits applied to Recycling & Household Waste Sites

11. Both documents will be submitted as appendices to the report on the Medium-Term Financial Strategy to the Cabinet on 3 February and full County Council at the Budget Meeting on 18 February.
12. A copy of the revised Risk Management Policy and Strategy is included in Appendix A and the revised Insurance Policy in Appendix B.

Property & Occupants Risk Management

13. 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.
14. The Terms of Reference for the Property & Occupants Risk Management Group (P&ORMG) require a report to the Committee annually (at its meeting in January) as an appendix to the Risk Management Update report. A summary of key work undertaken by the P&ORMG during 2025 and planned work for 2026 is included as Appendix C.

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. Recommends the Cabinet to approve the revised 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.
- d. Notes the update on the work undertaken and planned work of the Property & Occupants Risk Management Group (P&ORMG)

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, 24 November 2025.

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Appendices

Appendix A	Risk Management Policy Statement and Strategy (2026)
Appendix B	Insurance Policy (2026)
Appendix C	Property & Occupants Risk Management Group (P&ORMG) - Summary of key work undertaken 2025 & planned for 2026