**CORPORATE RISK REGISTER – UPDATE ON RISKS** **APPENDIX B**

| CRR Risk No. | Dept | Risk Description | Current Risk Score | | | *Target Risk Score | | | Update April/May 2026 | ** Direction of Travel (Residual Risk Score over the next 12 months) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Impact | Like lihood | Risk Score | Impact | Like lihood | Risk Score | | |
| **1. Medium Term Financial Strategy** | | | | | | | | | | |
| 1.1 | ALL | If we fail to deliver the MTFS savings, have an unexpected loss in income and /or fail to control demand and cost pressures then this will put the Council's financial sustainability at risk with major implications for service delivery. | 5 | 5 | 25 | 5 | 3 | 15 | The Council commissioned an external efficiency review to review its current cost base and identify further opportunities for savings and increased income. The review is now complete and identified potential savings of £27m across the MTFS period, with a stretch target approaching £60m. Cabinet approved the revised Transformation Programme in May and mobiisation of the programme is now underway. Savings will be incorporated into the MTFS once there is sufficient confidence around delivery. Cabinet and Scrutiny will receive updates on the MTFS refresh and Better Leicestershire progress throughout the budget setting process. There are a number of external factors that may also influence the MTFS, such as any new policy and spending plans of the new Prime Minister<br><br>**A&CS**<br><br>Period 3 forecast is showing an overspend of £230k against budget.<br><br>The reduced Discharge to Assess Risk Share is subject to ongoing dialogue with NHS partners.<br><br>The Efficiency Review is beginning to move towards implementation and additional front line and leadership capacity resourcing is being identified.<br>Income targets for cultural services are being monitored on a regular basis including implementation of higher fees relating to Country Parks (£80k). | ↔ |
| 1.5 | C&FS | Children's Social Care<br><br>IF the number and type of high-cost social care placements (e.g. external fostering, residential and 16+ supported accommodation) increases (especially in relation to behavioural and CSE issues) THEN there may be significant pressures on the Children's Social Care placement budget, which funds the care of vulnerable children. | 5 | 4 | 20 | 4 | 4 | 16 | Work on procuring different models of accommodation and support to ensure best outcomes and value for money is progressing - 16+ Support Accommodation UASC mini-tender is being evaluated with award anticipated late September 2026; Non-UASC 16+ tender still in preparation but soft-market test due to go live in August 2026 and results of this can be fed back in to final draft of specification ready for publishing to market (likely Autumn 2026). The Placements Fee Review Process for 2026/27 is largely concluded - there are some ongoing appeals for EIAN providers (Independent Special Schools) and for Barnardo's (internal residential homes). IPAs for social care placements affected by uplifts have been redrafted. Cost avoidance from this process is being calculated and will be shared with CFS DMT Change Board. Work is also continuing with CFS Commissioning Service to improve negotiation with providers over fees, control. additionality requests; this includes work and training for workforce on referral quality as this has been identified as a potential contributor to additionality requests and sufficiency challenges. The impact of this work continues to be tracked through service and departmental ICMS and reported monthly to CFS DMT Change Board. | ↔ |
| 1.6 | C&FS | Special Educational Needs<br><br>IF demand for and the complexity of Education Health and Care Plans (EHCP) continues to rise, and corrective action is not taken, there is a risk that the high needs block budget deficit will continue to increase and create a significant burden on the Council. | 4<br>**(Reduced from 5)** | 5 | 20 | 4 | 4 | 16 | Confirmation hs been received that the Government will pay up to 90% of deficits accumulated up to 31 March 2026. However, the detail and timeframe as yet to be confirmed. Further announcements are expected in the Autumn. | ↔ |

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| 1.12 | G, E&T | If housing and economic growth across Leicester and Leicestershire is not properly planned with effective funding mechanisms for essential infrastructure, services such as education, transport, waste, and libraries may not be delivered. This could lead to unsustainable development and harm existing communities. Where statutory duties like education or road safety are affected, the financial and delivery burden may fall on the County Council, exceeding current funding capacity. | 5 | 4 | 20 | 4 | 3 | 12 | As reported in detail to the the Committee in March 2026, the Council's co-ordinated risk management strategy to reduce the potential gap in services if development does not sufficiently contribute to the delivery of necessary infrastructure also now includes: -<br><br>• Reviewing and updating planning obligation cost multipliers for all services<br>• Reviewing and consulting on an updated Leicestershire Planning Obligations Policy<br>• Review of processes and procedures, assisted by the LCC Internal Audit Service<br>• Review of growth governance<br><br>We are continuing to work closely with and influence Local Plan policies and Community Infrastructure Levy. | ↓ |
| 1.13 | C&FS | If suitable placements are unavailable for UASC (unaccompanied asylum-seeking children) who arrive in the County, either planned or unplanned, then there will be significant pressures meeting the department's statutory duties with regards to UASC as well as financial pressures in meeting their complex needs | 5 | 3 **(decrease from 4)** | 15 | 4 | 3 | 12 | Work to procure different models of accommodation and support to ensure best outcomes and value for money is progressing - 16+ Support Accommodation UASC mini-tender is being evaluated with award anticipated late September 2026; Non-UASC 16+ tender still in preparation but soft-market test due to go live in August 2026 and results of this can be fed back in to final draft of specification ready for publishing to market (likely Autumn 2026). As noted previously, this contract will help address provision for those requiring 16+ Supported Accommodation but who are aged over 18 years, freeing up more spaces available through the G2R DPS for those who are aged under 16. This will give the department greater agility in placing young people and ensuring that support needs are being met at appropriate levels and ensuring value for money. Ongoing reporting of progress of this work and future reporting on financial benefits through CFS DMT Change Board. | ↔ |
| 1.14 | PH, C, L&G | 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 | 4 | 4 | 16 | 2 | 2 | 4 | The East Midlands Gateway Development Consent Order application was accepted by the Planning Inspectorate in November 2025. The Examination of the application commenced in March 2026. Since March 2026 submissions have been made into the Examination on behalf of the County Council to meet the six statutory deadlines so far, with a further three deadlines to the close of Examination in September 2026. In addition, Officers participated in hearings in March and May and will participate in a further hearing in August to represent the County Council's interests.<br><br>Whilst Officers continue to work with the Applicant to resolve outstanding matters of concern, there is currently no agreed scheme of highway and transport mitigation for the Local Road Network, and to date no commitment from the Applicant to address. Of particular concern are predicted increases in traffic flows through the village centres of Kegworth and Castle Donington. It is hoped that agreement can be reached before the close of the Examination. | ↓ |
| 1.15 | C&FS | If there is insufficient DfE capital funding then the Council could fail to meet its place planning requirements including SEND | 5 | 4 | 20 | 2 | 3 | 6 | A capital shortfall of over £100m for 17 new mainstream schools continues to be a significant concern. In terms of mitigation, standardised designs, value engineering and phased delivery are underway in order to reduce costs of individual developments. Corporately, a refresh of the Planning Obligations Policy is ongoing, which is needed to ensure sufficient and timely release of s106 contributions is secured for future developments. | ↔ |

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| 1.16 | C&FS | If maintained Primary Schools submit significant licensed deficit budgets over time creating a financial burden for the Local Authority; then individual schools may fail | 5 | 4 | 20 | 5 | 2 | 10 | This risk is being managed through the School Sustainability Programme.The Council has commissioned EPI who are specilialists in school budget management to support schools to develop balanced budgets and scrutinise budget recovery plans submitted alongside licenced defict applications.<br><br>Licensing of deficits will be agreed during the Autumn Term.<br><br>The programme will start to prioritise schools for support and reorganisation alongside the licensing process and the programme will be formally launched in October. | ↔ |
| **2. Health & Social Care Integration** | | | | | | | | | | |
| 2.4 | A&CS C&FS PH, C, L&G | If health and care partners fail to work together to address the impact of system pressures effectively, there is a risk of an unsustainable demand for care services and a risk to the quality of those services to meet need | 4 | 4 | 16 | 5 | 2 | 10 | **A&C** - Work has commenced on agreeing a joint protocol on Continuing Health Care and joint funding with the new ICB. With the new ICB in place, we are reviewing current standard operating procedures around hospital discharge to reduce any potential delays and reinstate joint care and funding pathways.<br><br>**C&FS** - Regular discussions are taking place with the ICB but their action plan/resturucting is not yet fully implemented<br><br>**PH** -No further update | ↔ |

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| **3. ICT, Information Security** | | | | | | | | | | |
| 3.7 | CR | If the council does not effectively manage its exposure to cyber risk, then there’s a substantial risk of a successful cyber-attack which could severely damage the Council’s reputation and affect service delivery which might result in incurring significant costs, both in order to successfully recover systems (downtime, incident response and possible ransom payment) and potential personal liability claims and regulator fines. | 5 | 5 | 25 | 5 | 5 | 25 | The impact of a cyber/ransomware attack or IT system breach could be significant and will have varied effects on the organisation and its ability to provide critical/statutory services, so focus continues on improving existing technical controls and introducing new security initiatives to further stregthen security posture and reduce impact of any successful attack/breach.<br><br>To enhance cyber recovery and general preparedness, regular, close working between ICT and Business Contինity Teams is in place and ensures consistent delivery of Disaster Recovery and Business Continuity Plans.<br><br>Several compliance based activities underway relating to review customer security posture against Cyber Essentials standards, and work is planned for later in the year to undertake gap analysis for Cyber Assessment Framwork (CAF). | ↔ |
| **4. Commissioning & Procurement** | | | | | | | | | | |
| 4.4 | CR | If there is an actual or perceived breach of procurement guidelines then there may be a challenge which results in a financial penalty. | 4 | 4 | 16 | 3 | 4 | 12 | The Commissioning Support Unit is implementing procurement improvements to strengthen compliance, transparency and value for money through a revised Target Operating Model (TOM), including a new e-tendering system to support Procurement Act requirements. The system is expected to go live by August 2026, with full implementation by December 2026.<br><br>Engagement with Directorate Management Teams is underway, with Corporate Management Team consideration planned for the end of August. The proposed TOM will support a more consistent approach to procurement and contract management.<br><br>Together, these changes are intended to reduce procurement risk by improving oversight, category management, supplier relationship management and contract governance, while supporting delivery of savings and improved outcomes. | ↔ |
| 4.5 | G, E&T C&FS | If demand for bespoke placements for children and young people with EHCPs continues to rise, then the current E&T Transport Policy could become unsustainable and will need to be revised in order to avoid significant risks to finance, policy, operation, and public perception. | 4 | 4 | 16 | 3 | 3 | 9 | The Local Authority anticipates demand for Alternative Provision and Special School places will increase in line with the national increase following the announcement of the current SEND Reforms and changes to EHCP legislation which is currently driving parental anxiety for EHCPs and specialist school places. Due to sufficiency issues for special school places, Alternative Provision of which Independent Specialist Provision is part of, is the only available option – increased legal challenge places the Local Authority at risk of placements set by the parental preference and Tribunal direction in the absence of all other available provision, closer to the child’s home.<br><br>An increase in alternative settings will have an impact on overall network efficiency as opportunities for shared journeys could reduce. Whilst the cost of transport may increase the cost of alternative placements is likely to be lower. The Council must meet its statutory duty in relation to transport to alternative settings whilst also balancing network efficiency. A revised transport policy position that ensures clear referral and reporting processes that ensures impacts can be monitored and reviewed is being established with a view to being adopted by January 2027. | ↓ |

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| 4.6 | C&FS **(NEW)** | 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. | 4 | 5 | 20 | 4 | 3 | 12 | The Council has routine operational oversight placed in unlawful provision so that we are confident all efforts to identify suitable registered provision are taking place without any delay but we have careful operational oversight, we do have multiple streams of work around sufficiency to increase placements. There is a piece of work linked to Better Leicestershire that is linked to fostering opportunities to be enhanced although these are in the early deisgn phase, work around the wider residential and building on our inhouse provision is being pushed as an urgent action but likely that given the commissioning rules and the time it takes to develop these projects there will be a lag between our intention and work to delivering viable otpions. | |
| **5. Safeguarding - category retired** | | | | | | | | | | |
| **6. Category retired** | | | | | | | | | | |
| **7. People** | | | | | | | | | | |
| 7.1 | CR (ALL) | If sickness absence is not effectively managed then staff costs, service delivery and staff wellbeing will be impacted | 4 | 4 | 16 | 3 | 4 | 12 | The absence rate has decreased slightly since the previous report to the Corporate Governance Committee. Quarterly reporting to the Employment Committee continues, alongside refreshed reporting to the Corporate Management Team. Absence management training is in place to support managers in applying consistent and effective processes. | ↔ |
| 7.2 | ALL | If departments are unable to promptly recruit and retain staff with the right skills and values and in the numbers required to fill the roles needed, then the required/expected level and standard of service may not be delivered, and some services will be over reliant on the use of agency staff resulting in budget overspends and lower service delivery. | | | | | | | <u>**Risks currently scoring 15 and above**</u> | ↔ |
| | | | 5 | 3 | 15 | 3 | 5 | 15 | <u>**C&FS**</u> - Recruitment activity is still ongoing, still awaiting further information from the DfE re 2year Assessed and Supported Year in Employment ASYE programme. We are aligning DFE guidance with our families first partnership programme to cover the new roles i.e. the lead child practitioner, we continue to proactively recruit using regular adverts and social media to support this. We are seeing increasing gaps in the agency market which means that gaps in our permanent workforce are difficult to fill with the quality of agency that we need to undertake - this is being escalated via our recruitment partner Reed and we need to come up with options as this does appear to have the potential to move us into a period of crisis if not managed well. Currently exploring options and keeping the risk under review alongside the work. | |
| | | | 4 | 4 | 16 | 3 | 3 | 9 | <u>**CR**</u> - Work has started on creating a number of bite size videos to provide advice on adverts, shortlisting etc. It is likely that the LGR decsion will impact recruitment and retention and it will be important to monitor this on a local/service level.<br>Learning and Development's focus is to continue to work to maximise apprenticeship levy utilisation, respond to government policy changes and the developmeny of an apprenticehip strategy. | |
| | | | 4 | 4 **(decrease from 5)** | 16 | 3 | 3 | 9 | <u>**G, E&T**</u> - DMT noted that the current score relies on recruiting to vacancies or alternatively bringing in agency / consultancy support.<br><br><u>**A&CS**</u> - A review is commencing to understand current and future requirements of vacancy | |

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| | | | 4 | 4 | 16 | 3 | 3 | 9 | **A&CS -** A review is commencing to understand current and future requirements of vacancy management, attraction of candidates and recruitment activity regarding timescales and successful appointments.<br><br>**Risks currently scoring below 15** | |
| | | | 3 | 4 | 12 | 3 | 3 | 9 | **PH, C, L&G** - Law/Trading Standards - recruitment still an ongoing challenge | |
| 7.3 | A&CS | If the Department fails to develop and maintain a stable, sustainable, and quality social care market to work with, then it may be unable to meet its statutory responsibilities. | 5 | 3 | 15 | 5 | 2 | 10 | Homecare procurement successfully completed with implementation date of October 2026.<br><br>Continuation of Community Life Choices arrangements in preparation for revised procurement.<br><br>Extra Care tender out to market imminently. | ↔ |
| 7.5 | A&CS | If there is continuing increase in demand for assessments (care needs and financial) then it may not be met by existing capacity. | 4 | 4 | 16 | 4 | 3 | 12 | A new dashboard has been developed to enhance timeliness of assessment reporting.<br><br>Significant progress has been made in respect of Care and Support assessments and Adult Social Care Finance assessments. | ↔ |
| 7.7 | C&FS | 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. | 5 | 5 | 25 | 4 | 4 | 16 | There are currently 518 children and young people awaiting specialist school places within Leicestershire. A refresh of the SEND capital strategy is underway which will set out the future SEND capital programme for the next 5 years. This will include a new 252 place special school for the South of the County due to be delivered in 2028, in addition to additional places at existing special schools, a number of new specialist basis on mainstream school sites and new accommodation for Oakfield Short Stay school. Additional staff capacity to expedite the rollout off speicalist bases will be introduced through the SEND reform plan.<br><br>Lack of special school sufficiency places has increased demand on Oakfield Short Stay Places - primary need analysis underway and going through EHCP's to identify education provision requirements, weekly meetings with Heads of Service who then will meet with parents | ↔ |

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| **8. Business Continuity** | | | | | | | | | | |
| 8.1 | ALL | 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<br><br>B) If suppliers of external critical services do not have robust business continuity plans in place, then the Council may not be able to deliver services. | 5 | 3 | 15 | 5 | 2 | 10 | **<u>Internal Business Continuity (BC) arrangements</u>**<br><br>The project on testing Business Continuity (BC) plans is on course to be completed within the project timelines (end of March 2027). The BC officer responsible for the project, will shortly be starting the review of the BC plans for both care departments. It is interesting to note that both departments have declassified some plans as they do not meet the definition for a Tier 1 risk classification. Also, that they have reduced the number of plans due to teams operating virtually the same plan. Therefore, rather than have 5 separate identical plans for 5 teams, moving to having 1 plan for 5 teams. The Resilience & BC team have also been asked to support the testing of plans with both care departments.<br><br>**<u>External (Critical Service Provider) Business Continuity (BC) plans</u>**<br><br>Since the last update, on the instructions from the Resilience Planning Group (RPG) in the July meeting, the BC officer responsible for the work has contacted all the persons responsible for the outstanding external plans. The requirement being to either complete the plan to provide a high level of assurance, if not to accept the risk to be signed off by suitable level of authority and then add the risk to departmental risk registers.<br><br>To date of the 28 outstanding plans, all but 12 have been assessed to a high level of assurance, or been declassified due to not meeting the Tier 1 risk classification. A meeting was held recently by the relevant BC officer and the manager of the Commissioning Support Unit (CSU) to consider a way forward in attempting to assess BC plans of provided critical services, before or at the time of signing off a contract. It has been agreed the BC officer will work closely with the CSU team to consider how this could be achieved before reporting back to manager on a way forward. This is likely to require a DMT/CMT report with a recommended way forward. | ↔ |
| **9. Environment** | | | | | | | | | | |
| 9.1 | G, E&T | If the Ash Dieback disease causes shedding branches or falling trees then there is a possible risk to life and disruption to the transport network | 5 | 3<br>**(Down from 4)** | 15 | 5 | 2 | 10 | Summer ash dieback survey for Main Highways Network started at the end of June and will continue over a 14 week period when ash trees are in full leaf and the effects of the fungus are evident and obvious. | ↔ |
| 9.2 | G, E&T | If there was a major issue which results in unplanned site closure (e.g. fire) then the Council may be unable to hold or dispose of waste | 5 | 4 | 20 | 4 | 2 | 8 | Planned Waste Transfer Station works and closures will be undertaken in 2026/27. It is anticipated that the risk will be lowered once these works are completed. Demand remains high across the service, including due to the transfer of food waste as district council collections come online.<br><br>Very high demand across the Recycling and Household Waste Site service coupled with staff shortages (driver shortages, sickness, planned leave and vacancies), delays / availability at treatment facilities and plant break downs led to the temporary closure of 4 RHWS from early August. | ↓ |

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| 9.4 | G, E&T | If the Council does not take action to tackle climate change, it may be unable to respond adequately to existing and predicted climate impacts, leading to higher financial implications and service disruption, as well as making future adaptation more costly. | 4 | 5 | 20 | 4 | 3 | 12 | The Climate Resilience Delivery Plan was approved by the Cabinet on 3 February 2026. Initial work to deliver the Plan has begun, including scoping / agreeing methodology for updating the Council's climate risk registers.<br><br>Work is starting on engaging with high-risk service areas to review risk scores and to develop action plans to mitigate the identified climate risks. |  |
| **10. Category Retired** | | | | | | | | | | |

**Department**

| | |
|---|---|
| A&CS | Adults & Cultural Services |
| C&FS | Children & Family Services |
| CR | Corporate Resources |
| G, E&T | Growth, Environment & Transport |
| PH, C, L&G | Public Health, Communities, Law & Governance |
| ALL | Consolidated risk |

*Target risk score - This is the desired score to be achieved after additional mitigation procedures/controls have taken place.

**The arrows explain the direction of travel for the risk, i.e. where it is expected to be within the next twelve months after further mitigating actions, so that:

- A horizontal arrow shows that not much movement is expected in the risk.
- A downward pointing arrow shows that there is an expectation that the risk will be mitigated towards 'medium' and would likely be removed from the register.
- An upwards pointing arrow would be less likely, but possible, since it would show an already high scoring risk is likely to be greater