Leicestershire County Council

CORPORATE GOVERNANCE COMMITTEE – 18 SEPTEMBER 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
     - Terrorism (Protection of Premises) Act 2025 (Martyn's Law)
     - Local Government Reorganisation (update)

Corporate Risk Register (CRR)

2. Within the County Council's Constitution (revised May 2026), the Terms of Reference at Section 2: Governance and Risk place 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

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5. Updates to the current risks on the CRR (last presented in full to the Committee on 26 June 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 added

C&FS

6. 4.6 - IF there is insufficient availability of suitable Ofsted-registered residential placements for children coming into care, particularly those with complex needs, then the Council may be unable to secure appropriate registered accommodation that meets statutory requirements. This could result in children being placed in unregistered/unlawful or activity-based settings on a temporary basis, exposing the Council to legal, safeguarding, financial, and reputational risks and potentially impacting on children's outcomes and wellbeing.

Risk removed

G, E&T

7. **9.5 -** If there are significant changes / clarifications to legislation, policy or guidance then performance could be impacted and cost increases

Rationale: Risk impact reduced in line with service risk assessments. For highways, the new risk-based approach to working practices went live on July 1st. This includes a new revised hierarchy, inspection routes, and response times to defects based on risk. As we are now conforming with the Code of Practice this can now be de-escalated. For the waste element the risk score has been amber for some time. They are continuing to assess the potential areas of legislative change and implications as well as responding to consultations but no further specific actions at this stage.

The overall risk will remain on the department's register as an amber risk.

Risk redefined

C&FS

8. **7.7 – From:** If current demand for Education, Health and Care Needs Assessment and updating of EHCPs after annual review exceeds available capacity of staff within SEND Services (particularly educational psychology and SEN Officer) then this leaves the Council vulnerable to complaints of maladministration with regards to statutory timescales. The situation is worsened by a lack of specialist placements which means that children with complex needs may not be placed in a timely way and hence may not receive the support to which they are entitled through their EHC Plan

To: IF demand for Education, Health and Care Needs Assessments (EHCNAs), Education, Health and Care Plan (EHCP) reviews and amendments, specialist SEND placements, and school places (including Alternative Provision (AP)) exceeds the available capacity of SEND Services and education provision, and if sufficient capital investment is not available to deliver the required additional places, specialist and alternative provision, then the Council may be unable to meet its statutory responsibilities for SEND and place planning.

Rationale: The risk has been revised to reflect a broader strategic concern regarding the Council's ability to meet its statutory SEND and place-planning responsibilities. The previous wording focused primarily on staffing capacity within SEND Services and the impact on assessment timescales. The revised wording recognises that delivery is also dependent on the sufficiency of specialist provision and school places, workforce availability, and the capital investment required to expand provision. This provides a more comprehensive description of the causes, impacts and strategic consequences associated with increasing demand for SEND services.

Emerging risks

Terrorism (Protection of Premises) Act 2025 (Martyn's Law)

9. The Terrorism (Protection of Premises) Act 2025, commonly known as Martyn's Law, aims to improve public safety by requiring those responsible for certain publicly accessible premises and events to consider the risk of terrorist attacks and implement proportionate measures to reduce harm and improve preparedness.

10. The Act received Royal Assent in April 2025 and is currently in an implementation period before the legal duties come into force, providing organisations with time to assess their readiness and develop compliance plans. Statutory guidance was presented to Parliament on 15 April 2026 and updated on 7 August 2026. The main duties are not expected to commence before April 2027.

11. The Council is treating the implementation of the Act as a corporate compliance and assurance issue. It will need to identify premises and events that fall within scope, confirm responsibilities, evidence proportionate public protection arrangements, and prepare for future Security Industry Authority registration and regulatory oversight.

12. The Council must show timely, proportionate, and coordinated preparation with clear ownership, governance, risk reporting, and alignment with existing corporate arrangements. Failing to effectively plan for and implement the requirements of the Act before it comes into force could result in non-compliance with statutory requirements, leading to regulatory enforcement action, financial penalties, increased compliance costs, operational disruption, and reputational damage. Challenges in interpreting legislative requirements, assigning accountability, implementing proportionate controls, and securing

sufficient resources may delay compliance and expose weaknesses in governance, policies, procedures, training, and assurance arrangements.

13. A review of all corporate operational property sites has been undertaken to identify any sites that may fall within scope of the Act. Implementation at all sites confirmed will require a clear corporate programme involving all departments and covering scope, ownership, training, controls and assurance. Further preparatory work has begun through a cross-council Protect Preparation Task and Finish Group.

14. The next stage will move the Council from preparation to implementation, with senior ownership, defined workstreams and regular reporting to support CMT oversight and delivery through a Protect Implementation Team. Immediate priorities are to: -

    - confirm LCC sites and events that will fall within scope
    - review key procedures and gaps
    - develop staff training and communications
    - secure legal, audit, risk and insurance input; and
    - maintain engagement with national guidance and key partners.

15. The Director of Corporate Resources will act as the Council's Senior Responsible Officer. The Committee will be kept informed of progress.

<u>Local Government Reorganisation (update)</u>

16. Shortly before circulation of the agenda, the Secretary of State announced that the LGR process would be paused pending a review. The following section has been kept in the report for information at this stage pending further clarification on the revised LGR timetable.

17. Following the Government's decision on Local Government Reorganisation (LGR) within Leicester, Leicestershire and Rutland (LLR), formal implementation arrangements are now being established. The first meeting of the LGR Implementation Programme Board has taken place, bringing together Chief Executives and senior officers from across the area to oversee delivery of the programme and coordinate activity between the constituent councils. The County Council's Chief Executive is the LLR lead officer.

18. The Programme Board has approved the initial governance framework for the implementation phase, including its Terms of Reference, supporting governance arrangements and a thematic workstream structure. A series of implementation workstreams is being established covering key areas of transition activity, with further work underway to finalise workstream leadership, detailed terms of reference and programme design principles.

19. Initial requests by the Ministry of Housing, Communities and Local Government (MHCLG) have been fulfilled. These include submission of warding proposals, parish election arrangements, returning officer responsibilities and transition funding arrangements. Joint Committee arrangements are also being developed, with membership expected to be confirmed by the end of September and initial meetings scheduled during October.

20. The Council continues to participate in LLR-wide planning activity and is assessing the financial, workforce and operational implications arising from implementation. LGR is a significant cross-organisational change programme that will require a large resource commitment over an extended period. Whilst additional resources may be secured to support the programme, many of the specialist skills and leadership roles required for LGR are the same resources needed to deliver core council services. Consequently, there is a risk that LGR objectives and/or County Council priorities could be compromised if capacity pressures are not effectively managed.

21. Agreement of funding arrangements, governance clarity, delivery timescales and effective stakeholder communications are other key programme risks requiring ongoing management and monitoring. As implementation activity develops, these risks will continue to be reflected in programme governance arrangements and considered through the Council's risk management processes.

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 risks on planning for and implementing the Terrorism (Protection of Premises) Act 2025 (Martyn's Law), and the update 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, 6 December 2024, 24 January, 31 March, 23 June, 19 September and 24 November 2025, 23 January, 27 March and 26 June 2026.

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Appendices

Appendix A - Corporate Risk Register Update (July/August 2026)