



CORPORATE GOVERNANCE COMMITTEE – 26 JUNE 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 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
 - Iran war (update)
 - Local Government Reorganisation (update)

Corporate Risk Register (CRR)

2. Within the County Council's Constitution (revised November 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 27 March 2026), 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.

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

Risk removed

ALL

6. **1.9 - If the immigration status of refugees and asylum seekers (including unaccompanied asylum-seeking children (UASC)) who arrive in the County is not resolved, then the Council will have to meet additional long-term funding in relation to its housing and care duties, with the biggest cost and staffing impacts on C&FS.**

Rationale: The asylum risk score has reduced due to the closure of a Leicestershire hotel, leaving only a smaller facility in use and lowering overall exposure. This is further supported by tighter Home Office restrictions and improved community-based dispersal solutions, strengthening resilience and reducing risk.

Presentation

7. A presentation will be provided on corporate risk #1.16 - If maintained Primary Schools submit significant licensed deficit budgets over time creating a financial burden for the Council; then individual schools may fail.

Emerging risks

Iran war (update)

8. The Council has seen a rise in supplier requests for inflationary price increases, including requests relating to highways, highways waste operations and taxis. Homecare providers may come forward with a request for higher rates
9. These requests highlighted the need for a consistent and transparent approach to reviewing evidence, contract position, affordability and service impact before any decision is made.
10. In response, a cross-functional review group has been established with input from Commercial Commissioning Support, Legal, Finance and the relevant service area to assess each request and agree a recommended position. A standard request form, contract assessment process and decision log are now being used to support consistency, approval tracking and a clear audit trail.

11. Costs are not yet financially significant since the Council is either negotiating most away or agreeing to a small increase. Work regarding taxis hasn't been finalised yet and this is the only one that could be materially cumulative as even a 2% increase could be significant.
12. Regarding supply chain, in Adults & Cultural Services the ICELS (Community Equipment service hosted in the City) are monitoring this as a risk, because of supply issues about kit being stuck in the Straits of Hormuz. There is the potential for this to raise the price of common equipment if supply becomes scarce, but it hasn't happened yet. Additionally, Adult Social Care are waiting for the new solo protect devices for lone workers which are "stuck" somewhere due to the war.
13. Other prospective impacts haven't yet materialised: -
 - a. Children & Family Services - mindful of the impact on staff or children who have families in the area. The Council looks after a number of UASC from the region so are monitoring and providing support.
 - b. Public Health, Communities & Law & Governance - The war has not led to a material increase in need for humanitarian assistance

Local Government Reorganisation (update)

14. The Council submitted its response to the statutory consultation on Local Government Reorganisation (LGR) by the deadline of 26 March. This set out the Council's comments on its own business plan, as well as that of the alternative plans that had been put forward within the Leicester, Leicestershire and Rutland (LLR) area.
15. It is likely that a decision on LGR will be made in July 2026. In the meantime, the Chief Executives of local authorities in LLR have met regularly and formed a working group to oversee the 'no regrets' work that central government advises local authorities that they should carry out whilst waiting for a decision.
16. As part of this, various workstreams of activity have been set up to manage some of the preparatory work. These include workstreams on Finance, Assets, Procurement, HR and others.
17. The Council has appointed an officer to coordinate and support its work around LGR, reporting into the Director of Corporate Resources. The LLR LGR lead is still awaiting appointment.

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 updates on the Iran war and 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, 16 September and 6 December 2024, 24 January, 31 March, 23 June, 19 September and 24 November 2025, 23 January 2026 and 27 March 2026.

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Appendices

Appendix A - Corporate Risk Register Update (April/May 2026)