Leicester
City Council

MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE

DATE: MONDAY, 24 MARCH 2025
TIME: 5:30 pm
PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee
Councillor Kaur Saini (Chair)
Councillor Clarke (Vice-Chair)
Councillors Bonham, Cassidy, Kitterick, Rae Bhatia and Westley

Independent Member Mr Bipon Bhakri

One unallocated Labour Group place

Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.

for Monitoring Officer

Officer contact: Sharif Chowdhury
Senior Governance Officer
Governance Services, Leicester City Council,
City Hall, 115 Charles Street, Leicester, LE1 1FZ
Email. committees@leicester.gov.uk

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PUBLIC SESSION

AGENDA

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1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

3. MINUTES OF THE PREVIOUS MEETING **Item 3 (Pages 1 - 4)**

The minutes of the meeting held on 11 February 2025 are attached and Members will be asked to confirm them as a correct record.

4. RISK MANAGEMENT UPDATE **Item 4 (Pages 5 - 44)**

The Director of Corporate Services submits the Strategic and Operational Risk Registers to the Governance and Audit Committee.

The Governance and Audit Committee are recommended:

- To note and make any comments on the latest versions of the SRR and ORR, as provided.
- To note and make any comments on the proposal of reporting Strategic Risks at Appendix 1c.

5. RISK MANAGEMENT, BUSINESS CONTINUITY STRATEGY AND POLICIES 2024 **Item 5 (Pages 45 - 98)**

The Director of Corporate Services submits the Corporate Risk and Business Continuity Policies and Strategies reports to the Governance and Audit Committee.

The Governance and Audit Committee is recommended:

- That the updated Corporate Risk Management Policy Statement and Strategy (appendix 1) be noted.
- That the Corporate Business Continuity Management Policy Statement and Strategy (appendix 2) be noted.

6. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BI-ANNUAL PERFORMANCE JULY-DECEMBER 2024 **Item 6 (Pages 99 - 126)**

The City Barrister and Head of Standards submits the Regulation of Investigatory Powers Act 2000
Bi-Annual Performance Report July 2024 – December 2024 to the Governance and Audit Committee.

The Governance and Audit Committee is recommended to:

- Receive the Report and note its contents.
- Approve the proposed amendments to the Council's Surveillance Policy.
- Make any recommendations or comments it sees fit either to the Executive or to the City Barrister and Head of Standards.

7. INTERNAL AUDIT UPDATE AND INTERNAL UPDATE PLAN 2025/26 **Item 7 (Pages 127 - 156)**

The Director of Finance submits the Internal Audit Work Progress Report 2024/25 and the Internal Audit Work programme 2025/26 to the Governance and Audit Committee.

The Governance and Audit Committee is recommended to:

- Note the progress made in delivering the 2024/25 internal audit work programme, and current delivery intentions over the remainder of the year.
- Approve the 2025/26 internal audit work programme.

8. ANNUAL REVIEW OF THE COUNCIL'S LOCAL CODE OF CORPORATE GOVERNANCE **Item 8 (Pages 157 - 170)**

The Director of Finance submits the Annual Review of the Council's Local Code of Corporate Governance to the Governance and Audit Committee.

The Governance and Audit Committee is recommended to approve the Local Code of Corporate Governance 2025/26, at Appendix 1.

9. FINANCE UPDATE - FINAL ACCOUNTS PROCESSES **Item 9 (Pages 171 - 174)**

The Director of Finance submits the Finance Update – Final Accounts Processes report to the Governance and Audit Committee.

The Governance and Audit Committee is recommended to note the report.

10. COMMITTEE'S ANNUAL WORK PERFORMANCE REPORT 2024/25 **Item 10 (Pages 175 - 182)**

The Director of Finance submits the Governance and Audit Annual Report 2024/25.

The Governance and Audit Committee is recommended to approve this report for submission to the Council, subject to any amendments that it may wish to

make.

Council is recommended to receive this report.

11. ACTION TRACKER **Item 11**
(Pages 183 - 184)

The Committee is recommended to note progress on actions agreed at the previous meeting and not reported elsewhere on the agenda (if any).

12. ANY OTHER URGENT BUSINESS

Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: Tuesday, 11 February 2025 at 5:30 pm

P R E S E N T :

Councillor Kaur Saini (Chair)
Councillor Clarke (Vice Chair)

Councillor Ted Cassidy
Councillor Joel
Councillor Kitterick
Councillor Rae Bhatia
Councillor Westley

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1 Apologies for Absence

Apologies were received from Bipon Bhakri.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of the Previous Meeting

RESOLVED:
That the minutes of the meeting of the Governance and Audit Committee held on 29 January 2025 be confirmed as a correct record.

4 Statutory Statement of Accounts and Annual Governance Statement 2023/24

The Director of Finance and External Auditors submitted a report to the Governance and Audit Committee with presented the Statutory Statement of Accounts and Annual Governance Statement 2023/24, along with updates from the External Auditor which details of their audit work and recommendations.

Members sought further clarification and raised the below points:

- Members expressed concerns about approving the accounts without full knowledge and understanding of the financial details provided.

- In response to a query regarding net asset values and whether there would be a detrimental impact on resources, it was clarified that the International Accounting Standards adopted in 2010 required local authorities to align their accounts with corporate financial reporting and valuation processes. It was reiterated that revaluations will take place where appropriate and there will not be an impact on financial resources.
- The Director of Finance informed members the opportunity to have a session to go into the financials in further detail is always open to them/
- Grant Thornton, the auditors clarified that the changes do not impact the General Fund balances. Ultimately, reserve balances stay same regardless of change.
- The Director of Finance confirmed that technical figure that goes into account for Property, Plant and Equipment and won't change the General Fund or reserves but is just a technical figure that goes into the accounts.

The Head of Finance provided a breakdown of the addendum report, explaining the updated figures. In response members provided further comments:

- Members highlighted the difficulty of interpreting the technical financial information provided in the report pack. The Director of Finance acknowledged these challenges and noted that CIPFA (Chartered Institute of Public Finance and Accountancy) are aware and considering improving the financial reporting to enhance clarity for both members and the public.
- Members requested an executive summary for future years to capture key financial highlights and provide a, overview of the accounts.
- The External Auditors, Grant Thornton, reiterated that their role as external auditors is to provide assurance on whether the financial processes have been followed correctly, if any significant concerns arose during the auditing process, the committee would be formally notified.
- A member raised concerns about recurring issues in the financial reporting process, and whether these challenges would persist in future. The Director of Finance acknowledged the ongoing challenges, particularly regarding PPE valuations where a shortage of in-house valuers has placed additional strain on the process. To address this, outsourced valuers are being sought to improve efficiency. Whilst challenges are anticipated for the 2024/25 accounts, significant improvements are expected for the 2025/26 reporting cycle.

RESOLVED

Proposed by Councillor Saini, seconded by Councillor Westley:

"That the committee:

- Noted the auditor's ISA 260 Report (the Audit Findings Report)
- Approved the Statements of Accounts 2023/24
- Approved the Annual Governance Statement 2023/24
- Approved the Letter of Representation
- Delegated authority to approve any minor amendments to the Annual Accounts and the Annual Governance Statement to the Director of Finance"

5 <u>External Audit Annual Report 2023/24</u>

The External Auditors, Grant Thornton, submitted a report to the Governance and Audit Committee and presented the External Audit Report 2023-24.
In response members raised the following:

- A member noted the financial challenges affecting multiple authorities where reserves had been exhausted and expressed concerns about Leicester City Council facing challenges from the increased demand for services and resource constraints.
- A member highlighted concerns from page 251, noting the statement on the 'internal framework' appearing incomplete. The External Auditor explained that the cybersecurity breach had impacted the council's ICT controls, which is why full assurance could not be provided.
- A member questioned whether there was an inconsistency in the council's risk registers, referencing the three areas of improvement in the reports. The External Auditor responded that this was related to the Strategic Risk Register and Operational Risk Register which should be resolved before the March Committee.
- A member raised concerns about predictions of a potential Section 114 notice, noting that while warnings of financial distress had been ongoing, the expected notice had not materialised. It was further expressed the frustration and challenge for members to effectively monitor forecasting and expenditure.
- A member questioned whether expenditure on social care and logistical transport was being properly managed, suggesting that some areas may be subject to inefficiencies for the Council.
- The Director of Finance informed members that Special Educational Needs and Disabilities (SEND) would be incorporated into the Internal Audit Plan.
- Further discussions took place on transportation and cultural projects, with members questioning whether they provide value for money the real social, economic and cultural value.

RESOLVED

The committee noted the report.

6 Governance and Audit Workplan 2024/25

The Director of Finance informed Committee that the Internal Audit Plan had been added to the workplan, as requested by Committee at the previous meeting.

There were no other comments or amendments from the Committee.

7 Action Tracker

There were no further comments from Committee on the Action Tracker.

8 Any Other Urgent Business

The meeting was declared closed as there was no other urgent business.

Item 4

Strategic and Operational Risk Registers

Governance and Audit Committee

Date of meeting: 24th March 2025

Lead Director: Andrew Shilliam, Director of Corporate Services

Useful information

■ Ward(s) affected: All

■ Report author: Sonal Devani, Corporate Risk Management & Business Continuity Manager

■ Author contact details: 0116 454 1635

■ Report version number: 1.0

1. Summary

The purpose of this report is to update on the Strategic and Operational Risk Registers. The following appendices are essential to this update.

- Appendix 1a, the Strategic Risk Register (SRR), provides a summary of the strategic risks facing the council which may affect achievement of the strategic objectives of the council.

- Appendix 1b is an example of a completed risk control action plan, one of which exists for each strategic risk.

- Appendix 1c is a sample of a risk analysis for future reporting of strategic risks for consideration, and which addresses feedback received previously about the reporting process.

- Appendix 2, the Operational Risk Register (ORR) exposure summary, provides a high-level summary of the operational risks, which may affect day-to-day divisional and operational service delivery. The operational risk register contains those risks identified and assessed by Divisional Directors as having a high-risk score of 15 or above.

- Appendix 3, the ORR, provides the detail in relation to the council's operational risks.

2. Recommended actions/decision

2.1 To note and make any comments on the latest versions of the SRR and ORR, as provided.

2.2 To note and make any comments on the proposal of reporting Strategic Risks at Appendix 1c.

3. Scrutiny / stakeholder engagement

3.1 All Strategic and Operational Directors were consulted to provide updated risk registers at both Strategic and Divisional level. The updates inform the content of the report and the updates made to the Strategic and Operational Risk Register.

4. Background and options with supporting evidence

3.2 The Council's 2025 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.

1.1. Both the SRR and ORR processes are owned and led by the Head of Paid Service. The Corporate Management Team collectively support the SRR process, documenting the key strategic risks facing the council and help to ensure these are managed. The SRR is then submitted to the Executive for their consideration. It complements the ORR process which is supported and managed by the Divisional Directors in conjunction with their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management for this group.

4.3 PESTLE has been implemented in the approach to the SRR as a framework for considering the wider context and environment, and the risks that this gives rise to.

4.4 Appendix 1a, SRR Summary, indicates which category of PESTLE the strategic risks relate to. The PESTLE approach also links well with risks identified by the wider risk management industry. The divisional and operational risk registers template also includes the use of PESTLE analysis and cross-referencing back to strategic risks. The aim is to achieve a better and clearer alignment between the strategic and operational risks. It is expected that most operational risks should have an alignment back to one or more of the overarching strategic risks facing the council. The summary also indicates risk scores from the previous risk reporting period, including the variance in scores between the current and previous cycle.

4.5 In the latest review of the SRR, no new strategic risks have been identified. A collective decision was made by the Strategic Directors to consolidate the Political and Legal strategic risk due to the similarities of the risk and the impacts that were being identified. The increase in score reflects the amalgamation of the two risks.

4.6 The following risk score has increased since the last reporting in September 2024 and 13 out of the 14 strategic risks have remained the same in terms of scoring.

- Strategic Risk 1.1 – Political /Legal
  Volatile political and policy environment and unmanageable regulatory, legislative and national policy requirements – risk score increased to 20 from 15.

4.7 An observation is also that Strategic Risk 2.3 (Economic – Financial Sustainability) has 12 divisional risks linked to it (supported by the ORR) followed by Strategic Risk 2.2 (Economic - Lack of critical skills, resources and capabilities across the workforce) having 8 divisional risks linked to it.

4.8 The below matrix provides an indicator of the status of the council's strategic risks in terms of likelihood and impact. The risks in the red quadrant require regular reviewing and monitoring and consideration for further controls and should receive the most challenge and given priority. Risks in the yellow area also require regular reviewing and monitoring to ensure they do not escalate to the red quadrant. A significant proportion of the strategic risks are within the red quadrant, which is reflective of the challenging context that all organisations are operating within at the current time, not least in relation to the economic impacts facing everyone.

LIKELIHOOD (A)						
	Almost Certain 5				1.1, 3.3, 4.2, 5.1	2.3, 3.1 3.4
	Probable / Likely 4			2.1	2.2, 3.2	
	Possible 3			4.3	3.5	4.1
	Unlikely 2				1.2	
	Very unlikely/ Rare 1					
		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical / Catastrophic 5
IMPACT (B)						

4.9 **Update on the Risk Themes (PESTLE)**

4.9.1 Political/Legal

Two strategic risks are under this theme, one remains a low risk and the other remains a high risk.

SRR 5.1 has been amalgamated with SRR 1.1. This risk previously scored at 15 but has increased to 20 after the amalgamation.

The risk relating to the Changing Political and Policy Environment (SRR 1.1) is high. General Election has now taken place which has led to a change in Government. That is leading to a change in policy direction in many areas, and which will impact on Council activities. The impact of that change is not yet clear as the new Government is still forming and setting out its policy and delivery priorities.

Additional burdens and demands on capacity may arise from new policies and expectations from Government, potentially at short notice. By way of example there are new and emerging inspection regimes/requirements in relation Housing; SEND and Adult Social Care at an intra-service level, whilst there are bold plans for Devolution and Local Government Reorganisation across the entire LA landscape. All of this is against a backdrop of continued formal intervention in Local Authorities where governance risks remain high. There could be an inability to respond due to

volume, pace and short notice legislative and other national policy changes and requirements with little or no provision of additional resource.
The risk relating to Failures in the Integrity of Local Governance and Decision-Making (SRR 1.2) has not changed and remains low. It is further treated through the strengthening of our Internal Audit arrangements. We have new providers in place with a good track record of delivery and we have already seen an improved focus on targeted audited activity.

4.9.2 Economic

There are three strategic risks under this theme, two remain high risks and one is a medium.

The risk relating to Economic instability and weak economy (SRR 2.1) is medium at 12, which reflects the ongoing weakness of the national economy coupled with high levels of national debt and prices medium to high. What's more, the direct financial burden placed on us continues to be challenging because of persistent economic uncertainty, pressure from future pay awards, and pressure from increasing resident expectation and support.

These are further mitigated by improved procurement activity and a more robust approach to managing capital projects. Further planned activity around financial strategy projections and budget setting that consider and build in appropriate measures about the ongoing impacts of a weak economy help maintain this at a medium level of risk.

The risk relating to the Lack of critical skills, resources, and capabilities across the workforce (SRR 2.2) remains high (at 16) which reflects ongoing difficulties in attracting the workforce of the future at a time when there is wider financial uncertainty for Councils, and we know we have an aging workforce.

The condensing of our pay grades because of successive paw awards creates further challenges as it narrows the gap between the lower and upper grades, which in turn results in middle and senior management disruption. Our efforts so far mitigate this score downwards, but it remains high. More work is required to embed a strategic and rigorous approach to workforce planning, one that the organisation embraces.

The risk relating to Financial Sustainability (SRR 2.3) remains a high risk, at the maximum score of 25, which reflects the reducing capital and revenue funding position. Short term mitigations such as the review of non-earmarked reserves and our ongoing strategic budget review activity, together with the further management controls which also include changes to the way we provide Adults and Childrens Social Care (being two areas of significant and increasing spend).

4.9.3 Socio-Cultural

There are five risks in this category, four high-rated risks and one medium risk.

The risk relating to the growth in demand due to rising cost of living population growth and greater complexity of need (SRR 3.1) is high and currently scores the maximum rating of 25 without further treatment and controls. This is related to both

increasing demand and the complexity of need individuals are presenting with, both which result in substantial budget pressures across areas such as housing, children's social care and special educational needs.

An increasing population, increased frailty in the older population, combined with pressures on households from increased cost of living leads to greater need and demand for Council services too. Current analysis suggests that introducing further controls will lower this score to 15 but will remain a high strategic risk.

The risk relating to our Less healthy and health resilient population (SRR 3.2) remains a high rated risk (scored at 16) and current concerns regarding Tuberculosis (TB), measles cases, and more recently Mpox, are evidence of some of the local health challenges along with the challenge of ensuring the wider health system is sufficiently focused on preventative public health interventions versus reactive emergency and crisis healthcare.

The national risk level for any new outbreak of a notifiable exotic disease and disease in animals remains high. Given the surrounding rural and farm-based economy, if this risk turns into a reality there is a high likelihood that this will require a local Leicester response. The further controls proposed suggest that the risk can be mitigated to a medium score of 12.

The risk relating to our inability to respond to critical housing needs (SRR 3.3) remains high at 20, especially because we are still unable to respond to the housing need of residents because of reductions in available housing in private and social rented sector including due to increased regulation and cost, and due to a slow-down in housing development due to costs and inflation, along with lack of availability of land within the city for new housing.

The housing demands and impacts are further exacerbated by high numbers of asylum seekers placed within the city needing support and where they are given leave to remain. The further risk control measures are plentiful and necessary, but do not change the risk score from high.

The risk relating to the impacts arising from numbers and complexity of needs of asylum seekers and refugees (SRR 3.4) has the maximum rating of 25 at the last round of reporting and has not reduced. This relates specifically to the impacts arising from the numbers and complexity of needs of asylum seekers and refugees which is placing major demands on the Council particularly in relation to housing and children's social care, and which has caused significant in-year pressures in relation to spend on temporary housing and homelessness services, and in terms of children's social care placements. The range of national support schemes in place further complicates our service delivery arrangements. The target score remains high, but with a reduced score of 16.

The risk relating to our inability to respond effectively to tensions and issues arising from rapidly changing cultural and community dynamics (SRR 3.5) is considered to be a medium level risk, scored at 12 and relates specifically to our rapidly changing cultural and community dynamics in the city due to migration and population growth along with impacts arising from wider geopolitical politics and social media cause

volatility in terms of community cohesion and tensions between communities in the city.

There is more to be done to develop a better understanding of the communities at large, the real or perceived challenges that they face, and to improve our understanding of and engagement with newer communities and community leaders/representatives and a post has been created as Head of Communities and Equalities to undertake this.

4.9.4 Technological

There remain three strategic risks under this theme, with two being high and one being medium.

This risk relates to disruption to technology infrastructure due to a cyber-attack (SRR 4.1). Technology and data remain fundamental to Council operations and the risk of disruption to the technology infrastructure remains a high rated risk, particularly given the first-hand experience of the disruptive impact of the cyber-attack earlier last year.

The risk score is high because of the impact, though lower in that range because the likelihood of an attack on us right now has reduced because of the improvements we have made last year in response to the cyber-attack.

The risk relating to our inability to innovate and respond to new and emerging technological developments (SRR 4.2) remains high at 20, but we continue to work in developing our wider technology infrastructure and architecture against a backdrop of investment in new technologies being constrained by the council's wider financial position. With current controls that we have in place, along with the proposed controls being implemented, we are aiming to reduce this risk to medium (score of 9).

The risk relating to data not appropriately managed or effectively used (SRR 4.3) remains medium at a score of 9, reflective of the organisation's continued growth in terms of its capability and maturity in using data.

4.9.5 Environmental

There is one strategic risk under this theme - the impacts and requirements arising from climate change (SRR 5.1) - which remains high with a score of 20. The focus of this theme remains on climate change demanding an ability to respond to physical extreme weather impacts, and to meet challenging targets / requirements which seek to tackle the causes of climate change.

Whilst tackling the climate emergency and our commitment to Net Zero remains a council priority, many of the desirable interventions are constrained by the need for funding at a time when the Council is experiencing major financial challenges. The city has also experienced some significant flooding which brings significant impacts on individuals, communities and the Council and reinforces the reality of what this risk means in practice.

4.10 Appendix 1c is presented to this committee proposing how strategic risks could be reported in the future. This will provide to the committee details on each strategic risk and how it is being managed with proposed controls to further manage the risk if the risk action is to treat the risk further post existing controls.

2. Operational Risk Register (ORR) Update

5.1 With regards to the ORR, 4 risk scores have changed of which 2 risks have reduced below 15 and deleted, 2 are still scored high and 1 new risk was added this reporting period. Further information can be found in section 5.3.

5.2 Appendix 2 provides a summary of operational risks facing the council. The changes to most risks included target dates amended to reflect the next review deadline date. However, 9 risks have further amendments other than target dates. These are risks 1, 2, 3, 4, 8, 26, 27, 30 and 31.

5.3 As a reminder, where a risk is 'deleted', it does not always allude to the risk being eliminated. It may refer to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15. Below highlights the 4 risks where the score has changed, of which 2 are from high to medium and details of the 1 deleted risk.

Changes were made to the risk scores on the following two risks:

Division	Risk Description	Risk score now
Public Health	Budget	Was 5(I) 5(L) – 25 Now 4(I) 4(L) – 16
Public Health	Data	Was 4(I) 4(L) – 16 Now 4(I) 5(L) – 20

Changes were made to the risk scores (no longer high, therefore, deleted) on the following two risks:

Division	Risk Description	Risk Score now
Adult, Social Care and Commissioning	Unable to Deliver savings	Was 4(I) 4(L) - 16 Now 4(I) 2(L) - 8
Children's Social Care and Community Safety	Budget Loss and / or reduction of services to achieve budget savings	Was 4(I) 4(L) - 16 Now 4(I) 3(L) - 12

The one new risk is:

Division	Risk Description	Risk Score
Education, SEND and Early Help	Impact of post-16 SEND transport policy implementation following consultation and decision making.	4(I) 4(L) - 16

3. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

The financial sustainability risk remains high, the budget for 2025/26 was approved by Council on 19 February 2025. There is a medium-term plan to balance the budget over the next 3 years, this relies on achieving recurrent savings whilst using reserves, and a reliance on prudential borrowing to fund the capital programme. The savings needs to be achieved to aid securing financial sustainability for the future.

Kirsty Cowell, Head of Finance, Ext 37 2377

Signed: Kirsty Cowell

Dated: 24th February 2025

6.2 Legal implications

Rigorous Risk Management arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities.

Kamal Adatia, City Barrister, Ext 37 1401

Signed: Kamal Adatia

Dated: 7th March 2025

6.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The council also has an obligation to treat people in accordance with their Convention rights under The Human Rights Act, 1998.

The ability of the council to meet its duties under the Equality Act 2010 is specifically accounted for in the strategic risk register. However, equalities and human rights

considerations cut across all elements of risk management, including strategic and operational risk management.

Effective risk management plays a vital role in ensuring that the council can continue to meet the needs of people from across all protected characteristics and, in some circumstances, will be particularly relevant to those with a particular protected characteristic.

Some of the risks identified in the Strategic Risk Register, would have a disproportionate impact on protected groups should the council no longer be able to effectively manage them and, therefore, the mitigating actions identified in the strategic risk register support equalities outcomes. For example, should the council fail to safeguard effectively, this would have a disproportionate impact on the human right (prohibition of torture, inhuman or degrading treatment) of those from protected groups, such as age and disability. Impacts arising from the numbers and complexity of needs of asylum seekers and refugees placing additional demands and pressures on services risking tensions arising within communities. Likewise, a failure to engage stakeholders could lead to a failure to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. This, in turn, would have an impact on the council's ability to meet the general aim of the PSED to foster good relations between people who share a protected characteristic and those who don't.

The socio-cultural risk reflects concerns relating to changing cultural and community dynamics arising from migration and a growing and aging population, along with potential for local impacts resulting from wider geopolitical volatility. Close working with Police and other partners along with work to continue to maintain and develop community links. Therefore, the on-going work to update and consider risk management implications in making decisions and assessing the effectiveness of the controls/ mitigation actions for the risks identified in the report and appendices, will support a robust approach to reducing the likelihood of disproportionate equality and human rights related risks, provided the mitigations/ controls themselves are compliant with the relevant legislation.

Surinder Singh, Equalities Officer Ext 37 4148

Signed: Surinder Singh

Dated: 10th March 2025

6.4 Climate Emergency implications

The risks associated with climate change such as increased flooding, heatwaves, droughts and storm damage, their consequences and the council's management of these risks are the subject of risk '5.1 – Impacts and requirements arising from climate change' within the SRR. This allows for monitoring of the risks and consequences and the actions that are in place to control them, as well as further actions required. Further detail on the risks and impacts of climate change for the UK can be found in the official Met Office UK Climate Projections (UKCP).

Climate change also links to other risks in the SRR, including risk '3.2 - Less healthy and health resilient populations' as many of the risks associated with climate change present a further threat to health and wellbeing. This includes health risks from heatwaves and extreme heat, which are particularly dangerous for those with existing conditions and for elderly and very young residents. Climate change also links to risk '1.1 – Volatile political and policy environment', both from risks to support for the council's work on climate change and the

potential for some actions to exacerbate volatility where they may be controversial with some residents.

The current risk controls include maintaining an up-to-date strategy and programme of action and updated versions of both of these were approved by Council in September 2024 in the form of the Climate Ready Leicester Plan. The plan covers the period up to April 2028 and the action plan within it will be updated annually. A system of quarterly monitoring and reporting on the action plan delivery is in place, with Highlight Reports taken to the Climate Emergency Programme Board and the Lead Member.

The Climate Ready Leicester Plan includes a commitment to review and update assessments of risks to the council and city from the changing climate.

Duncan Bell, Change Manager (Climate Emergency), Ext. 37 2249

Signed: Duncan Bell

Dated: 11th March 2025

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

7. Background information and other papers:

Reference to Risk Control Action Plans for strategic risks and the Operational Risk Register.

8. Summary of appendices:

Appendix 1a – Summary of Strategic Risks

Appendix 1b – Example of a Risk Control Action Plan

Appendix 1c - Risk Analysis of Strategic Risks

Appendix 2 - Operational Risk Summary as at 31/01/25

Appendix 3 - Detailed Operational Risk Register

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

N/A

10. Is this a "key decision"? If so, why?

N/A

Appendix 1a - Strategic Risk Register summary
Date: 31.01.25

Risk Ref / No	Summarise risk theme and description/impact	Risk Score with existing controls	High / Medium / Low	Risk response strategy – 4T's	Target Score with further actions / controls	Risk Owner	Risk score at 30/09/24	Variance since last cycle	Total No. of high risks impacting Strategic risk	ORR risk reference No. from the ORR
SRR 1.1	**Political/Legal:** Volatile political and policy environment and unmanageable regulatory, legislative and national policy requirements	20	High	Treat	15	AG KA LJ RS	15	↑	5	ORR 1, 2, 18, 24 and 30
SRR 1.2	**Political:** Failures in integrity of local governance and decision making	8	Low	Treat	6	AO KA	8	↔	4	ORR 5, 11, 20 and 24
SRR 2.1	**Economic:** Economic instability and weak economy	12	Medium	Treat	9	RS	12	↔	3	ORR 1, 2 and 9
SRR 2.2	**Economic:** Lack of critical skills, resources and capabilities across the workforce	16	High	Treat	9	AS	16	↔	8	ORR 1, 2, 8, 10, 13, 21, 26 and 31
SRR 2.3	**Economic:** Financial sustainability	25	High	Treat	25	AO	25	↔	12	ORR 1, 4, 5, 6, 7, 15, 16, 17, 24, 25, 28 and 29
SRR 3.1	**Socio-cultural:** Growth in demand due to rising cost of living, population	25	High	Treat	15	LJ RS	25	↔	1	ORR 2

Risk Ref / No	Summarise risk theme and description/impact	Risk Score with existing controls	High / Medium / Low	Risk response strategy – 4T's	Target Score with further actions / controls	Risk Owner	Risk score at 30/09/24	Variance since last cycle	Total No. of high risks impacting Strategic risk	ORR risk reference No. from the ORR
	growth and greater complexity of need									
SRR 3.2	**Socio-cultural:** Less healthy and health-resilient populations. **Poor health outcomes for communities.**	16	High	Treat	12	LJ RH	16	↔	2	ORR 2 and 32
SRR 3.3	**Socio-cultural:** Inability to respond to critical housing needs **Housing emergency focus.**	20	High	Treat	16	RS	20	↔	1	ORR 22
SRR 3.4	**Socio-cultural:** Impacts arising from numbers and complexity of needs of asylum seekers and refugees	25	High	Treat	16	LJ RS	25	↔	1	ORR 23
SRR 3.5	**Socio-cultural:** Inability to respond effectively to tensions and issues arising from rapidly changing cultural and community dynamics **Communications and misinformation etc. Build in.**	12	Medium	Treat	9	AG AS LJ RS	12	↔	2	ORR 5 and 11
SRR 4.1	**Technological:** Disruption to technology infrastructure	15	High	Treat	15	AS	15	↔	4	ORR 12, 14, 19 and 27

Risk Ref / No	Summarise risk theme and description/impact	Risk Score with existing controls	High / Medium / Low	Risk response strategy – 4T's	Target Score with further actions / controls	Risk Owner	Risk score at 30/09/24	Variance since last cycle	Total No. of high risks impacting Strategic risk	ORR risk reference No. from the ORR
SRR 4.2	**Technological:** Inability to innovate and respond to new and emerging technological developments	20	High	Treat	9	AS	20	↔	0	0
SRR 4.3	**Technological:** Data not appropriately managed or effectively used	9	Medium	Treat	6	AS KA	9	↔	1	ORR 12
SRR 5.1	**Environmental:** Impacts and requirements arising from climate change	20	High	Treat	16	RS	20	↔	1	ORR 4

Risk scores:

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	**15-25**	**IMMEDIATE MANAGEMENT ACTION**
Medium Risk	**9-12**	**Plan for CHANGE**
Low Risk	**1-8**	**Continue to MANAGE**

Risk owners:

AG	Alison Greenhill	LJ	Laurence Jones
AO	Amy Oliver	RH	Rob Howard
AS	Andrew Shilliam	RS	Richard Sword
KA	Kamal Adatia		

IDENTIFIED RISK/RISK ACTION PLAN – SRR 4.3

SECTION A – Risk description and existing controls

Risk description	**Data not appropriately managed or effectively used**
Risk theme	Technological
Risk reference	SRR 4.3
Risk owner (name and role)	Kamal Adatia, City Barrister Andrew Shilliam, Director of Corporate Services
Current risk score	9
Response strategy/action	Treat
Target risk score	6
Risk review date	Ongoing - aligned to NCS '10 Steps to Cyber Security' framework, DDaT Target Operating Model (TOM) and in addition considered as part of 1:1s with Chief Digital, Data and Technology Officer on a monthly basis and through regular meetings of the Digital, Data and Technology Board

Potential Impact/Likelihood

Provide a brief summary of the risk that you have identified in this section and the likely impact on the organisation's objectives if the risk occurs.

Council services do not recognise or understand the importance of data that they hold which leads to governance, access, classification, ROPA, and ownership issues. More specifically, it manifests itself in the following ways:

- Failure to safeguard confidential and sensitive data from loss.
- Inability to use data effectively to support decisions.
- Reasonableness / effective management of data.
- Failure to protect data from theft.
- Lack of understanding of data assets and data owners within Services.

Provide a brief explanation of impact of this risk and the why the likelihood is scored as it is (will help with root cause and possible controls)

Potential for litigation and financial loss.
Reputational damage.
Loss of public confidence.
Poor targeting of scarce resources and poorer quality decisions.
Non-compliance with legislation.
Potentially complicated classifying data and identifying data owners.
We aren't able to maximise the opportunities of data utilisation because we don't understand it enough.

Existing action/controls already in place

Describe the specific actions and controls that are already in place now to manage the risk

1. Clear information governance policies, procedures and staff training.
2. Monitoring and reporting of information security incidents and annual reporting on information governance including to Governance and Audit Committee.
3. Corporate Information Group ensures robust policies, procedures and approaches are in place for information management and governance, most recently approving a policy in relation to use of AI tools
4. Key roles including Enterprise Data Architect supporting data collection, storage, management and use.
5. Open data publication via open data platform with clear governance and protocols.

Current risk score with existing measures

Impact	Likelihood	Risk rating (I X L)
3	3	9

Response strategy: Treat

Further management action/controls:

List the further action(s) that will be taken in addition to existing controls to manage the risk. Complete the action plan in section B:

1. Development of a data practitioners' network to continue to improve the sharing and use of data across the Council.
2. DDaT 5 Platforms programme to develop enabling technology platforms around data and reporting and analytics.
3. Undertake an exercise to classify data and identify data owners.

Target risk score with further management actions/controls

Impact	Likelihood	Risk rating (I X L)
3	2	6

SECTION B – Risk action plan

Action No	Control / Action	Action owner	Target date for implementation	Resources/costs required to implement	Progress update - date action completed / pending (if so why)	Success criteria
1	Development of a data practitioners network to continue to improve the sharing and use of data across the Council	Andrew Shilliam	Further embedding and development of the network during 2025	Officer time	March 2025 – update required.	Internal data practitioners working together to continue to drive the organisational culture around data and insights
2	DDaT CRM and integration hub programme to develop enabling technology platforms around data and reporting and analytics	Andrew Shilliam / Carl Skidmore	Ongoing	Officer time Support from partners DLUHC funding to support initial implementation.	2024 – ongoing work on use cases relating to data and insights and development of enterprise data model 2025 – Further work awaits approval of the 5 Platforms programme.	Enterprise-wide architecture which supports effective data management, analytics and insight. Democratises data to reduce duplication, inconsistent records and increase usability of currently siloed data. i.e. "Tell us once, store once and use many".
3	Undertake an exercise to classify data and identify data owners.	Andrew Shilliam/Kamal Adatia	Ongoing	Officer time		Ensures clear definition between critical and non-critical data.

						Allowing appropriate and cost-efficient data storage, controls and security to be implemented based on criticality of data. Improves capability to respond to cyber attack and data breach by demonstrating understanding and control of data.

Appendix 1c

Risk:
Risk Reference:

Risk Owners:
Current Risk Score:

Date:
Risk Action:

1. Risk Description

2. Current Risk Controls

3. Status

4. Risk Owner Update

5. Proposed New Risk Controls

Review Date

Adjusted Risk Score:

Target Risk Score:

ORR Risks:

Political

Appendix 2

LCC Operational Risk Exposure Summary as of 31st January 2025

STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS

Risk Ref (as per ORR)	Risk Theme / Category	Link to Strategic Risk	Risk	Risk Owner	I	L	Current Risk Score	I	L	Target Risk Score	Target/ Review Date	Risk score at 30/09/24	Variance
3.	**ECONOMIC** **ENVIRONMENTAL**	**SRR 2.3** **SRR 5.1**	**Neighbourhood and Environmental Services** – Ash Dieback – Epidemic of Ash Trees.	SA	4	4	16	4	4	16	Ongoing 31/05/2025	16	↔
1.	**POLITICAL & LEGAL** **ECONOMIC**	**SRR 1.1** **SRR 2.1** **SRR 2.2** **SRR 2.3**	**Housing –** Budget Pressures - Increase in inflationary pressures have led to increasing pressures on the HRA and the Housing GF.	CB	4	4	16	4	3	12	Ongoing 31/05/2025	16	↔
2.	**POLITICAL & LEGAL** **ECONOMIC** **SOCIO-CULTURAL**	**SRR 1.1** **SRR 2.1** **SRR 2.2** **SRR 3.1** **SRR 3.2**	**Housing** - Homelessness Ongoing pressure and risks associated to statutory homeless responsibilities, exaggerated by cost of living crisis, housing crisis, asylum pressures, budget pressures, state of PRS, low LCC stock and high waiting times.	CB	4	4	16	3	4	12	Ongoing 31/05/2025	16	↔
4.	**POLITICAL** **ECONOMIC** **SOCIO-CULTURAL**	**SRR 1.2** **SRR 2.3** **SRR 3.5**	**Neighbourhood and Environmental Services** - Decreasing availability of burial space. Burial space is limited in supply and may run out if further provision is not provided before existing capacity is reached.	SA	4	4	16	4	3	12	Planning Permission 2026.	16	↔

5.	**ECONOMIC**	**SRR 2.3**	**Neighbourhood and Environmental Services –** Age and Condition of Specific Leisure Centres Impact and Implications.	SA	4	4	16	4	3	12	Ongoing 31/05/2025	16	↔
7.	**ECONOMIC**	**SRR 2.2**	**Planning, Development and Transport -** Failure or delayed delivery of development outcomes, including infrastructure – Ashton Green.	ALS	4	4	16	3	4	12	Ongoing 31/05/2025	16	↔
8.	**ECONOMIC**	**SRR 2.1**	**Planning, Development and Transport -** Difficulty in securing suitable contractors.	ALS	4	4	16	3	4	12	Ongoing 31/05/2025	16	↔
9.	**ECONOMIC**	**SRR 2.2**	**Planning, Development and Transport -** Recruitment and Retention of staff to deliver key projects, programmes and strategies.	ALS	4	4	16	3	4	12	Ongoing 31/05/2025	16	↔
6.	**ECONOMIC**	**SRR 2.3**	**Neighbourhood and Environmental Services -** Budget Reductions - Reduction in service areas funding from grants, statutory partners and City Council and reduction in traditional income streams - insufficient funding for services to operate effectively.	SA	4	4	16	3	3	9	Ongoing 31/05/2025	16	↔
10.	**POLTICAL** **SOCIO-CULTURAL** **LEGAL**	**SRR 1.2** **SRR 3.5** **SRR 1.1**	**Planning, Development and Transport -** Duty to Protect - Failure to ensure counter-terrorism measures are incorporated into the built environment where required in order to meet our new statutory duties under the Duty to Protect legislation, e.g. new public realm schemes	ALS	5	3	15	5	2	10	Ongoing 31/05/2025	15	↔

			incorporating hostile vehicle mitigation measures.										

STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT

11.	**TECHNOLOGICAL**	**SRR 4.1** **SRR 4.3**	**Corporate Services –** Loss of Key Divisional IT Systems / Data Compromised.	AS	4	5	20	4	4	16	Ongoing 31/05/2025	20	↔
12.	**ECONOMIC**	**SRR 2.2**	**Corporate Services –** Shortages in terms of staff capacity/key skills.	AS	4	5	20	3	5	15	Ongoing 31/05/2025	20	↔
13.	**TECHNOLOGICAL**	**SRR 4.1**	**Corporate Services** – Cyber Security - Increasing profile and expertise of threat actors such that they are able to circumvent established defences and which therefore increases the vulnerability of LCC systems and data.	AS	4	5	20	3	4	12	Ongoing 31/05/2025	20	↔
14.	**ECONOMIC**	**SRR 2.3**	**Corporate Services –** Loss of Income Opportunities.	AS	4	4	16	4	3	12	Ongoing 31/05/2025	16	↔
19.	**POLITICAL**	**SRR 1.2**	**Legal** – Workloads and Pressure – Client Care. Services within the Council are stretched with increased demands and pressures.	KA	4	4	16	4	3	12	Ongoing 31/05/2025	16	↔
15.	**ECONOMIC**	**SRR 2.3**	**Corporate Services** - Ongoing Budget Pressures and Savings Impacting on Service Delivery.	AS	4	4	16	3	3	9	Ongoing 31/05/2025	16	↔
16.	**ECONOMIC**	**SRR 2.3**	**Corporate Services –** Technology Costs.	AS	5	3	15	4	3	12	Ongoing 31/05/2025	15	↔
17.	**LEGAL**	**SRR 1.1**	**Corporate Services –** Impacts arising from Future Legislation 'Martyn's Law' - Council is unprepared to respond to the	AS	5	3	15	5	2	10	Ongoing 31/05/2025	15	↔

			potential requirements of forthcoming legislation related to counter-terrorism and therefore fails in the duty to protect people.										
18.	**TECHNOLOGICAL**	**SRR 4.1**	**Finance** - Lack of critical skills, resources & capabilities BCP not fit for purpose if total or partial loss of key IT systems occurs at the same time.	AO	5	3	15	5	1	5	Ongoing 31/03/2025	15	↔

STRATEGIC AREA – SOCIAL CARE AND EDUCATION

20.	**ECONOMIC**	**SRR 2.2**	**Children's Social Care, Community Safety and Prevention–** Workforce availability – Diminishing availability of experienced skilled social workers.	DE	4	4	16	4	3	12	Ongoing, December 2025 review	16	↔
21.	**SOCIO-CULTURAL**	**SRR 3.3**	**Education, SEND and Early Help** - School collapses due to Reinforced Autoclaved Aerated Concrete failure.	SM	4	4	16	3	3	9	Spring 2025 review	16	↔
22.	**SOCIO-CULTURAL**	**SRR 3.4**	**Education, SEND and Early Help –** External pressures from migration and Government policies for asylum seeker and refugee placements within the city has added significant in-year migration pressure on primary and secondary school places.	SM	4	4	16	3	3	9	Monthly monitoring of demand	16	↔
23.	**POLITICAL & LEGAL** **ECONOMICAL**	**SRR 1.1** **SRR 1.2** **SRR 2.3**	**Education, SEND and Early Help –** Impact of post-16 SEND transport policy implementation following consultation and decision making	SM	4	4	16	4	2	8	September 2025		

STRATEGIC AREA – PUBLIC HEALTH

24.	**ECONOMIC**	**SRR 2.3**	**Wider Economy and Supply Chain -** Brexit / Covid related pressures increases prices or reduces availability of IT stock / services / logistics / medicines etc within the supply chain.	RH	5	4	20	4	4	16	19 March 2025 review	20	↔
25.	**ECONOMIC**	**SRR 2.2**	**Staffing and recruitment - External.** A national skill shortage and recruitment crisis in conjunction with Leicester being a challenging area in comparison to neighbouring areas creates difficulties in securing appropriately trained professionals within commissioned services.	RH	5	4	20	5	3	15	19 March 2025 review	20	↔
26.	**TECHNOLOGICAL**	**SRR 4.1**	**Data -** Complex data sharing agreements with external organisations not in place or understood by officers which restricts information flow into Public Heath required to deliver objectives.	RH	4	5	20	5	3	15	19 March 2025 review	16	↑
27.	**ECONOMIC**	**SRR 2.3**	**Budget -** Changes to service delivery to operate within increasingly tight financial envelopes and increased savings targets.	RH	4	4	16	4	3	12	19 March 2025 review	25	↓
28.	**ECONOMIC**	**SRR 2.3**	**Commissioning -** Reduced budget for services impacts on financial viability to suppliers at the tender stage who may deem package to be unviable leading to	RH	4	4	16	4	3	12	19 March 2025 review	16	↔

			a lack of bids reducing competition or tender failing altogether.										
29.	**POLITICAL**	**SRR 1.1**	**Policy / Governance / Partnerships -** Population health and the wider determinants of health impact, and are impacted by, a broad range of activities LCC undertakes.	RH	4	4	16	3	4	12	19 March 2025 review.	16	↔
30.	**ECONOMIC**	**SRR 2.2**	**Staffing and recruitment - Internal.** An emerging recruitment crisis across a variety of sectors creates difficulty, both within Public Health and our commissioned services or system partners, in securing sufficient staff with the appropriate skills and experience.	RH	4	4	16	4	3	12	19 March 2025 review.	16	↔
31.	**SOCIO-CULTURAL**	**SRR 3.2**	**Health Protection /Covid 19 –** Variant strains or other diseases emerge requiring a significant response, further local lockdowns, preventative measures, or a continuance of efforts that have been tapered off.	RH	5	3	15	4	3	12	19 March 2025 review.	15	↔

Key:

IMPACT (I)	SCORE	LIKELIHOOD (L)	SCORE
CRITICAL/ CATASTROPHIC	**5**	ALMOST CERTAIN	**5**
MAJOR	**4**	PROBABLE / LIKELY	**4**
MODERATE	**3**	POSSIBLE	**3**
MINOR	**2**	UNLIKELY	**2**
INSIGNIFICANT/ NEGLIGIBLE	**1**	VERY UNLIKELY / RARE	**1**

Risk scores:

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	**15-25**	**IMMEDIATE MANAGEMENT ACTION**
Medium Risk	**9-12**	**Plan for CHANGE**
Low Risk	**1-8**	**Continue to MANAGE**

Risk Owners:

ALS	-	Andrew L Smith	KA	-	Kamal Adatia
AO	-	Amy Oliver	KG	-	Kate Galoppi
AS	-	Andrew Shilliam	RH	-	Rob Howard
CB	-	Chris Burgin	SA	-	Sean Atterbury
DE	-	Damian Elcock	SM	-	Sophie Maltby

Appendix 3 - Leicester City Council Operational Risk Register

Risk Register Owner: Alison Greenhill, COO **Risks as at: 31/01/2025**

RISK REF	RISK THEME / CATEGORY *Establish which category the risk falls into using PESTLE definition. See Process tab for more information*	LINK TO STRATEGIC RISK *Which Strategic Risk does the risk link to? Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (Below link provides access to current SRR on SharePoint). Log strategic risk ref no.*	RISK *What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?*	CONSEQUENCE/EFFECT: *What would occur as a result, how much of a problem would it be, to whom and why?*	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE			RESPONSE STRATEGY / ACTION *Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate*	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
		https://leicestercitycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
STRATEGIC AREA - City Development and Neighbourhoods																
1	**POLITICAL & LEGAL ECONOMIC**	**SRR 1.1 SRR 2.1 SRR 2.2 SRR 2.3**	**Housing - Budget Pressures** - Increase in inflationary pressures have led to increasing pressures on the Housing Revenue Account and the Housing General Fund. 2023/24 budget has been set with significant savings required and more savings potentially still to be found over the course of the year. The rent increase is capped below inflation for 23/24 and at CPI + 1% for 24/25 and again for 25/26, further limiting options to address this risk. - Homelessness Financial risks amount primarily to increased demand on temporary accommodation forcing use of nightly paid and bed & breakfast in ever increasing numbers, as well as lack of move-on increasing length of stay and further impacting cost. However, additional pressure resulting from the need for an increased staffing base. Heavy reliance on grant funding. Increased burden on the city from the impact of immigration and asylum (See "Refugees").	Budget overspend. Insufficient budget to balance the budget without reducing service offer or capital investment Impact on the resilience of services and their ability to manage and adapt to further change. The erosion of service areas and what we can and can't do. Expectations will need to be managed in the face of potential impacts on services. Negative PR / reputational damage / potential increase in complaints / legal challenges and fines. - LCC Housing stock does not meet decent homes standard - Housing Regulator intervention	- Senior Management Team (SMT) monitor and address financial challenges Year-end forecasting process with Finance team. - Heat metering and billing project (direct consequence of budget pressures on HRA) Managing and supporting the health and well being of staff as part of having to work within a financially constrained environment with the associated service delivery consequences. Review of all existing HRA budget to identify potential savings to include in the 24/25 HRA budget 'Homelessness financial pressure and controls: - B&B elimination plan developed and lodged with DLUCH. - Additional GF budget funding of £10m in 24/25 towards additional TA costs - Homelessness Prevention Grant - £1.07mil initially for 24/25 and increase in the HPG for 25/26 - Homelessness Strategy challenging supply and types of temporary accommodation - Ongoing continuous recruitment exercise in place alongside agreement to recruit over-establishment. Currently successfully up to 27.5 FTE HPOs - Maximising opportunities to bring in further funding - Exploring all avenues with different models of temporary accomm, including in the interim moving to establish more block booking arrangements and contacts re nightly paid accommodation to drive down B&B costs. - Touchdown beds established to absorb some pressure from Singles. - Focus on spending where will make biggest impact - prevention initiatives that prevent entry to TA. - Reviewing our projections (including financial) monthly, and ensuring all projections and tolerances are understood, including contingency measures which need to be implemented. should it be identified that we the authority is failing to maintain legal compliance and support vulnerable households. - HRA Budget for 24/25 approved as a balance budget and 25/26lso proposed as a balanced budget addressing £5m of budget pressures - Full Council approved an additional £45m to buy 225 units of accommodation, lease 125 units and add 25 staff	4	4	16	Treat	- 5 and 30 year capital investment strategy being developed - Identification of savings in HRA to streamline service and deliver efficiencies - FBR savings proposed in Housing GF proposals of savings of over £900k - Bidding to secure additional external funding towards existing costs - Ongoing external bidding for funding 'Homelessness financial pressure and controls: - Delivery of the £45m 225 TA units / 125 leases and 25 staffing ongoing -Actions as set out in the Homelessness risk above, - Forecasting of the Homelessness budget pressures in tandem with projected New Housing delivery to identify next steps, - Longer term planning for Housing delivery beyond 2027 to ID a pipeline of delivery to continue to tackle this pressure	4	3	12		Chris Burgin	Ongoing review 31/05/25
2	**POLITICAL & LEGAL ECONOMIC SOCIO-CULTURAL**	**SRR 1.1 SRR 2.1 SRR 2.2 SRR 3.1 SRR 3.2**	**Homelessness - summary** Ongoing pressure and risks associated to statutory homeless responsibilities, exaggerated by cost of living crisis, housing crisis, asylum pressures, budget pressures, state of PRS, low LCC stock and high waiting times. Compounded by a relatively inexperienced team members and staff retention. Further impact following the decision to release offenders earlier causing further pressures on homelessness services. Managing partner and stakeholder expectations. Uncertainty around external uncontrollable factors that impact on level of demand and financial pressure. **Risks:** **- Reputational** Suitability of Accommodation Orders are being contravened - leaving us open to legal challenge. **- Duty of Care** - safeguarding and provision of critical services. Not being able to meet the needs of increasingly, chaotic, vulnerable and complex housing needs of customers due to the risks presented i.e. arson. **- Reputational, Governance & People** Understaffing issues and staff caseloads are excessive, creating a risk of error, maladministration, or unlawful practice - leaving us open to legal challenge. Additional risk of harm or death to those in Council's care. **- Impact on Strategic Objectives & Reputational** - Risk that performance shown on National Statutory Statistic Returns will worsen in excess of benchmarked changes elsewhere. **Funding -** No indication of spending review under new Govt. in relation to additional funding to support homelessness pressures and rough sleeping. **- Legislative changes** - the introduction of the Renter Reform Act particularly and the impact on the PRS	Coverage in Local press, or National press. Reputational damage with partners, leading to political lobbying. Inability to meet demand for preventative homelessness services impacting on crisis management, lowered prevention outcome, subsequently leading to increased costs of temporary accommodation and additional pressures in move-on demand for a large cohort of those accommodated. Failure to deliver statutory homelessness services under Part 7 of the Housing Act 1996. Risk of harm to clientele, in worst case - death or injury of customer. Reputational damage due to risk of legal challenges including financial burden due to associated costs. Current burdens causing pressures on staff leading to retention issues, further compounding available resources and pressures. 'Significant increase in numbers in temporary accommodation compounding Financial Risk (see below). The lack of suitable accommodation for applicants with high risks and complex needs. Lack of move-on impacting on other local authority strategic objectives e.g. Leaving Care Protocol. St Mungoes who provide EET have decided to withdraw services from Leicester from the beginning of the financial year 25/26 (gap in services)	- Staff training - Interim mandate set around priorities within priorities - safeguarding, compliance, protecting people, protecting the authority - Service recovery plan in place with long term objectives to build resilience and manage the increase in pressures as much as possible. - Continuous recruitment and finding ways to retain staff and increasing FTE within Housing Options & Transitions Workers - Monitoring and audit processes - Intensive Caseload Reviews and case management meetings for officers with their manager - Interim Escalation routes set up for senior management sight on legal matters, risks and issues. - Working in tandem with other stakeholders and parties on the Homelessness Charter is delivering and focussing services -Working in conjunction with partners and hosting events like the families in TA summit to support families by identifying new approaches and initiatives -Funding and engaging with partners like (Help the Homeless) HTH to host events in support of families in TA to secure PRS solutions and other types of support - Ensuring pressures are communicated internally and externally, as far as appropriate, and inviting feedback. -Risk of Rough Sleeping assessment tool has now been launched as of Dec 2024 to help reduce the number of rough sleepers and those at high risk in becoming entrenched rough sleepers causing risk to life - Homelessness Strategy developed with consultation and published. Year 1 actions to be delivered. Different accommodation options for move on through homeless pathways being reviewed. - Focus on improved prevention of homelessness to limit ingress to TA , including more face to face contact from the Dawn Centre and further plans to increase face to face contact from community centres / HUBS. Face to face advice is also available from JCP from February 2025 - PRS Strategy developed to enable more housing options and help to prevent and sustain current PRS households. This continues to be working progress. - Call before you serve' for private landlords has commenced alongside enhanced PRS Prevention activity with PRS Tenants, leading to better outcomes for this cohort. To be extended and promoted - Maximising use of LCC Council stock for this cohort & utilising all new acquisitions and new build for this cohort - Work to develop and improve various pathways - e.g. Prison Release - Exploring improved access to move-on - An extended Private Rented Sector (PRS) landlords offer to attract more PRS accommodation for those facing Homelessness is now in effective operation - PRS Schemes reviewed upper operating limit increased to LHA+35%. LHA increased in April 2024, scheme to be reviewed alongside. The LHA has been increased and matched to remain at 35% above current LHA rate. - Maximising use of HomeCome stock and PRS solutions for this cohort - Benchmarking - National data sets indicate pressures are not just within Leicester. - Pressures and trends to be taken into consideration in review and implementation of new Homelessness & Rough Sleeping Strategy, and to be taken into consideration alongside adopting or taking on new pressures or projects. - Working with voluntary sector to share burdens where possible. - Regular updates to all stakeholders. - Carrying out review of housing allocations policy to ensure best use of stock. - Data and Compliance role introduced. - Full Council approved an additional £45m to buy 225 units of accommodation, lease 125 units and add 25 staff. Further business case to be developed to secure more funding for housing solutions. - Utilisation of new large acquisitions (ZIP/Citygate towards move on accommodation for those in TA) - Working alongside Advisors from MHCLG to discuss best practice, promote B&B elimination ideas and access additional funding streams where available	4	4	16	Treat	- Roll out of homelessness strategy actions (preventative) to enhance and expand on existing control; (ongoing) - Delivery of a new Board with partners to oversee these actions (September 24) - Enhanced communications strategy; -From year 25/26 funding Open Hands to support non-statutory cases with PRS solutions - Build new Social Housing & acquire houses to use as Social Housing (ongoing) - Review of the existing PRS strategy (Sept 24 to Dec 24 extended into 2025). - Reviewing and improving the management of customer expectations and the documentation and PHPs provided. - Continue to bid for available external funding - Delivery of the approved business case to deliver new housing outside of the HRA for the Council - Business case to buy 225 units of TA in GF and 125 leased properties for this cohort (ongoing to March 2025) - Development of a second business case to deliver additional acquired affordable housing above what is currently being delivered to meet this need. (January 25 to March 25) - Work with Changing Futures to integrate & maximise their service offer for Homelessness clients - Ongoing review delivery of B&B Elimination Plan. - Creation of a Temporary Accommodation Policy that considers the balance of suitability of offer with financial cost, with a specific focus on out of area placements, and time-limited stays. - Organisational review - Following the service recovery plan, recommendations for reviewing structures and service delivery to continue to meet statutory responsibilities, and to operate more effectively in prevention & relief outcomes. - Make better use of powers in the LAs favour such as 'Non-Cooperation' for ceasing duty where reasonable to ensure we can enforce reasonable expectations on applicants, with regard to their responsibilities to work with us to resolve their housing situation pragmatically. - Continue to roll out improvement to the PRS Schemes and ensure Officers are able to communicate this effectively to reduce expectations and pressures on social housing. - Continue to develop closer working relationship with voluntary sector to be developed via joint working with the Charter and through the launch of the new Homelessness Strategy. - Explore improvements to data sets and the ability of data to aid in service planning. - Progress is reviewed monthly by Director of Housing and Strategic Director City Development & Neighbourhood Services. - Deliver PRS Growth report actions - Review of Severe Weather Emergency Protocol Provision (SWEP) and develop a sit up service to reduce financial burden of significant use of B&B during cold weather (sub-zero temperatures) - Household Support Fund extended until March 2025 March 2026 supporting the prevention activities. - Contract to deliver MDC (Prevention Hub) by March 2025. Risk of Rough Sleeping assessment tool to be developed and piloted in Leicester	3	4	12		Chris Burgin	Ongoing, Individual dates shown for each item

Appendix 3 - Leicester City Council Operational Risk Register

Risk Register Owner: Alison Greenhill, COO **Risks as at: 31/01/2025**

RISK REF	RISK THEME / CATEGORY *Establish which category the risk falls into using PESTLE definition. See Process tab for more information*	LINK TO STRATEGIC RISK *Which Strategic Risk does the risk link to? Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (Below link provides access to current SRR on SharePoint). Log strategic risk ref no.*	RISK *What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?*	CONSEQUENCE/EFFECT: *What would occur as a result, how much of a problem would it be, to whom and why?*	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE			RESPONSE STRATEGY / ACTION *Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate*	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
		https://leicestercitycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
3	**ENVIRONMENTAL ECONOMIC**	**SRR 2.3 SRR 5.1**	**Neighbourhood and Environmental Services Ash Dieback - Epidemic of Ash Trees** Caused by an introduced pathogen that most local ash trees are unlikely to have resistance to. It is anticipated that up to 95% of the tens of thousands of ash trees in the city will die. Perhaps 50% of the total will be the council's direct liability. Many trees are located on traffic routes or in areas of use and habitation. Dying and collapsing trees will present an injury and property damage risk, and present a hazard risk to staff during removal operations. Under normal conditions £135k per year is devoted to clearing similar problems across all species. It is anticipated this cost will multiply several times at the height of the epidemic.	- Injury to staff and residents, including highway users - Damage to property including animal injury, buildings, parked and moving vehicles, various infrastructure and parks and street furniture - Disruption to traffic routes and areas of high use during removal operations	- Established teams, structures and systems will address problems in the early stages. These can be built on further as the problem starts to strain existing resources. There is no way to limit or control the establishment and spread of the pathogen as it is a windborne micro-organism. In essence management is a reactive process. - A capital bid of £130k for a elevated platform to allow working at height was approved in the 2023/24 programme and introduced in 2024. - Launch of the Ash Die Back Action Plan and on-line educational page on LCC website now live to make residents/ public aware of Ash Dieback. - 26 trees felled in 2021/22, - 276 felled in 2022/23, - 172 felled in 2023/24, - 380 felled in 2024/25 (YTD)	4	4	16	Treat	Effective and timely reactive responses, utilising existing revenue budget and prioritising the T&W work programme. Continue to monitor spread of disease and record on a central register, removal of trees which reach category 3/4.	4	4	16	N/A	Sean Atterbury	Ongoing review 31/05/25
4	**SOCIO-CULTURAL POLITICAL ECONOMIC**	**SRR 3.5 SRR 1.2 SRR 2.3**	**Neighbourhood and Environmental Services - Decreasing availability of burial space** Burial space is limited in supply and may run out if further provision is not provided before existing capacity is reached. rates of death and grave sales have increased above average due to Coronavirus and continued death rate.	- Significant distress to families requiring a burial if no new burial plots are available. Some faith communities do not permit cremation as an alternative. - Damage to LCC reputation and significant negative press and community tensions arising from failure to meet needs. Reduction in service provision. - Financial losses from lack of new burial space reducing cemetery income (estimated £1m plus per annum),	- Burial Space Strategy 2014 identified the need for a new cemetery. consultation with planners regarding Local Plan provision in the city and outside the city undertaken. - EBS Capital Projects team commissioned to deliver a new cemetery by 2026/27. One site identified for feasibility to date, potential for others being investigated by EBS. £150k budget for feasibility studies agreed. - Mitigation action to reduce demand for graves without a burial proposed.	4	4	16	Treat	- Identify alternative site/s for new burial space. - Secure capital funding (c£4m -£8m) and planning permission for new cemetery construction. - Public consultation on future needs. Update - possibility to gain additional burial space by expanding the city boundary	4	3	12	£150k + £3.8-£8.6m	Sean Atterbury	Planning permission, 2026
5	**ECONOMIC**	**SRR 2.3**	**Neighbourhood and Environmental Services - Age and Condition of Specific Leisure Centres Impact and Implications** Council is unable to meet the maintenance requirements and needs of centres which as an adverse impact on service delivery and meeting customer expectations and achieving ambitious future income growth targets and FBR savings.	LCC unable to fund repairs as buildings fail which creates service disruption and detrimental impact on customers and income.	- Client account plan in place, close working with EBS, comprehensive leisure centre review undertaken and due to present initial findings and options before Christmas 2023. - Corporate Capital bid process for 25/26 working with EBS/Quarterly meetings in place with EBS on facility management and maintenance. - External Sport England capital funding received from Sport England £180k to improve energy efficiency at ELC	4	4	16	Treat	- Complete and report strategic review. - Submit Sport England Bid. - Prepare for potential capital works if capital bid approved.	4	3	12		Sean Atterbury	Ongoing review, 31/05/2025
6	**ECONOMIC**	**SRR 2.3**	**Neighbourhood and Environmental Services - Budget Reductions** Reduction in service areas funding from grants, statutory partners and City Council and reduction in traditional income streams - insufficient funding for services to operate effectively. Risk that loss of income generating activity will add further pressure to service budgets. Process of budget reduction and timelines creating a pressure to deliver on the saving plan	- Reduction of service level and performance - Viability of service to continue to operate	- Close management of current service spending - Continuous reductions - Depot Board - Leisure Centre Needs Assessment and future strategy - Libraries and Community Needs Assessment (LCNA) - Waste strategy board	4	4	16	Treat	- Introducing new ways of working to encourage entrepreneurial opportunities - External funding opportunities further explored for example HLF, DEFRA, Forestry Commission, Home Office - LLR Partnership working - Corporate tracking to identify impact on other services	3	3	9		Sean Atterbury	Ongoing review 31/05/25
7	**ECONOMIC**	**SRR 2.2**	**Planning, Development and Transport - Failure or delayed delivery of development outcomes,** including infrastructure - Ashton Green; new homes, employment land, community social infrastructure, open space, new jobs & skills training etc.	- Delayed or reduced capital receipt for the Council, delayed housing delivery no's inc. affordable, impact on jobs & training. - Impact on Local Plan housing no's. Homes England Clawback of HIF Funding	- Revised Project governance structure, programme board now includes all LP strategic sites, a project specific risk log, development manager lead, project director oversight, regular City Mayor reporting. - External high level review undertake, this has identified priorities and resource requirements. - Recent focus on potential to assist delivery of affordable homes to meet the CM Manifesto commitments. - Change in key personnel within Dev team has resulted in net loss of staff on AG delivery (and wider team). Recruitment has failed twice for senior post replacements and to growth post identified in the delivery review. Interim measures being put in place with consultant support 2 days a week but not a sustainable model for long term delivery, significant officer time spent clienting these resources due to scale of project. - Mid level resource lost, recruitment failed once, advert back out. - Bidding for capacity funding from HE however note resources at this level with experience are in demand across the discipline nationally. - Availability rather than funding is the limiting factor. - Change in delivery strategy to generate unconditional land receipts from Parcel D&E and all employment land at Ashton Green.	4	4	16	Tolerate / Treat	- Need to ensure cross divisional resources & support are available and well utilised. - Need to ensure coordination of highway, drainage and planning responses. - Need to ensure that adequate external consultancy support is available to deliver the project work streams. - Ongoing review of planning conditions requirements, submission of section 73 applications to unlock development parcels - Secured external funding to accelerate delivery of infrastructure. - New Asset Disposals Board set up to review and monitor progress towards target figure.	3	4	12		Andrew L Smith	Ongoing review 31/05/25
8	**ECONOMIC**	**SRR 2.1**	**Planning, Development and Transport -** Difficulty in securing suitable contractors.	- Delay to projects and programmes; cost increases; funding slippage; potentially politically sensitive on high profile projects	Reviewing options for securing contractors including through frameworks	4	4	16	Tolerate / Treat - consider additional measures / actions	Alternative procurement options are being considered	3	4	12		Andrew L Smith	Ongoing review 31/05/25
9	**ECONOMIC**	**SRR 2.2**	**Planning, Development and Transport - Recruitment and Retention of staff to deliver key projects, programmes and strategies**. Lack of qualified experienced staff in market. Pay levels not commensurate with other councils. Various external factors impacting e.g. Reed are not a built environment / transport specialist agency so interim staff difficult to source via this single supplier contract, external job market etc. Pressures within HR contribute further service delivery issues.	- Failure to deliver key project/programme - Financial implications. - Poor service level. - Additional pressures on overtime and agency use, increased complaints, reputation issues, stress levels and sickness.	- Service specific progress monitoring meetings with Director. - Prioritising recruitment and replacement of staff as soon as they leave. - Extend Graduate programme. - Comprehensive Planning Workforce Action Plan / Organisational Review consultation now concluded to address the recruitment and retention issues in the service- significant funding required. External consultants appointed where possible. - Organisational review of Transport Team being developed - Succession planning for Transport & Highways in development	4	4	16	Treat	- Escalation of risk reporting to higher management and political level. - Consultant and legal advice to minimise risk. Explore new options around capacity support other than via Reed - Expedite HR, Procurement, Legal and Financial processes.	3	4	12		Andrew L Smith	Ongoing review 31/05/25
10	**POLITICAL & LEGAL SOCIO-CULTURAL**	**SRR 1.2 SRR 3.5**	**Planning, Transport and Development - Duty to Protect -** Failure to ensure counter terrorism measures are incorporated into the built environment where required in order to meet our new statutory duties under the Duty to Protect legislation, e.g. new public realm schemes incorporating hostile vehicle mitigation measures.	- Council could be deemed at fault if a terrorist incident occurred that could have been prevented by appropriate CT measures/features in the built environment and day to day highway network management activities.	- Maintain regular catch up meetings with CT Police Team. - Establish single point of contact for schemes with CT implications within the public realm. - Project records to include reference to compliance / agreement of alternatives / non agreement and associated rationale with CT police requirements. - Training sessions being delivered - Need to ensure requirement for CT measures is considered and record all decisions. - City Centre PPZ Security measures being delivered in liaison with CT Police Team.	5	3	15	Treat	- Consider inclusion of reference to CT measures in the revised Street Deign Guide	5	2	10		Andrew L Smith	Ongoing review 31/05/25

Appendix 3 - Leicester City Council Operational Risk Register

Risk Register Owner: Alison Greenhill, COO **Risks as at: 31/01/2025**

RISK REF	RISK THEME / CATEGORY *Establish which category the risk falls into using PESTLE definition. See Process tab for more information*	LINK TO STRATEGIC RISK *Which Strategic Risk does the risk link to? Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (Below link provides access to current SRR on SharePoint). Log strategic risk ref no.*	RISK *What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?*	CONSEQUENCE/EFFECT: *What would occur as a result, how much of a problem would it be, to whom and why?*	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE			RESPONSE STRATEGY / ACTION *Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate*	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
		https://leicestercitycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
STRATEGIC AREA - Corporate Resources & Support																
11	**TECHNOLOGICAL**	**SRR 4.1** **SRR 4.3**	**Corporate Services - Loss of Key Divisional IT Systems / Data Compromised** Failure of a critical IT system or cyber attack affecting the division, systems such as HR system, Xpress, Agresso systems - staff may be unable to deliver their roles, duties etc. If this was to exceed to more than 2 days, this would significantly impact on service delivery and financial targets. The data held within the current systems is not available, robust or accurate to allow adequate management reporting.	- Adverse effect on budget/finances. - Reputational damage. - Services cannot be delivered. - Current systems may not be able to support the required level of management information regarding performance, staff, electorate, media relationships etc. - Management decisions/process decisions/system improvements cannot be met.	- IT DRP is in place. Back-ups taken across systems in the division. - Business Continuity plans are in place and regularly reviewed to identify ways to continue service delivery should systems be unavailable. - Desktop exercises to test plans in relation to ICT loss have been undertaken for the division to ensure plans are robust and plans revised as appropriate in light of the learning from these - Ongoing awareness raising with staff about cyber security risks and lessons learned activity undertaken post cyber-incident.. - Continue to operate desk top training exercises. - Completed assessment of critical systems using the Cyber Assessment Framework (CAF) as part of the Future Councils engagement.	4	5	20	Treat	- Implementing Active-Active Data Centres which will improve resilience for critical systems. - Work with other LGAs and 3rd parties to improve staff awareness of Cyber Security responsibilities and to share best practice in respect of cyber preparedness. - Implement mandatory Cyber Security training with OD. - Develop a revised Digital Operating Model taking account of NSCS '10 steps to Cyber Security' framework and which will include measures to improve our organisational footing and resilience. - Reflect increased risk of Cyber Attack in Corporate Risk Register. - Post cyber incident debrief and lessons learned event –learning points to be discussed and so specific divisional learning can be identified.	4	4	16		Andrew Shilliam	Ongoing 31/05/2025 Proposals - End December 2024 End December 2024. First draft - October 2024
12	**ECONOMIC**	**SRR 2.2**	**Corporate Services - Shortages in terms of staff capacity/key skills** Skill shortages - Difficulties recruiting to specific posts and high demand for specific expertise such as business analysis and business change, and specific technical skills such as ICT development posts in a competitive marketplace for such skills. Key person dependency - Continuing reductions in staff may lead to increasing reliance on fewer people, some of whom may not have critical knowledge/skills, creating additional pressures at times e.g. unplanned absence; inability to transfer knowledge and skills before key staff leave. Ageing workforce also carries risk of loss of critical knowledge, experience and expertise. Increase in demand arising from level of organisational change and need to deliver efficiencies/savings. There maybe an increased demand for support of which available expertise is limited or competing requirements/expectations. Therefore, support services such as HR and Comms may not be able to meet expectations or deliver to the right level of quality	- Increase in key person dependency and increased dependency on line managers to deliver a number of technical capabilities. - Lean staffing structures put pressure on staff. - Existing staff health and wellbeing may deteriorate, including morale. - Service demand cannot be met and members demand/expectations cannot be met. - Tasks are not completed/delivered and/or critical projects may be halted. - Statutory/regulatory requirements may not be adhered to and deadlines breached. - Reputational damage. - Adverse effect on finances. - Specialist expertise and knowledge is not available to deliver the required duties. - Corporate memory diminishes when staff leave the Council. - Highly skilled technical roles cannot easily be filled - Perception of blame culture leads to senior and/or skilled staff leaving - Inadequate/inappropriate decisions are made by management, resulting on increased involvement by HR and/or other services in a reactive capacity. - Changes may not be made quickly and effectively and/or changes may be made prior to all parties consent. - Poor and risky management practices.	- Continued use of graduate and other entry level roles to bring in additional capacity and support 'grow our own' as well as maximising use of apprenticeship funding.	4	5	20	Treat	- Engage with OD to utilise corporate workforce planning framework to develop a divisional action plan to address the key risks in terms of critical posts and succession planning. - This has to include developing better visibility required over (1) POSTS, and (2) PEOPLE that we consider to be of a highly specialist skillset and that are considered to be both more difficult to recruit to (reasons required) and where the current postholders are flight risks. - It also has to include consideration of the workforce profile and where we have specific issues around age, knowledge retention etc. - Use of DMU internships and other placement opportunities to add short-term capacity and to link with grow our own approach.	3	5	15		Andrew Shilliam	Ongoing review 31/05/2025 and prioritisation of critical roles/areas. End Dec 2024 review
13	**TECHNOLOGICAL**	**SRR 4.1**	**Corporate Services - Cyber Security** Increasing profile and expertise of threat actors such that they are able to circumvent established defences and which therefore increases the vulnerability of LCC systems and data.	- Data hacked and released into public domain; - Reputational damage - seek alternative more expensive solutions; - Fines from ICO; - Staff stress increases; - Damage to identified individuals; - Denial of service / major service disruption	- Enhanced technology defences; - Awareness campaign; - Targeted follow up's; - Built into new system standards from 3rd party applications (secure passwords, TLS); - Daily back-up of systems - Maintain clear Major incident Management processes - Understand RPO and RTO capability for recovering critical systems - Appointed Security Operations Centre Lead to review and respond to threat intelligence - Undertaking Cyber Security Gap Analysis in light of increased flexible and mobile working - Implemented solutions to respond to the new threat from Ransomware which could attack / compromise backup data - Implemented new End Point security - Implemented 3rd party Security Operations Centre service providing 24x7 cyber security monitoring. - Completed NCSC Cyber Assessment Framework (CAF) as part of DLUHC Future Councils and develop a remediation plan. - Amended SOC Playbook so they may unilaterally shutdown systems if a potential cyber security incident is identified.	4	5	20	Treat	- Assess and implement new Technology solutions as appropriate to address any changing/new threats - Continued Staff awareness training etc.. - Review where we currently are against the NCSC Cyber Assessment Framework (CAF) as part of DLUHC Future Councils and develop a remediation plan. - Ensure Cyber Security evaluation of partners is undertaken during procurements as part of DDaT playbook. - Work with other LGAs and 3rd parties to improve staff awareness of Cyber Security responsibilities. - Undertake Cyber Essentials assessment. - Implement mandatory Cyber Security training with OD. - Review technical skills of DDaT Security Team	3	4	12		Andrew Shilliam	Ongoing 31/05/2025
14	**ECONOMIC**	**SRR 2.3**	**Corporate Services - Loss of Income Opportunities** Commercial arrangements such as trading with schools are lost due to heightened market competition, rising costs and therefore increased prices, and due to a lack of staff resources and expertise to undertake marketing and business development. The withdrawal of specific LCC traded services could create angst amongst 'customer base' and reduce appeal of other services. Our reduced shopping basket of services provided to schools puts the remaining services at greater risk when it comes to other providers who may be able to provide multiple services.	- Reduced income opportunities against increasing budget pressures. - Loss of available budget reallocations from the centre e.g. HRA. - Reputational damage. - Adverse effect on finances. - Loss of morale. - Requirement to reduce headcount if service discontinues or reduces and potential associated costs of redundancy etc. - Income levels and budgets are significantly impacted. - Reputational damage caused by ceasing the City Catering service to schools and requiring them to make an additional financial contribution this year. - Possible impact on the schools / Council relationship.	Communications and Marketing progressing work on income opportunities from advertising using council assets such as lamppost banners.	4	4	16	Treat	Competitive analysis required of our HR traded services around model, price point, feedback/satisfaction, opportunities for further trade etc. Explore joint trading/account management arrangements - ensure that relevant functions continue to focus sufficiently on income opportunities and business development. Assess the sensitivity of remaining traded services to schools because of the cessation of City Catering, and consider whether some account management activities need to be enhanced. Link in with Sophie Maltby re the likely decision around ceasing the City Catering provision in schools and to make sure that schools feel that they are supported from a financial wellbeing point of view because of the challenges created by the additional one off charge. Refocus our traded services into a key package/offer of 'support' that includes both services that we have to charge for and other services that they receive (at our cost) that are provided by LCC.	4	3	12		Andrew Shilliam	Ongoing 31/05/2025

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15	ECONOMIC	SRR 2.3	**Corporate Services - Ongoing Budget Pressures and Savings Impacting on Service Delivery** Division unable to meet future level of savings required and/or the level of future savings required leads to unsustainable services/loss of services and support to the organisation impacting on the ability of the Council to operate effectively, lawfully and deliver particularly on its statutory obligations. Financial position of the Council and local government more generally will add increased pressure on the need to make substantial savings and therefore consequent impacts of this along with the impacts of the wider cost of living crisis and a weak national economy	- Unable to generate additional income, e.g. via trading with schools to help sustain budgets. Potential for a significant budget income gap. - Savings are not delivered, division overspends and puts pressure on corporate budgets - Statutory requirements are not met resulting in risks to service users and legal/reputational issues - Impact on the quality and levels of services being provided. - Impact on staff health and wellbeing. - Vacant posts are not appointed, increasing pressure on the existing workforce	Divisional outturn was an underspend for 2023/24 for majority of the division with the exception of City Catering.	4	4	16	Treat	HR organisational review by calendar year end required so to realise first round of savings and to create a clearer and fit for purpose structure in HR, to remove numerous honoraria that are currently in place, and so we're ready to support the wider organisation as part of the likely need to restructure. 1:1 discussions around specific cost centres required, and opportunities to drive further reductions in mainly non-staffing expenditure as well as opportunities to increase income. Competitive analysis of HR traded services model and delivery. Clarity around model of delivery. Implement 'Corporate Services Financial Sustainability Board' so there are more controls around what we're doing to deliver savings.	3	3	9		Andrew Shilliam	Ongoing 31/05/2025
16	ECONOMIC	SRR 2.3	**Corporate Services - Technology Costs:** Potential shortfall of IT OpEx Revenue fundings to cover increasing costs of IT licencing, support and services in light of WoW, a migration to consumption-based licencing and cloud platforms	- A need to review service provision and potentially reduce the functionality and scope of services e.g. laptops versus desktops, reduced cyber security capabilities.	- Reprofiling services funded from reserves into Revenues to provide forecasts. - Seeking approval for use of WOW capital provision to support replacement of desktops. - Working with Finance to profile Reserves against anticipated spend - Phase 4 device replacement analysis complete - Consideration of funding options as part of medium-longer term budget planning - Reviewed options to rationalise MS licence estate - Implement role-based profiling for devices - Implemented zero-usage mobile phone policy - Created Capital Bid forecasting plan	5	3	15	Treat	- Rationalise application estate on MS Dynamics 365 - Consider a shared costing model to recharge services for new platform-based services	4	3	12		Andrew Shilliam	Ongoing 31/05/2025
17	LEGAL	SRR 1.1	**Corporate Services - Impacts Arising from Future Legislation 'Martyn's Law'** **-** Council is unprepared to respond to the potential requirements of forthcoming legislation related to counter-terrorism and therefore fails in the duty to protect people	- LCC fails to respond effectively to a terrorist attack and places staff and public lives in danger - LCC services which fall under the scope of the requirements are unprepared and could be subject to enforcement - Additional cost implications and pressure on budgets - Reputational impacts	-Internal working group in place and has been meeting facilitated by the REBR Team Manager. Review of potential services/buildings in scope completed and a number of other services have been contacted to prompt consideration and preparations. A number of services have already embedded a range of actions including Planning in relation to relevant major development schemes and DMH in terms of staff preparedness and risk assessments. Ongoing monitoring of draft legislation as details are published and REBR Manager attending national network to keep updated. Ongoing communication of details as they emerge. Close working with counter-terrorism Police including training planned for staff and a range of frontline services, and ongoing liaison and support in relation to city events. Update delivered to CMB and also Directors/HofS with support from Counter-Terrorism Policing.	5	3	15	Treat	- Ongoing support and work with the internal working group and ensuring membership reflects all relevant services	5	2	10		Andrew Shilliam	Ongoing work with internal working group
18	TECHNOLOGICAL	SRR 4.1	**Finance - Lack of critical skills, resources & capabilities** BCP not fit for purpose if total or partial loss of key IT systems occurs at the same time e.g.: 1. Loss of Unit 4 results in feeder system BCP's not working correctly 2. Feeder systems such as CONTRocc are reliant on Unit 4 functioning for BCP to be effective	- Loss/delay of all payments to individuals and suppliers - Loss/delay of income, e.g. from Direct Debit runs - Loss of lines of communication - Loss of ability to produce routine documents, e.g. letters	- All areas have individual BCP's and all are fit for purpose if single systems or teams fail. These are robust and each plan relies on alternative systems to still be working.	5	3	15	Treat	Work with ICT to create BCP's for the Finance division as a whole in addition to individual plans within each service. These plans will recognise interdependencies within systems.	5	1	5	Fines and penalties could be many £0000's depending upon multiple factors. Plus untold reputational damage	Amy Oliver	31/03/25
19	POLITICAL	SRR 1.2	Legal - Workloads & Pressure - Client Care Services within the Council are stretched with increased demands and pressures. Unrealistic deadlines at times can be set for major projects, procurement and contracts. There is a concern that whilst corporate policy is correct and general awareness of correct procedures/rules exists, it may not be implemented effectively within services.	- Timely legal advice from clients not sought. - Failure to comply with laid down guidelines. - Breach of regulations or law e.g. data protection. - Council found to act unlawfully. - Challenges to procurement processes. - Cost implications from requirements not being followed/deadlines being missed/ not delivering value for money for Council. - Award made against council etc. - Staff demotivated - Negative Press/Reputation of Council	- Reviewing practices to be improve flexibility of approach. - Channel Shift. - Raising awareness - corporate messages. - Early engagement - feeding into deadlines. - Attending project boards. - Projects to look at new ways of working. - Improved use of technology e.g. Electronic Signatures/Virtual Hearings.	4	4	16	Treat	- Review of practices. - Increase comms program/training and awareness of current practices (deadlines with project plan).	4	3	12		Kamal Adatia	Ongoing 31/05/2025

Appendix 3 - Leicester City Council Operational Risk Register

Risk Register Owner: Alison Greenhill, COO **Risks as at: 31/01/2025**

RISK REF	RISK THEME / CATEGORY *Establish which category the risk falls into using PESTLE definition. See Process tab for more information*	LINK TO STRATEGIC RISK *Which Strategic Risk does the risk link to? Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (Below link provides access to current SRR on SharePoint). Log strategic risk ref no.*	RISK *What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?*	CONSEQUENCE/EFFECT: *What would occur as a result, how much of a problem would it be, to whom and why?*	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE			RESPONSE STRATEGY / ACTION *Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate*	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
		https://leicestercityycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
STRATEGIC AREA - Social Care and Education																
20	**ECONOMIC**	**SRR 2.2**	**Children's Social Care and Community Safety - Workforce - availability** Diminishing availability of experienced skilled social workers	- National shortage of qualified SW's impacting on local recruitment; recruitment challenges in other specialist roles e.g. psychiatrist, youth justice officers etc: - Increased reliance on agency staff to fill vacancies - Increased SW case loads - Increased budget pressures; - Lack of continuity of staff in roles	- Developing a workforce recruitment and retention strategy including international recruitment	4	4	16	Treat	ASYE Programme Apprenticeship Programme Grow our own Programme International Recruitment Phase 2; Frontline programme; Career progression scheme	4	3	12		Damian Elcock	Dec-25
21	**SOCIO-CULTURAL**	**SRR 3.3**	**Education, SEND and Early Help** School collapses due to Reinforced Autoclaved Aerated Concrete failure. Surveys undertaken to determine the risk. These surveys are intrusive and so the schools are unable to remain open while investigations and remedial works are undertaken.	- Major incident and loss of life - Face to face education cannot be maintained for all or some children - Education is unable to continue on site and new school places will need to be identified and arranged. - Poor education outcomes and staff mental health due to poor and inconsistent accommodation whilst permanent solutions are found. - Impact on school places and school sufficiency - Financial impact on schools and the local authority - Capacity within the council to deliver an effective response	- Working with the Department for Education to identify and source the provision of temporary and permanent solutions. - These solutions will not be in place until 6 to 9 months from the school closure. - Current ad hoc arrangements are in place for 2 out 5 schools that may be affected. - For one school these ad hoc arrangements are unsustainable and new arrangements are being sought. - impact on other services who have been displaced due to using their buildings to provide temporary solutions	4	4	16	Treat	Work closely with DfE and colleagues in the council to expedite solution for both temporary and permanent solutions. Identify possible places for re-location of schools in this event. Ensure schools have BCP in place that include full closure and the actions required.	3	3	9		Sophie Maltby	Spring 2025 review
22	**SOCIO-CULTURAL**	**SRR 3.4**	**Education, SEND and Early Help** External pressures from migration and Government policies for asylum seeker and refugee placements within the city. This has added significant in year migration pressure on primary and secondary school places. Migration also increases the demand for support in school and from specialist services. The majority of the in-year pressure is from children moving into the city and pupil growth has nearly tripled expected forecasts in some year groups. This has put accelerated pressure on particular areas and year groups. Without taking further measures there is a significant risk of not having sufficient places.	Planned school place capacity, including historical migration factors are not keeping up with actual migration demand, leading to localised sufficiency issues and being unable to place pupils within a reasonable distance. Additional specialist support costs and travel, impacting on support budgets and capacity of support staff. Increased migration could lead to the LA running out of school places and being unable to provide education. This could also lead to increased challenges of attendance, SEND support, movement of pupils across the city and community cohesion. It would likely increase costs for transport and admissions appeals.	Monitored at the strategic board for immigration and education sufficiency board to link in with wider council services. Distribution of government grant funding directly to schools to go towards full cost of provision required. Monitoring of admissions applications and type of migration. Updating forecast models to include current levels of migration, however, it is impossible to predict if the trends will continue and reduce.	4	4	16	Treat	- Develop data model with schools to understand demand and drive policy and support. Complex cases referred to fair access as required. Incorporate potential numbers in place planning monitoring. - Highlighting the issue with the DfE at regular meetings who are aware migration has impacted the midlands authorities significantly. - Discussions with schools and trusts about solutions to rapid increases in migration to increase surplus places to meet demand through creating additional capacity and using powers to offer above schools planned admission number - Approached schools and trusts for additional school places immediately and for 2025/26 and in future years. Action plan to create additional capacity as required.	3	3	9	Potential for £1m in growth funding for 2025/26 depending on solutions required.	Sophie Maltby	Monthly monitoring of demand.
23	**POLITICAL & LEGAL** **ECONOMICAL**	**SRR 1.1** **SRR 1.2** **SRR 2.3**	Education, SEND and Early Help Impact of post-16 SEND transport policy implementation following consultation and decision making	Possible risk to life/reputational damage to the council/significant financial impact/legal challenges. Parents may not understand when they can apply if the policy has to change again. If the policy is challenged the overspent budget could contribute to s114 risk. Judicial review likely and may mean policy implementation is paused. Increase in parent complaints.	Current review of policy with review of independent travel training sufficiency to follow. System procurement to promote efficiency. Stakeholder communication re consultation and barrister guidance obtained.	4	4	16	Treat	Plans to mitigate and limit impact in place and considered in the planning stages. Most likely consequence is legal challenge.	4	2	8		Sophie Maltby	01/09/25

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STRATEGIC AREA - Public Health																
24	ECONOMIC	SRR 2.3	**Wider Economy & Supply Chain** Brexit / covid related pressures increases prices or reduced availability of IT stock / services / logistics / medicines etc within the supply chain. Increased costs result in contracted services becoming economically unviable for providers. This is already beginning to present in multiple contracts / services. e.g. Emergency hormonal contraception contract with pharmacies previously held by Boots has not seen the incumbent bid on the tender citing it is not cost effective for them to continue without an uplift. Cost of living crisis exacerbates existing inequalities and food / fuel poverty for the poorest and most vulnerable in the city.	- Changes in financial call / contracts due to fluctuations in drug / treatment market prices making delivery otherwise unviable - Logistical and financial difficulties to delivery for services or programmes. - Prioritisation / decommissioning / reduction of existing service delivery model(s) - Negative impact on population health and reduction in health services pathways available to access - Call on public health reserves - Staff are unable to be supplied with appropriate IT equipment leading to reduced efficacy and wasted capacity - Suppliers are unable to deliver minimum viable output as per contracts, and either underperform or serve notice on contracts. - Financial impact to maintain existing contracts or retender at short notice - Increased capacity pressure impacts on staff and wider portfolios - Economic crisis within the city as households cannot meet rising costs leading to increased levels of food and fuel poverty. - Increase in health issues caused by poor nutrition or cold / damp environments and sustained stress and pressure. Overall reduction in population health. - Static or widening inequalities across the city	- Internal governance, decision making processes, and budgetary oversight leveraging expertise within team to assess choices and inform management briefings / options appraisal - Strong engagement with national partners to aid horizon scanning and early signposting of potential issues - Good relationships with peers in other organisations are maintained as a matter of course to aid communication and working efficiencies - Contract management team maintain strong relationship with services and stress importance of business continuity plans to ensure fallbacks and contingencies where possible - Fuel poverty programme launched to raise awareness and signpost support pathways to the most vulnerable. Project manager post recruited to manage and provider currently delivering. Extension option being exercised for an additional 12 months after a successful first year. - Cross organisation working groups set up to communicate, monitor, and manage response	5	4	20	Treat / Tolerate	- Continue with existing controls and close monitoring of national landscape - Maintain oversight of staffing levels and associated IT requirements and open communication with IT services to inform appropriate actions - Reserve could potentially be used to mitigate short term supply shock. - Alternate IT routes being explored for new starters / initiatives (IGEL / mobile working) - Analysis of need and potential response actions to potential poverty crisis ongoing	4	4	16		Rob Howard	Review by 19 March 2025
25	ECONOMIC	SRR 2.2	**Staffing and Recruitment - External** A national skill shortage and recruitment crisis in conjunction with Leicester being a challenging area in comparison to neighbouring areas creates difficulties in securing appropriately trained professionals within commissioned services and / or partner organisations - in particular Public Health Nurses and Health Visitors. Disruption to workforce of NHS or other partners due to strikes or industrial action. Significant staff loss coupled with recruitment difficulties within commissioned services reduce capacity to the extent that statutory functions or contractual terms are not adequately maintained. Providers struggle to maintain staff levels due increasing payroll costs and budgetary pressures.	- Impact on front line service delivery of statutory functions - Knock-on impact on capacity and ability to deliver of non-participating staff impacted by strike action - Negative impact on service users - The ability of our commissioned services to provide adequate safeguarding is reduced, leading to an increased risk of support needs not being identified or met, or an increase in likelihood of serious incidents occurring. - This could also present a risk of increase to the likelihood of serious incidents occurring leading to:: - Serious injury or loss of life - Legal challenge - Severe reputational damage - Increased strain on existing staff leading to increased turnover, loss of embedded knowledge and experience, and fatigue impacting quality of work. Risk of entering a negative feedback loop (pressure causes staff loss, staff loss causes further pressure etc) further increasing difficulties in securing trained professionals	- Close monitoring and communication with commissioned services by Lead Commissioners and Group Manager - Scrutiny and support from contract management team - Commissioned children's service has introduced a skill mix framework to alleviate Health Visitor pressures whilst maintaining adequate safeguarding. This involves splitting post duties and allocating less skilled work to appropriate staff to ease pressure on caseloads and health visitors. - Ongoing work to make Leicester a more attractive location for Health Visitors to attract and retain skilled workers. - Providers to be queried over planned response specifically around occurrence of strike action and widespread loss of staff and holding of adequate BCP's to manage incidents. How will delivery be maintained / how will affected service users be captured and engaged etc.	5	4	20	Treat / Tolerate	- Continual oversight of supplier business continuity plans and engagement on current pressures / concerns - Continual internal public health business continuity plans review ongoing with consideration given to response in the event of risks presenting - Ongoing close monitoring of suppliers and skill / workforce concerns - Supplier business continuity plans audit to be undertaken in rolling fashion	5	3	15		Rob Howard	Review by 19 March 2025
26	TECHNOLOGICAL	SRR 4.1	**Data** Complex data sharing agreements with external organisations not in place or understood by officers which restricts information flow into public heath required to deliver objectives. Self reported data that is difficult to verify for activity based contracts leads to uncertainty over financial position and potential over payments Increased appetite for data and ongoing reporting needs due to covid have hindered ability to deliver BAU reporting functions and caused a backlog of Health Needs Assessments awaiting completion / attention. Updated NHS Patient Safety Incident Reporting Framework is incompatible with LLR Serious Incident Reporting Protocol negatively impacting data availability and workflow surrounding reporting of incidents. Risk that we lose sight of incidents / cases and are unable to assess provider quality and contract performance adequately. The English Devolution White paper which details the development of new Strategic Authorities and Mayoral responsibilities will involve reorganisation of local government, which may result in boundary changes which will impact Public Health Data sets.	- Delay or complete stoppage in obtaining information required to make timely decisions for service users, may result in outdated data that is not useful for commissioning and partnership work. - Distress to service users - Reputational damage to LCC - Potential financial burden or incorrect overspend for activity - Potential litigation claims for failure to deliver - Increased stress on LCC staff - Difficulties in workload management and timely production of existing reports and statutory functions as well as making capacity management difficult. - Impact on service delivery and response agility - Reduced data provision and indicators potentially being missed or identified later than they may have been delaying (or preventing) mobilisation. - Negative impact on our ability to both proactively and reactively manage NHS providers that we commission to deliver services due to reduction of oversight and visibility of issues arising in NHS providers for all of public health / LCC. Analysis and ongoing management of service quality is severely hampered without insight or access to incident data. - Obfuscation and extension of timelines for responses and investigations into serious incidents increase the likelihood of unsatisfactory outcomes for users as well as increased waiting times - Boundary changes will have data collection, analysis and trend implications, both locally and for online data sources. Data sets will require re-working to fit new boundaries.	- Work-around arrangements in place with key organisations to share basic information - Working with wider network of organisations to establish data sharing protocols and file transfers - Engagement with information governance to ensure that any risks of data sharing are identified and managed. - Increased relationship building and engagement across system partners - Continued close communication and engagement with Integrated Care Board / Leicestershire Health Informatics Service (LHIS) regarding the issues surrounding data availability and access. - Data sharing agreement recently secured with LHIS that will allow for direct access to anonymised GP data in order to better track performance and volumes. This is currently embedding with positive results on the payments aspect in terms of accuracy and assurance. Data streams for performance analysis are still being assessed to ensure accuracy and are expected to be available for use in the near term. An independent audit is underway to assess these workflows and processes. - Close working relationship with IT, procurement, and information governance to establish and maintain data sharing agreements with services external to LCC - Additional resource added to data function - Close working relationship with LPT as 0-19 provider with the aim of maintaining adequate management oversight with visibility of reports and attendance of weekly oversight meetings. Additional agreements have been built into the new Section 75 agreement with LPT to ensure robust governance is in place around serious incidents. This has been signed off by the Public Health Clinical Governance Group.	4	5	20	Treat / Tolerate	- Ongoing engagement with information governance and partners to resolve existing and arising issues - Undertake an exercise to identify all organisations and data needs and perform gap analysis - Ongoing horizon scanning of other services where NHS Patient Safety framework changes could become an issue (potential to effect all NHS services and generate complications when commissioning procurement of new services). - Continue to work with providers to understand implications of NHS Patient Safety framework changes on services, and liaise with multi-agency partners to plan a way of managing this. Continued close contractual oversight with LPT to ensure current level of visibility for 0-19 contract is maintained - Agree a corporate LCC stance on NHS Patient Safety framework changes	5	3	15		Rob Howard	Review by 19 March 2025

Appendix 3 - Leicester City Council Operational Risk Register

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27	ECONOMIC	SRR 2.3	**Budget** Changes to service delivery to operate within increasingly tight financial envelopes and increased savings targets. Continued reductions could force termination of services to ensure priority services remain available. If the authorities financial position continues to degrade then increasing financial pressures contribute to the likelihood that increased level of funding are taken away from the public health reserves and revenue budget to support general council budget pressures following covid, especially in the context of ongoing austerity and the cost of living crisis. Uncertainty over non-recurrent or unconfirmed recurrent funding coupled with ambitious targets leads to reduced delivery and higher probability of project failure. Long term sustainability of initiatives is brought into question meaning economies of scale or efficiencies derived from long term planning cannot be capitalised on, Income generation has been impacted by the pandemic and remains in recovery, and the cost of living crisis is reducing the take-up and renewal of paid memberships. For the Live Well portfolio this is hindering the ability to hit targets and increasing budgetary pressures. While the funding gap is currently being met by reserves this is a finite and dwindling resource and the above financial pressures can be expected to increase wider demand and reduce the ability to route any funds to reserves each year. Increased demand for public health services in response to covid recovery coupled and the cost of living / fuel poverty crisis create resource / capacity strain that cannot be mitigated due to a lack of available budget for extra posts.	- Public health non-statutory programmes are reduced in size or allocated resource, or closed down altogether creating long term impacts and poorer health outcomes for citizens. This is beginning to present in some areas e.g. tier 2 weight management service has been decommissioned with no replacement provision. . - Reputational damage, and reduced credibility and trust of both public health and LCC in communities and voluntary organisations which is difficult to recoup hindering ability to reach specific groups in the city for interventions. - Levels of public health grant diverted to other council areas may draw attention and scrutiny from government and result in judicial review on grant usage if core PH services begin to struggle to maintain adequate delivery. - Reduced ability to deal with emerging public health emergencies, uncertainty in our ability to respond flexibly to unpredictable emerging needs and to ensure stability and sustainability of programmes. This may be exacerbated by the pandemic in the medium / long term when secondary impacts emerge widening public health response needs. Increased demand on other public services (primary or secondary health care / Social Care / Leisure Centres) leading to knock on stress to other council services and budgets - Risk of missing safeguarding issues impacting on council statutory duties resulting in serious injury or loss of life, legal challenge, severe reputational damage - Financial viability of Live Well at risk. - Potential redundancy costs arising from non-recurrent or unconfirmed funding. - Decisions regarding resource allocation without up to date data may overlook current insights and hinder ability to make precise spending decisions.	- Annual public health return to Central Government to demonstrate appropriate use of grant funding - Portfolio restructure, continual review of landscape and exploration of alternative funding streams to ensure we are positioned to meet upcoming needs - Decisions taken to deprioritise or close certain services in order to meet budgets and savings targets. - Employing new commissioning, monitoring, and delivery model for key services to streamline and identify adverse effects. Public health invite and engage with audit services annually as good practice to identify inefficiencies and areas for process improvement. - Bids for funding being written and submitted across the team as opportunities arise, external funding streams or grants utilised to fullest extent to relieve budget pressures as far as possible. . - Internal governance to closely manage budgets and ensure intelligent and planned use of reserves over time to ensure maximum efficacy and sustainability - Political oversight / scrutiny - Identifying and articulating associated risks through spending review process - Clinical Governance Process in place tor review of providers, performance, and to sense check direction of travel to ensure optimum delivery quality and value for money - Customer retention plans and actions put in place to reduce subscription cancellations from customers unable to use services which would impact income generation - Strong service / programme planning to cover possible funding scenarios, allowing for adaptions to be made at pace. - Volunteer network being built and grown through community champions workstreams. - Budget monitoring discussions are held to track spending, prioritise resources, and identify potential overspends or shortfalls early to enable timely corrective action.	4	4	16	Treat / Tolerate	- Continue with existing controls - Secure additional revenue e.g. income generation through commercial opportunities. - Continue to explore a variety of potential local and national funding opportunities including commercial, government, academic, grant funding, - Investigate creation of a resource to help officers bid for funding with more guidance to increase consistency and success rate - Utilise in kind support / asset sharing where possible - Cross organisational opportunity review of priorities and resources ongoing through partnership programmes and system level board pathways. Public health consultant employed to stimulate engagement throughout and across the system. - Continued engagement and growth of various volunteer networks and community organisations. - Business case to outline justification and need for ringfencing reserves to mitigate / respond to any further public health emergencies, and to deal with longer term impacts of covid as they arise.	4	3	12		Rob Howard	19/03/25
28	ECONOMIC	SRR 2.3	**Commissioning** Reduced budget for services impacts on financial viability to suppliers at the tender stage who may deem package to be unviable leading to a lack of bids reducing competition or tender failing altogether. Suppliers may also not bid on tenders due to staff / skill shortages leaving them unable to meet requirements. This is exacerbated by tight financial envelopes and increased costs due to inflation. In the context of increasing costs and reduced or static budgets, providers could become unsustainable without an uplift or adjustment to the funding received from public health. In conjunction with the below concerning partner organisations and Risk 8 this increases the likelihood that suppliers will serve notice on contracts or be unable to deliver. Services commissioned on activity based contracts are difficult to predict in times of uncertainty and risk under / over provision each of which come with financial and logistical challenges and risks. Partner organisations we joint commission with are restructured or undergo a change in policy resulting in changes which negatively impact our work / agreements or ability of supplier to deliver services. Partners opting to leave or disengage from working agreements adds additional pressures to teams and services.	- Providers could become unsustainable and serve notice on contracts without an uplift or adjustment to the funding received from public health. Loss of existing contractors due to inability to reconcile increased costs within static or reducing financial envelope. - Failed tenders. Capacity required to assess and alter the specification / tender go to re-spec and go to market again, Disruption to, or reduced / ceased delivery of statutory services. Potential legal and governance implications for LCC if delivery ceased. - Dependent on service, retendering may be extremely difficult given the increased complexity of the landscape as well as the budgetary and time constraints we would be under. Risk of being without a service which would come with legal / governance implications, or having to pay inflated costs for interim delivery. - Our offer may not be attractive to new providers during tenders; risk of failed procurement or lack of competition leading to sub-standard delivery - Loss or alteration of service provision and impact on community who require service leading to poorer outcomes, increased sickness rates and impact on NHS as demand increases for other services - Decreased morale and reputational damage to LCC - Funding gap leads to other programmes needing to be terminated to balance the budget. Immediate reduced provision and range of services to city residents with unknown long term impacts. - Underspends result from reduced activity that do not reflect underlying / actual budget pressures that will resume when pre-existing baseline is re-established. Budget is reduced or removed based on lower activity costs creating business critical issues when this occurs - Increased costs due to reduction in economy of scale due to moving form a joint to solo re-procurement	- Strong forward planning, bespoke procurement methods, and robust internal governance - Clinical governance board in place for improved oversight and robust governance framework to ensure that commissioned services are robustly reviewed and monitored. - Performance review group provides oversight, early issue identification, and escalation process ***- Both of the above boards are having ToR and framework re-assessed to ensure optimal oversight of services*** - Lead Commissioners and contracts team within Public Health undertake regular performance and quality reviews with continual engagement and communication with providers and partners - Timely briefing of lead members to highlight potential risks and consequences - Expertise within team to assess choices, identify and profile future need in a proactive fashion, and inform management briefings / options appraisals - Advocacy by LCC Director of Public Health with national bodies - Provider negotiations - providers have continued to be paid regardless of performance due to the pandemic to ensure the suppliers (and the wider delivery chain) stay afloat - Based on joint analysis between the sexual health service provider (MPFT) and public health regarding financial pressures, continuity funding at 100% of the contract value will be issued and services amended to ensure viability and effective delivery, particularly to identified vulnerable populations. Additional monitoring and ongoing analysis will continue to be conducted. - Close working with internal departments (legal / procurement / contract management / finance) - Services jointly commissioned where possible / appropriate to increase efficiencies relating to economies of scale and cross border activity as well as available resource to mitigate issues - Relationships built and maintained with partnership organisations to retain collegiate working environment and aid flow of information. Public health consultant employed to stimulate engagement throughout and across the system. - Supplier business continuity plans review and audit ongoing to ensure continual sight of level of supplier resilience. Internal audit of this area by County colleagues is ongoing.	4	4	16	Treat / Transfer	-Continue with existing controls; -Continue to joint commission where appropriate (internal with LCC, and external with county and regionally) - Continued exploration of new and novel approaches to commissioning including encouraging consortium applications and use of section 75 - Continued monitoring and increased engagement of suppliers to pre-emptively identify potential issues - Regularly review Business Continuity Plans to ensure minimal service disruption in the event of supplier failure.	4	3	12		Rob Howard	Review by 19 March 2025

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		https://leicestercitycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
29	POLITICAL	SRR 1.1	**Policy / Governance / Partnerships** Population health and the wider determinants of health impact, and are impacted by, a broad range of activities LCC undertakes. There is an opportunity to increase the focus on the public health aspects of service area activities and aid in corporate strategy / policy discussions. By engaging more strongly with service areas that impact wider determinants and creating a 'health in all policies' culture across the Council health outcomes across the city could be significantly improved by leveraging a multiplier effect that PH could not achieve alone. Risk is that this is not supported or implemented in a timely fashion and the opportunity is lost. Ongoing budgetary pressures and savings targets across LCC may lead to public health focus and engagement being deprioritised within service areas. Service areas with public health impacts (Housing / Transport / Sports etc) experience cuts to budgets and programmes leading to delivery challenges and knock on health impacts across the population that then require additional resource to manage and tackle in the longer term. External national imperatives are introduced without associated budget creating difficulties in local delivery, or national policy changes impact existing work or ability to respond in a place appropriate manner. Changes in structure / leadership to partner organisations i.e. PCC elections or changes to working agreements with city organisations impact project outcomes or hinder engagement / reach of community support work. Some aspects of the divisions work are undertaken in partnership with other service areas or organisations and are reliant on their capacity or capital to function effectively and achieve marketing or delivery goals. Risk of factors outside of our controls hampering programme success. Governance structures surrounding funding allocations and sharing between partner organisations are not formalised reducing ability to adequately oversee and manage funding streams and outcomes. Additionally, internal governance challenges and pressures within procurement and finance add complexity and cause delays in executing contractual processes.	- Reduced outcomes over time lead to long term budgetary and resource drain that could be reduced by small tweaks to wider LCC activities - Reduced influence on corporate policies and strategy, and significant potential for improvement to wider determinants not capitalised on - Reduction of, or failure to realise improvements to, health outcomes for city residents. - Call on finances from NHS pay award, reducing available budget for existing work - Logistical difficulties to delivery for services or programmes. - Prioritisation / decommissioning / reduction of existing service delivery model - Call on public health reserves - Change in leadership may result in changes to organisations agendas which may negatively impact our work, agreements, and ability to deliver. - Reduced efficacy as work is not tailored to the local area or possible efficiencies by operating collaboratively in cross geographical areas is not leveraged - Partners organisations operate outside of the spirit of agreements placing undue financial or capacity strain on LCC teams (e.g. County not paying rent to the SH service due to a loophole, OPCC being unresponsive in renewal of suicide bereavement service)	- Internal governance, decision making processes, and budgetary oversight leveraging expertise within team to assess choices and inform management briefings / options appraisal - Advocacy by the Director of Public Health with local and national bodies - Close relationships built and maintained with service areas around the organisation. Capacity has been added to the team to increase corporate engagement - Strong engagement with local and national partners to aid horizon scanning and early signposting of potential issues - Strong engagement, communication, and partnership working maintained with system partners and the Health & Wellbeing Board membership - Good relationships with peers in other organisations are maintained as a matter of course to aid communication and working efficiencies - Specific workstreams created within the division to engage partners and to embed Public Health considerations in day to day operations	4	4	16	Treat	- Continued: - Political escalation - Corporate responsibility - Service & budget planning - Utilisation of partnership approach - Continued exploration of alternative treatment / therapy options or approaches within services or by programmes - Safeguard public health reserves in order to preserve ability to provide adequate response without significant detriment to corporate purse - Continued monitoring of medical landscape, and updates to guidance and clinical standards - Continued presence within LCC and corporate engagement to provide visibility to public health concerns and considerations that work of discrete service areas may unknowingly be able to positively impact - Establishing a cross division working group on health in all policies to increase capacity to deliver on wider determinants of health	3	4	12		Rob Howard	Review by 19 March 2025
30	ECONOMIC	SRR 2.2	**Staffing and recruitment - Internal** An emerging recruitment crisis across a variety of sectors creates difficulty, both within public health and our commissioned services or system partners, in securing sufficient staff with the appropriate skills and experience to meet public health challenges posed by covid response and recovery, and emerging issues. Unsuccessful recruitment (increased in likelihood due to the above point) or approval to recruit delays for existing and new posts cause capacity and timeframe pressures on ongoing delivery and rollout of new initiatives that would benefit from proceeding at pace. Key staff members are set to leave Public Health before April 2025, their posts will need to be filled. Extended recruitment processes and external notice periods could result in lengthy start dates, potentially overlapping with internal notice periods and creating a gap. In addition to the above point, key staff retiring, going on maternity leave, leaving the division or moving into new posts within the division creates disruption, the risk increases if there are multiple departures simultaneously. Potential risks to wider public health aims or outcomes if significant losses in other LCC service areas. Capacity increase within the public health division is being outpaced by the broadening of scope and increased need that is resulting from current societal context - this is exacerbated by financial pressures and difficulties in recruitment. LCC Pay Scales pay less for professional posts than other LAs in there region.	- This is currently presenting with a number of senior roles being vacated and needing to be filled creating capacity and continuity pressures. While our existing plans, investment into staff and wider training, and support networks have significantly lessened the impact gaps in post are creating additional pressures. - Increased demand on remaining capacity impacting on team morale. The health and wellbeing of existing staff is impacted resulting in individual burnout or increased staff turnover. - Loss of key specialist skills, knowledge and expertise, and working relationships that are very difficult to replace due to national shortage of skilled workers - Significant loss of capacity means programme targets are delayed or not achieved, or need to be revised downwards to match ability to deliver. - Cover for posts splits capacity between existing workstreams negatively impacting both. - If demand and workloads are consistently high for extended periods existing staff do not gain a breadth of public health experience. This could result in an underkilled workforce, or increased turnover as further development is sought after by individuals (with associated difficulty in sourcing adequate replacements for posts). - Negative impacts on delivery of work and an inability to meet emerging objectives of individual services as well as divisional strategic objectives. - Reduction in ability to front run issues and adequately assess complex situations before being required to act. - Loss of in-year funding available if staff / initiatives cannot be put in place in a timely fashion. - Delay in advertising / filling vacant posts exacerbating capacity issues - Gap in leadership / delivery of public health functions - Capacity issues may lead to elements of work being deprioritised.	- Close management and oversight of individual workloads and projects - General training and development opportunities and organisational development utilised - Upskilling team - public health supporting staff to undertake a Masters in Public Health and for staff to follow work based public health training pathways - Specific courses identified and allocated to appropriate staff. Mandatory and suggested training framework created and rolled out across the team. Reviewed and managed across the division to ensure all staff are in compliance with minimum training requirements and are encouraged to develop skills and knowledge as required. - Early identification of potential staffing needs / vacancies with early engagement with HR to ensure timeframes to recruit are sensible –Capacity in across the team increased and analysis of need ongoing. - Team restructure undertaken to more efficiently redistribute capacity and portfolios - Increased team awareness at all levels of importance of self care, with support offered necessary. Ongoing team building events / exercises in place to aid wellbeing and an internal pastoral support scheme has been implemented to ensure support pathways are available to those who require it. - Recruitment concerns escalated - Contracts staff are being trained and developed across the whole Public Health portfolio in order to reduce single points of failure and reduce impact of staff loss. This approach is also encouraged across commissioning teams. Handover plans are being developed for the HIAP portfolio,	4	4	16	Treat	- Continual audit of needs and skills against public health key skills framework to identify and fill key knowledge and skills gaps across division - Produce a public health workforce strategy including succession planning. Task and Finish group working on this and we are linking in with regional and national Public Health workforce planning initiatives. - Business continuity plan review and update regularly scheduled to ensure succession planning and key staff availability plan is adequate. - Ongoing identification of single points of failure and planning / documentation to mitigate risk of project lead unavailability - Consideration within service plans for posts and building in long time scales for recruitment as standard practice to be considered in forward planning - Continued monitoring of capacity needs and fixed term recruitments to mitigate issues where appropriate - Continued focus on employee wellbeing and provision of adequate support where necessary - Centralising of important data and guides detailing workflow processes ids ongoing to minimise impacts of loss of key staff and knowledge and to increase pace of training new staff.	4	3	12		Rob Howard	Review by 19 March 2025

Appendix 3 - Leicester City Council Operational Risk Register

Risk Register Owner: Alison Greenhill, COO **Risks as at: 31/01/2025**

RISK REF	RISK THEME / CATEGORY *Establish which category the risk falls into using PESTLE definition. See Process tab for more information*	LINK TO STRATEGIC RISK *Which Strategic Risk does the risk link to? Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (Below link provides access to current SRR on SharePoint). Log strategic risk ref no.*	RISK *What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?*	CONSEQUENCE/EFFECT: *What would occur as a result, how much of a problem would it be, to whom and why?*	EXISTING ACTIONS/CONTROLS What are you doing to manage this risk now?	RISK SCORE			RESPONSE STRATEGY / ACTION *Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate*	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
		https://leicestercityycouncil.sharepoint.com/sites/sec025/SitePages/Risk-management.aspx				Impact	Probability	Risk			Impact	Probability	Risk			
31	SOCIO-CULTURAL	SRR 3.2	**Health Protection / Covid 19** Variant strains or other diseases emerge requiring a significant response, further local lockdowns, preventative measures, or a continuance of efforts that have been tapered off. There is only a single Infection Prevention Control (IPC) Specialist within public health providing all IPC support to the city, with no budgetary scope to provide additional capacity. This is a significant bottleneck and single point of failure. A secondary impact of the pandemic may be other health aspects experiencing significant increases in occurrence as a knock on effect i.e. mental health, substance use, obesity, oral health that require increased resource to tackle Reduced access and low take-up of offered services during the pandemic impacts long term health outcomes, widens inequalities, and reduces opportunity to create income to reduce budget pressures. Further risk that low uptake / referrals that resulted from covid persist negatively impacting outcomes and inequalities.	- Negative impact on resident health and wider public health outcomes and improvements, leading to a less healthy and resilient population - Significant operational impact on division in the event of a scenario comparable to Covid 19 - Potential variant or other disease cause large increase in case numbers that are unreported lead to further pandemic duration / restrictions. Increased infection rates mean further local lockdowns or preventative measures are enacted. - Further lockdown or restrictive measures would decrease morale across the city, hinder general recovery efforts, and create difficulties for LCC operations - Inadequate capacity and single point of failure for IPC operations means - Service objectives not achieved/service not provided. Increased outbreaks in vulnerable settings increasing potential for individual harm. - Pressure on sole member of staff to provide an unreasonable level of cover for one person - Reputational damage to the authority if outbreaks poorly managed - Reduced ability to 'Live with Covid', recover, or respond quickly to contain future outbreaks - Potential serious impact on health and wellbeing of whole population, particularly those most vulnerable - Reputational damage to the authority if outbreaks poorly managed - If covid secondary impacts activities persist without associated funding from Treasury to support this will create significant budget pressures. - Static or widening health inequalities - Needs increase over the longer term as a result of secondary impacts requiring increased (and sustained) resource and budget to tackle	- Continued monitoring of covid data and national landscape - Monitoring of at risk health areas to determine level of future need - Consultants appointed to lead on health inequalities and system wide engagement and health protection, and covid response / recovery - Health Protection team / function created within the division with a focus on supporting settings with infection prevention control processes and managing incidents as they occur nationally and across the city - Forward planning of recruitment and mitigation of impacts of gap in IPC provision - Service objectives set within context of limited capacity - Close relationship with social care teams to share capacity burden where appropriate - Training activities being built in to existing service to increase skills and knowledge of social care and care home staff - Sustained messaging reiterating the continued importance of following the national guidance to increase awareness - Horizon scanning and forward planning to intelligently balance potential resource pressures and safeguard agility in the event of a call to action against current needs and financial state - Ongoing monitoring particularly via governance mechanisms such as LLR Health & Wellbeing Partnership and City Health and Wellbeing Board.	5	3	15	Treat	- Continue with existing controls - Increase capacity of HP team to enable more robust resilient response to current and emerging issues - Ongoing assessment of priority areas to continually determine needs and enable a timely data driven response - Continued close monitoring of outbreak data - Continued engagement with settings in the city to maintain standards and encourage continual improvement. Communications to be undertaken with all settings to signpost gap in provision and advice and guidance on where to go to for support if required. - Community wellbeing and vaccine champion programmes created and currently embedding to promote education and awareness of both covid and general health information - Service evaluations over time to inform discussions with partner teams. - Assess options to increase capacity.	4	3	12		Rob Howard	Review by 19 March 2025

Item 5

The Corporate Risk and Business Continuity Policies and Strategies

Date of meeting: 24th March 2025

Lead director/officer: Andrew Shilliam

Director of Corporate Services

Useful information

- Ward(s) affected: All
- Report author: Sonal Devani, Corporate Risk Management & Business Continuity Manager
- Author contact details: 0116 454 1635
- Report version number: 1.0

1. Summary

1.1 The purpose of this report is to present to Governance and Audit the Risk Management and Business Continuity Policy Statements and Strategies (Appendix 1 and 2), which form an important part of the council's governance arrangements by providing an effective framework for Leicester City Council (LCC) to manage and respond to key risks facing its services and to support the delivery strategic priorities and objectives, and to manage the impacts of potential disruption to ensure continuity of service delivery.

1.2 To date, improvements have been made in strengthening risk management arrangements within the council's diverse business units allowing for the continuity of delivery of service, albeit in a proportionate way.

1.3 The council has also established robust business continuity practices, and progress continues to be made to strengthen Business Continuity Management (BCM) arrangements, particularly addressing the continuous change the organisation experiences.

1.4 In line with our agreed corporate approach, an annual review of both Polices and Strategies has taken place to support the ongoing implementation of risk management and business continuity procedures/processes.

2. Recommended actions/decision

2.1 That the updated Corporate Risk Management Policy Statement and Strategy (appendix 1) be noted. This sets out the council's attitude to risk and the approach to be adopted to manage the challenges and opportunities in relation to the Council's strategic objectives.

2.2 That the Corporate Business Continuity Management Policy Statement and Strategy (appendix 2) which provides a framework to consider and manage disruptions to service delivery, and sets out the council's attitude, perception and approach towards implementing business continuity practices, be noted.

3. Scrutiny / stakeholder engagement

3.1 The Council's Insurance Services team have been consulted to provide an update on the insurance related matters in the Risk Policy and Strategy, and both have been considered and approved by the Corporate Management Team.

4. Risk Management Update

4.1 The Risk Management Strategy sets the corporate outlook on how the Council manages its risks. This is vital in the overall governance framework of the Council and is particularly important in the current environment given the need to deliver our services in a different and more cost-effective way within our diverse business units.

4.2 Effort continues to be made to integrate risk management into the Council's culture, its everyday business operations and those of its contractors and partners. Every project/programme should have a risk assessment/log and risk management should be a significant part of managers overall duties.

4.3 The Risk, Emergency and Business Resilience Team (REBR) is continuing to work with business areas to ensure compliance with the Council's Risk Management Policy and Strategy. Work is ongoing to address some specific areas of weakness although it should be highlighted that practice continues to improve and such weaknesses are much less prevalent than in previous years.

4.4 Very occasionally, risk assessments are being completed that are not fit for purpose (limited detail, no clearly defined risk etc.), sometimes risk assessments are being completed by staff who have not attended the mandatory risk management training, the impact cost of risk is not always clear when considering indemnity limits to be sought from third parties, thus exposing the council to unnecessary or uninsured risk or (if specified limits are higher than necessary), and we occasionally experience increased contract costs as suppliers pass on their own increased insurance costs and inadvertently exclude some SMEs from the tender process.

4.5 As alluded to in the Risk Update Report, a sample has been proposed in the way Strategic Risks are reported to this Committee, which addresses the feedback raised in previous meetings.

Key Deliverables 2025

4.6 The key deliverables in this year's strategy, include:

4.6.1 Ensuring the Risk Management Framework at the council continues to reflect the organisational structure, and those risks affecting the delivery of the council's priorities and objectives are properly identified, assessed, managed, monitored and reported;

4.6.2 Divisional Directors (and their Heads of Service) have individual risk registers feeding through to the council's Strategic and Operational Risk Register, which is reviewed by CMT, led by the Chief Operating Officer, supported by the Director of Corporate Services and the Manager, Risk Management;

4.6.3 Continuing to integrate and embed risk management into the Council's culture and its everyday business operations via awareness of the risk management policy and strategy, risk management training sessions, attendance at DMTs by a member of the REBR Team, periodic population of risk reports to present at CMT, CMB & G&A. Risk management should be a part of a manager's overall duties, part of the daily process and not a 'form filling' exercise seeking to 'add

value'. A risk assessment should be completed and / or updated for each project or contract being let and for all our significant procedures, as a minimum;

4.6.4 Continuing to support the operational service areas in the development and improvement of their individual risk registers by identifying training needs, providing support and guidance, and delivering training to them;

4.6.5 REBR attending Directorates DMT's to provide a critical eye friend approach on the divisional risk registers, which will help with achieving the above;

4.6.6 A training programme has been established for 2025 (appendix 5 of the strategy). Directors and managers should continue identifying staff requiring risk management training not only through the appraisal process, but also by job specification process. As it is the business areas that 'own' and should manage their risks;

4.6.7 As part of the procurement process, risk is continued to be considered, identified and assessed and in the procurement of goods / services with contractors and partners and;

4.6.8 Emphasising via training sessions/DMTs or any other means that the risk service is perceived across the council as 'risk advisers' who will assist managers in scoping and managing their risk exposure to enable the implementation of innovative schemes. This team do not manage the council's risks as this remains service areas' responsibility.

Risk and insurance

4.7 Whilst our insurance arrangements protect the Council from the financial impact following catastrophic loss in any given year, any overall deterioration in the council's loss experience will have an impact on premiums for future years. Effective claims management can reduce the cost of settling claims, feedback is provided to departments to help prevent any reoccurrence and share lessons learnt. It is never possible (or desirable) to eliminate the cost of loss; however, proper attention to risk control can maintain low incident rates and reduce the financial impact.

Business continuity update

4.8 The Council is committed to implementing a robust and effective BCM system as a key mechanism to restore and deliver continuity of critical services in the event of a disruption or emergency. We have established robust business continuity practices and progress continues to be made to strengthen BCM arrangements. The BC Policy and Strategy at Appendix 2 sets out how the council achieves an effective approach. The Council's BCM practices are consistent with the International BC Standard (ISO22301) and ensure that its business continuity responsibilities under the Civil Contingencies Act (2004) are met. Following the intensive and constant progress made in the last few years, the council is aligning more to the standard.

4.9 The council has developed a good understanding of BCM and this is being embedded effectively into the council's culture and everyday business operations and those of its contractors and partners. The Incident Response Plan (IRP) is part of the overall framework for contingency planning and is reviewed annually and augments the implementation of business continuity practices within the organisation.

4.10 The BCM framework adopted by LCC contributes towards identifying our critical services and ensuring BCPs exist for such services. An annual self-certification process is standard practice whereby directors confirm their plans have been reviewed annually as a minimum and tested biennially understanding the importance of the BIA and its findings supporting this process. However, BCPs and BIAs should be reviewed and updated to reflect changes in service areas as and when they occur or following an incident (if before the annual review). REBR will also provide feedback on Critical BCPs every two years and officers should acknowledge and appreciate that BCPs may not be 100% foolproof as there will be the 'unknowns'.

4.11 REBR will also facilitate testing service BCPs and is regularly involved in undertaking reviews and testing of plans with service areas. Our BCM system is tailored to fit the nature of the organisation for it to be successful. One size does not fit all and failing to plan appropriately may result in loss of service delivery, financial loss, reputational damage, and possibly litigation in the event of an incident.

Key deliverables 2025

4.12 During the next 12 months the focus in relation to effective BCM will be:

4.12.1 To ensure the Corporate BCP template is reviewed and updated and made available for council-wide use.

4.12.2 To ensure BCPs are reviewed and updated accordingly by services, particularly for business-critical services and are submitted to REBR.

4.12.3 Scoring of business-critical services plans takes place and feedback to plan owners is provided.

4.12.4 Carry out further BIAs upon request of services if they are deemed to be critical.

4.12.5 To ensure the continuation of testing all critical service BCPs every 2 two years as stipulated in the Self Certification signed off by directors annually.

4.12.6 Provide council-wide training and bespoke sessions upon request of services.

4.12.7 Follow up with interested schools (maintained) the offer of BC Planning, developing their BCP and testing.

4.12.8 Offer Business Continuity/Emergency Planning services to the community and academies.

4.13 REBR work with partners/stakeholders to discuss and share best practice and to promote business continuity. LCC's major incident plan, if invoked, is aligned to link to wider Local Resilience Forum (LRF) emergency response plans and LCC work to ensure we have consistency of approach and work collaboratively to achieve the desired outcome.

4.14 The Manager for Risk Management Chairs the 'Multi-Agency Business Continuity Group', inviting business continuity officers from partner organisations to share good practice, discuss their response to business continuity incidents, and reflect on

lessons learned. Participants include blue light services, district authorities, and utility providers.

Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

Risk The revised Risk Management Policy Statement and Strategy is intended to promote an effective approach to risk across the Council, and in financial terms minimise the costs of insurance premiums, successful claims and responding to incidents. **Business Continuity** Rigorous, targeted and proportionate BCP arrangements are essential to ensure the council can be confident of recovering effectively from a major incident and with as little additional or abortive expense as possible.
Signed: Kirsty Cowell, Head of Finance (Strategy), Ext. 37 2377
Dated: 13th March 2025

5.2 Legal implications

Rigorous Risk Management/BCM arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities.
Signed: Kamal Adatia, City Barrister, Ext 37 1401
Dated: 13th March 2025

5.3 Equalities implications

Risk Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people and therefore is likely to be beneficial to people from across all protected characteristics. However, in some circumstances, effective risk management will be particularly relevant to those with a particular protected characteristic (for example, safeguarding risks and risks which could result in service disruption). Therefore, a robust risk strategy and policy statement which is embedded effectively will minimise the likelihood of ineffective risk management resulting in a disproportionate impact on those with particular protected characteristic/s. The 2025 strategy identifies other potential risks which are relevant to equalities, such as legislative requirements (ensuring that the council meets its statutory duties) and the risks posed by demographic changes. The strategy promotes that the management of such risks should be embedded into the day-to-day business and culture of the council, the continued integration and embedding of risk management into the council's culture and its everyday

business operations support the continued delivery of positive equalities outcomes for the citizens of Leicester.

Business Continuity

A robust approach to business continuity planning will limit the impact of incidents and plays a key role in maintaining service delivery, therefore there will be a positive impact across all protected characteristics.

If business continuity planning is not effective there is a greater risk where a service has been identified as critical. If those critical services were unable to maintain service delivery, there may be a disproportionate impact on those with particular protected characteristic/s, such as age and disability.

The recommendation, to approve the 2025 Corporate Business Continuity Management Policy Statement and Strategy will support a robust approach and minimise the impact of incidents which could have a disproportionate impact on certain protected groups.

The correct prioritisation in the event of an incident, will ensure that those areas of greater risk, including risks around equalities and human rights will be prioritised provided this is a consideration in any changes that are made.

Signed: Surinder Singh, Equalities Officer, Ext. 37 4148

Dated: 13th March 2025

5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this paper. However, it worth noting that the impacts of worsening climate change are among those covered by council's risk management processes. However, it is worth noting that the BCM Policy Statement & Strategy and associated documents play a key role in ensuring the council is prepared for potential incidents and emergencies linked to the impacts of worsening climate change, such as flooding and extreme weather.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 13th March 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Legal	No	Rigorous Risk Management arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities.
Policy	Yes	All of the paper.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

6. Background information and other papers:

N/A

7. Summary of appendices:

Appendix 1 – Corporate Risk Management Policy Statement and Strategy 2025

Appendix 2 – Corporate Business Continuity Policy Statement and Strategy 2025

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"? If so, why?

N/A

Appendix 1

Risk Management Policy Statement and Strategy 2025

09/12/2024
Leicester City Council
Sonal Devani on behalf of Andrew Shilliam

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Enterprise Risk Management

Policy Statement and Strategy 2025

Risk Management Policy Statement

Leicester City Council's (LCC) approach to the management of enterprise risk

Risk management involves identifying, assessing, managing, monitoring, reporting, and communicating the council's threats and opportunities. By doing so effectively, LCC is in a stronger position to deliver its objectives. Risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The Council acknowledges that risk can never be eliminated entirely and accepts the need to take proportionate risks which should be identified and managed appropriately in order to achieve its strategic objectives. However, residual risks may still be high after further controls are identified and implemented. Such risks may relate to activities/projects where the organisation has statutory responsibilities to deliver those services, and in such instances, it is important that risks are being managed effectively and efficiently and the impact is minimised as far as is reasonably practicable should the threat/event occur. By assessing potential problems and developing strategies to address them, we are able to improve our chances of a successful, if not perfect delivery of the project/initiative assessed. The Council recognises that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements. The measures which the Council adopts are principles of good management practice which seek to control and balance risk and opportunity. The risk strategy implemented at the Council supports this and ensures that high priority risks are cost effectively managed and provide decision makers at all levels with the information required to make informed decisions.

The key objectives of Risk Management at LCC are to:

1. Proactively identify, manage and act on opportunities and threats to enable the Council to achieve its objectives and integrate risk management into the culture and day to day activities of the Council.

2. Prevent death, injury, damage, losses, and reduce and minimise the cost of incidents and accidents.

3. Comply with governance requirements with risk management (identification of, and plans to manage, risk) forming an integral part of the Council's governance including decisions taken by the Executive and Corporate Management Team (CMT).

4. Make the Executive, CMT and Governance and Audit Committee aware of the potential key strategic and operational risks.

5. Ensure the organisation's risk profile and exposure is communicated top down, bottom up and across the organisation and coordinate targeted action plans designed to manage or reduce the risk profile.

6. Embed, actively support and promote risk management. Raise awareness of the need for risk management to those involved in developing the Council's policies and delivering services and ensure it is understood that risk management is a cross service planning activity.

7. Ensure that a systemic and consistent approach to risk management is adopted throughout the organisation and as part of divisional planning, performance management and models of operation.

8. Supporting a culture of well-measured risk taking throughout the Council's business and informing operational decisions by identifying risks and their likely impact.

9. Ensure risks are considered, actioned and responsibility is assigned in the commissioning, procurement and contract management of goods/services.

10. Manage risk in accordance with best practice and comply with statutory and regulatory requirements, for example Fraud Act, Anti Bribery and Care Acts.

The above objectives will be achieved by:-

1. Ensuring CMT, Directors, Executive and other relevant stakeholders obtain assurance that the Council and its services are managing and mitigating risks that could affect the achievement of the organisation's objectives.

2. Establishing appropriate risk reporting mechanisms and risk communications council-wide. Ensure a process is in place to allow for the submission of Strategic and Operational Risk Registers to CMT, City Mayor and Executive, Governance and Audit Committee and relevant stakeholders.

3. Ensuring the operations and initiatives that are high risk to the Council are reported and monitored through the appropriate channels and via the relevant director to aid informed decision making.

4. Attending Divisional Management Meetings periodically council-wide to provide a critical eye friend on Divisional Risk Registers.

5. Providing learning opportunities to Council officers on the risk management process across the Council via a rolling training programme year on year with the option of bespoke training.

6. Keeping abreast of best practice throughout the industry and through the continual review and improvement of the council's risk management practices.

7. Good practice tools to support management of risks applied consistently throughout the council and reinforcing the importance of effective risk management as part of the everyday work of employees and members.

8. Ensuring accountabilities, roles and responsibilities for managing risk are clearly defined, communicated and understood by establishing clear processes, responsibilities and reporting lines for risk.

9. Anticipating and responding to changes in the external environment including changing political, economic, social, technological, environmental and legislative requirements.

10. Horizon scanning and considering emerging risks which should be on the radar (but where impacts are not fully known for such risks).

11. Demonstrating the following benefits of effective risk management:: -

    - Cohesive leadership and effective management controls;
    - Improved resource management – people, time, and assets;
    - Improved efficiency and effectiveness in service and project delivery;
    - Minimising the impact following an incident, damage limitation and cost containment;
    - Better protection of employees, residents and others from harm;
    - Reduction in incidents, accidents and losses leading to lower insurance premiums and improved reputation for the Council.

12. Recognise that it is not possible or expected to eliminate risk entirely, and so have a comprehensive business continuity and insurance programme that protects the Council from significant financial loss, reputational damage or even litigation therefore minimising the impact from an event.

Alison Greenhill
Chief Operating Officer

Sir Peter Soulsby
City Mayor

Risk Management Strategy

INTRODUCTION

1. This **Risk Management Strategy** provides a structured and coherent approach to identifying, assessing and managing risk. It builds in a process for regularly updating and reviewing risk assessments based on new developments or actions taken and allows communication and reporting of risks that may adversely impact the achievement of the Council's aims and objectives.

2. This strategy builds on, and replaces, the 2024 Risk Management Strategy. Through the continued development and implementation of the strategy, the maturity of the Council's risk management will be reflected in a more enabled and proactive culture of embracing innovative opportunities and managing risks. This strategy helps to embed a coherent risk management system throughout the organisation and ensures officers / staff understand their roles and responsibilities within the process and if followed by staff enables a more consistent risk management approach.

AIMS AND OBJECTIVES

3. The aims and objectives of Leicester City Council's (LCC's) Risk Management Strategy are:-

   - To assist LCC in setting strategy, achieving objectives and making informed decisions;
   - To provide the Executive, Members and senior officers with regular risk management reports that give a comprehensive picture of the Council's risk profile and risk ranking exposure;
   - To provide and assist the Council and its partners to adopt a "fit for purpose" methodology towards identification, evaluation, control and communication of risks and to help ensure those risks are reduced to an acceptable level where possible – the 'risk appetite';
   - To ensure that transparent and robust systems are in place to track and report upon existing and emerging risks which potentially could have a detrimental impact on the Council or influence decision making and affect the achievement of objectives;
   - To help further integrate risk management into the culture and day to day working of the Council and ensure a cross divisional/operational approach is applied;
   - To provide reliable information on which to base the annual strategic and operational risk and governance assurance statements;
   - To consider the limitations of available information in the process of identifying and assessing risk;
   - To encourage well measured risk taking where it leads to improving performance and sustainable improvements in service delivery;
   - To ensure a consistent approach in the identification, assessment and management of risk ('the risk management cycle) throughout the organisation; and
   - To acknowledge that even with good risk management and our best endeavours, things can go wrong and that we learn from this to prevent it happening again. Risk Management is continually improved though learning and experience.

4. Given the diversity of services offered by the Council, there are a wide range of potential risks that could arise. Therefore, it is essential that responsibility for identifying and taking action to address those risks is assigned and clear. Commitment and involvement of staff at every level is essential to effectively carry out enterprise risk management. Although different staff/managers will have specific duties to assist in this process, it is important that they are aware of and

understand their role. Staff involvement may consider views and comments from other divisional areas/teams who may have had experience of managing similar projects.

ASSURANCE AND REPORTING STRUCTURE OF RISKS AT LCC

5. As part of the risk management and assurance process, our aim is to create a 'no surprises' approach where the commitment and appetite around risks management is set from the top down.

6. All staff and associated stakeholders have responsibility for managing risk, some more than others. Please see **Appendix 1** for full roles and responsibilities.

Within this structure, each party has the following key roles:

- The Governance and **Audit Committee (G&AC)** is responsible for noting the effectiveness of the Council's risk management arrangements, challenging risk information and escalating issues to CMT and Executive via the Manager, Risk Management.

- **City Mayor and Executive** has a leadership and oversight role particularly in challenging CMT and senior managers in relation to the risks identified, mitigating actions and holding them to account to implement effective risk management. The City Mayor and Executive are also responsible for approving risk policies and strategy and receiving regular risk management reports to review;

- **The Corporate Management Team (CMT)** has the risk oversight role and ultimate management accountability. CMT must ensure the risk related control environment is effective; is responsible for approving and reviewing risk policies and strategies; setting the level of risk the Council is prepared to accept **–** it's **'risk appetite'**; receiving 4-monthly risk update reports to review and for approving as well as agreeing and promoting the training programme;

- **Risk, Emergency and Business Resilience (REBR)** develops and coordinates implementation of the Risk Management Strategy and provides a facilitators role, supporting and guiding service areas on how to complete operational risk assessments, whom they

should refer to and deliver corporate risk management and business continuity training. REBR also coordinate, populate and maintain the Council's strategic and operational risk registers, producing 4-monthly risk reports comprising of these risk registers to submit to CMT, City Mayor and Executive (SRR only) and the G&AC (bi-annually);

- **Departments and services** are the **'risk-takers'** and are responsible for identifying, assessing, measuring, identifying risk actionee, monitoring, communicating risk as well as reporting on significant risks associated with their functions or activities and for managing risks within their departments;

- As part of the Council's **combined model, management, third parties (e.g insurers) and Internal Audit** give assurance on the management of risks and the operation/performance of controls.

See **Appendix 1** for further Roles and Responsibilities.

RISK DEFINITION AND APPETITE

7. At LCC, we adopt the definition of risk taken from the **International Risk Management Standard '*ISO31000*** – *Risk Management Principles and Guidelines standard and BS65000 – Guidance on Organisational Resilience'*:

   "Risk is the effect of uncertainty on objectives" and an effect could be a positive or negative deviation from what is expected. **ISO 31000** recognises that we operate in an uncertain world.

8. By identifying potential problems with an in-depth risk assessment, the Council can implement controls and treatments that maximise the chance of gain while minimising the chance of loss. It is assumed by many staff, during risk discussions, that all risks must be eliminated. This is not the case. Risk is a part of everyday life and taking risks and acting on opportunities may be a route to success, if managed properly, where the risk appetite is crucial to this process. **Risk Appetite** is defined as '**the amount and type of risk that the organisation is willing to pursue, retain or take** (ISO73 – ISO2002)). **Appendix 2** demonstrates the Council's risk appetite. **The Council is prepared to tolerate risks that fall below the risk appetite line (the prominent black line).** For risks that are scored above the line, the relevant Council officers should consider their occurrence (repetitiveness) and impact, and design controls for implementation to minimise the chance of the risk materialising. This should be monitored periodically. An example of this would be total loss of a building by fire. This is a typical 'high impact' but 'low likelihood' risk that cannot realistically be managed day to day, beyond normal management responsibilities, but if it occurs, would be dealt with by the invocation of an effective Incident Response Plan and appropriate insurance cover which are both significant mitigants for that risk.

9. Risk appetite needs to be considered at all levels of the organisation – from strategic decision-makers to operational deliverers. The Council's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the Council's risk appetite provides the strategic guidance necessary for decision-making and is determined by individual circumstances. In general terms, the Council's approach to providing services is to be innovative and to seek continuous improvement within a framework of robust corporate governance. This framework includes a risk management process that identifies and assesses risks appertaining to decisions being considered or proposed.

10. As such, risk appetite should be considered for every proposal and risk rather than an over-arching concept for the entire Council. There will be areas where a higher level of risk will be taken in supporting innovation in service delivery. Certain areas will maintain a lower than cautious appetite - for example, in matters of compliance with law and public confidence in the Council or safeguarding adults and children. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or members. However, in all circumstances:

    - The Council should manage its financial affairs such that no action will be taken which would jeopardise its ability to continue as a going concern; and

- The Council is to secure the legal integrity of its actions always.

Despite this, at times the Council may be forced to take risks beyond its appetite to comply with central government directives or to satisfy public expectations of improved services. The challenge process will determine the decisions made - whether to proceed with such proposals and after careful assessment of the identified risks, and an analysis of the risks compared to the benefits – i.e. cost benefit analysis. A cost benefit analysis also helps decide the appropriate level of commitment to risk management resources. It is important to keep in mind that not all cost benefit is confined to financial measurement and the cost of not taking action should also be considered, for example, the reputational damage from not progressing on an initiative/project/service delivery proposal.

11. LCC's approach to risk is to be **risk aware** rather than **risk averse**, to manage and mitigate the identified risk. As set out in its Risk Management Policy Statement, it is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Directors and members are not opposed to risk. They are committed to taking risks with full awareness of the potential implications and in the knowledge that a robust plan is to be implemented to manage/mitigate them. The Council's risk management process allows this **'positive risk taking'** to be evidenced.

12. **'Positive risk-taking'** is a process of weighing up the potential benefits and impacts of exercising a choice of action over another course of action. This entails identifying the potential risks and developing plans and controls that reflect the positive potentials and stated priorities of the Council. It then involves using available resources, capabilities and support to achieve desired outcomes, and to **minimise any potential 'harmful' impacts**. It is certainly not negligent ignorance of potential risks but, usually, a carefully thought-out strategy for managing a specific risk or set of circumstances.

13. The risk management process ensures that key strategic and operational risks are controlled, minimising the likelihood of an occurrence and its impact should the risk occur and also allows to consider further treatment options (see paragraph 14) and risk communications to take place. It is recognised that there are costs involved in being too risk-averse and avoiding risk, both in terms of bureaucracy and opportunity costs.

14. The Council seeks to identify, assess and respond to all strategic risks that may affect the achievement of key business objectives and plan outcomes. Once a risk has been identified and rated, the Council will adopt a risk response plan based on the nature of the risk. The Council's risk responses include treat, tolerate, terminate or transfer – **refer to paragraph 26** for the detail. Integrating risk transfer strategies requires decisions at the highest levels as the risk appetite will determine the extent to which it is prepared to retain the risk, as opposed to sharing risk by outsourcing or insurance. ISO31000 states the selection of risk treatment options involves balancing the potential benefits of introducing further risk treatment (controls) against the associated costs, effort or disadvantages. The treatment plan should identify the timescale and responsibilities for implementing the selected risk treatments.

15. Having an effective enterprise risk management framework does not mean that mistakes and losses will not occur. Effective risk management means that risks are highlighted, allowing appropriate action to be taken to minimise the risk of potential loss. The principle is simple, but this relies upon several individuals acting in unity, applying the same methodology to reach a sound conclusion and understand that risk management is a cross service planning activity. However, it is recognised that risk management and the analysis is based on judgement and is not infallible or an exact science, and for a more accurate analysis, the appropriate people should be involved who should consider and understand ALL the available information at the time relevant to that activity but be aware there may be limitations on that information. Incidents may still happen, but the Council will be in a better position to recover from these incidents with effective risk controls/business continuity management processes in place. LCC is a "learning organisation" and the Council will seek to learn from adverse risk events. An insurance programme is also in place to cover insurable risks. See below for further information (paragraph 16 and 17).

RISK FINANCING

16. Risk Financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal resources or from the purchase of 'external' insurance (such as the catastrophe cover provided by the Council's external insurers). Simply put, it is how an organisation will pay for loss events in the most effective and least costly way possible. Risk financing involves the identification of risks, determining how to finance the risk, and monitoring the effectiveness of the financing technique chosen. Commercial insurance policies and self-insurance are options for risk transfer schemes though the effectiveness of each depends on the size of the organisation, the organisation's financial situation, the risks that the organisation faces, and the organisation's overall objectives. Risk financing seeks to choose the option that is the least costly, but that also ensures that the organisation has the financial resources available to continue its objectives after a loss event occurs. The Council's Insurance Services team currently takes cover with external insurers for the following categories of insurable risk:

- Casualty (Employers Liability and Public Liability)
- Property inc. Terrorism
- Motor
- Fidelity Guarantee
- Engineering including Inspection
- Professional & Officials Indemnity
- Personal Accident & Travel
- Fine Art
- Marine

17. LCC's strategy for risk financing is to maintain an insurance fund and only externally insure for statutory and catastrophe cover. The Council's strategy is to review the balance between external/internal cover on an annual basis in the light of market conditions and claims experience. This balance will be influenced by the effectiveness of the risk management process embedded at the Council.

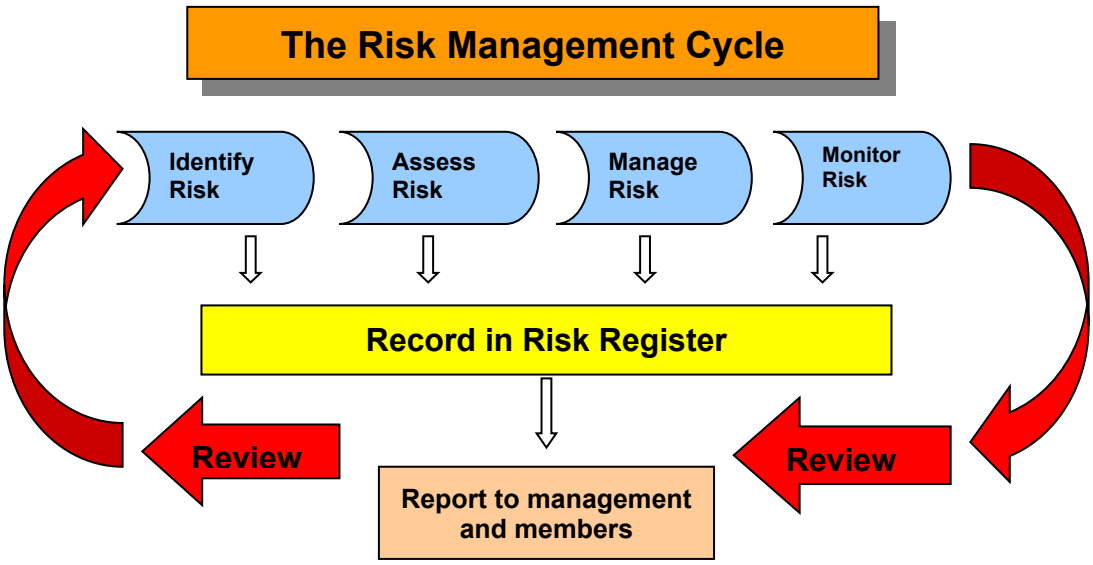
RISK MANAGEMENT PROCESS

18. The Council's strategic and individual divisional operational objectives are the starting point for the management of risk. Managers should not think about risk in isolation but consider events that might affect the Council's achievement of its objectives. **Strategic risks** are linked to strategic objectives and operational risks linked to divisional service delivery objectives, therefore, risks that could result from day to day activities need, as a minimum, to be identified and monitored. This is best done by the effective implementation of the risk management process with the use of risk assessments/risk registers **(Appendix 3a for the reporting of service, divisional and strategic risks via a risk register – see paragraph 34 for detail)** which must be maintained and updated on a continuous basis and reviewed formally, every 4 months as per the reporting cycle at divisional and strategic level. However, at management level and below this will be more frequent. **An action plan should be in place to address the controls raised in the risk register/assessment. A formal action plan is compulsory for each strategic risk (See Appendix 4 for control plan template).**

19. Risk management is to be driven top down, bottom up and across, to ensure risks are appropriately considered. To achieve this, managers should encourage participation with their staff/peers in the process, through regular discussions/reviews. **The risk management process seeks to work with and support the business and not add a layer of bureaucracy or create masses of paperwork.**

20. The process below should be implemented by managers and staff at all levels to identify, assess, control, monitor and report risks. Risk management is intended to help managers and staff achieve their aims and objectives effectively and efficiently. It is not the intention to hinder or restrict them in delivering the objective in question nor becoming risk averse. The process ensures that a consistent risk management methodology is in place and implemented across all the diverse activities of the Council.

21. There are five key steps in the risk management process. These stages are covered in greater detail in the **Risk Management Toolkit** – a step-by-step guide to risk management at LCC - which is available to all members, managers and staff via the REBR pages on SharePoint.



Please use Appendix 3 (risk assessment/register template to risk assess projects, activities and initiatives. Appendix 3a should be used for reporting of risks to divisional, operational and strategic level as the output from this will result in a risk register (see risk reporting- paragraph 32,33 and 34). The risk toolkit will guide you through this.

22. The risk management process is explained in detail in the **'Identifying and Assessing Operational Risk'** training course, which is now mandatory for staff completing a risk assessment (see **Appendix 5** for the 2025 training schedule) and allows staff to: -

- **Identify risk**, and controls – Officers identify risks and consequences through brainstorming discussions as a group, or discussion with their staff, interviews, seek employee feedback, analyse customer complaints, internal/external audit reports, checklists, flowcharts, risk registers, risk assessment workshop write ups, scenario analysis and SWOT/PESTLE analysis. Controls should be considered and evidenced to manage each risk for the write up of the risk assessment;

- **Assess/Analyse/Evaluate** - management assess the likelihood of risks occurring and the impact on the council/their service objectives using the Council's approved risk assessment form and the 5x5 scoring methodology. Once the risks are scored, this will determine whether the risks are high, medium or low which will help in the prioritisation of risks for urgent attention (see **Appendix 2**);

- **Manage** - management determine the best way to manage their risks e.g. terminate, treat, transfer, tolerate or take the opportunity (see paragraph 26 below);

- **Record risks** – using corporate risk assessment template to record risks (see **Appendix 3**); Use **Appendix 3** if you are risk assessing for a project/activity/initiative or **Appendix 3A** for reporting risks via the risk register tool;

- **Monitor** – management should monitor their risks and the effectiveness of their identified management controls; are controls implemented and need for further controls;

- **Review** - management ensure identified risks are regularly reviewed and if controls have been implemented, whether further controls are necessary or required. This will normally be managed by means of a risk register (see paragraphs 30 - 40 below for more detail).

- **Risk Reporting, communication and consultation:** Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process using the risk register/assessment as a reporting tool.

REBR are available to support this process either by attending or facilitating risk 'workshops' or delivering risk identification and mitigation training to managers and their business teams.

IDENTIFYING THE RISKS

23. In order to identify risks, we need to focus on the aims and objectives of the Council and of any project and activity that contributes to those. Risk is simply defined as **'the effect of uncertainty on objectives'** – ISO31000 Risk Management Standard. As mentioned in paragraph 22, the training session covers in detail how to identify risks. Please refer to **Appendix 3** for the risk assessment template to log risks and its evaluation. **Appendix 6** indicates the different PESTLE categories of risk and **Appendix 6A** are further prompts which staff can utilise to identify risks that are internal/external facing. However, it is not an exhaustive list and officers are reminded that risks may not be present in all categories when they are completing their risk assessment. Other means of identifying risks include previously completed risk assessments, brainstorming exercises involving the relevant stakeholders, complaints received, claims, incident and accident reports. This is discussed in more detail in the training sessions. Also, staff may need to consider carrying out a dynamic risk assessment as and when required, for e.g. in the case of inclement weather, the original risk assessment may not have considered how to operate on a wet day as it was not anticipated.

Controls need to be considered and evidenced in the risk assessment/template before the next step (as stated in paragraph 21, LCC assess risks with controls in place)

ASSESS / ANALYSE AND EVALUATE RISKS

24. The primary function of "scoring" risks is to facilitate their prioritisation and assessment against risk appetite. This step involves determining the likelihood of the risk occurring and its impact should it occur. Please see **Appendix 2** for further detail of the scoring mechanism and the definitions utilised at LCC to calculate the level of the risk: - **Impact x Likelihood = Risk score.**

25. This helps to prioritise the risks (risk ranking) which require urgent action using a red, amber, green scoring mechanism (RAG status). The table below indicates how risks that are high, medium and low should be managed.

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

MANAGE THE RISKS

26. Once risks and controls have been identified and assessed by management with controls in place **(a risk rating score has been derived)**, managers should then determine how those risks will be dealt with – a process commonly known as the four T's. The risk rating score will also enable risks to be prioritised and influence the use of one or more of the four T's –

- Terminate
- Treat
- Tolerate
- Transfer

Please see below charts for possible actions after assessing and analysis of risks:

4 T's

Impact			
	High	**Transfer** Transfer risk to another party, outsource, insurance	**Terminate** Stop the activity or do it differently using alternative systems
	Low	**Tolerate** Bear losses out of normal operating costs following an informed decision to retain risk, monitor situation	**Treat** Implement procedures and controls to reduce the frequency or the severity; formulate a contingency plan to reduce service interruption
		Low	**High**
			Likelihood

Likelihood	Impact	4 T's	Actions to take
High	High	**Terminate**	Requires immediate action/avoid or consider alternative ways
High	Low	**Treat**	Consider steps to take to manage risks – reduce the likelihood and/or better manage the consequence
Low	High	**Transfer**	Contingency plan/Insurance cover to bear financial losses/transfer risk to third party/outsource
Low	Low	**Tolerate**	Informed decision to retain risk. Keep under review. Monitor and bear losses from normal operating costs as the cost of instituting a risk reduction or mitigation activity is not cost effective or the impact of the risks are so low so deemed acceptable

At times the council may be expected to take risks beyond its appetite in order to comply with central government directives and where LCC has statutory obligations to deliver services that pose high risk no matter what action is taken.

27. Taking the opportunity is an enhancement to this process. This option is not an alternative to the above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. **There are two considerations here:**

- Consider whether at the same time as mitigating a threat, an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls good enough to justify increasing the sum at stake to gain even greater advantage?

- Consider also, whether circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resource which may be able to be redeployed for projects that enhance the economy of Leicester.

28. **Secondary Risk** - It's important to note that it's common for efforts to reduce risk to have risks of their own. These are known as secondary risks. For example, if a project is outsourced/subcontracted a number of secondary risks will be assumed such as the risk that the outsourcing company/subcontractor will fail to deliver.

RISK TREATMENT AND DECISION MAKING

29. Risk controls and treatment options (4Ts – paragraph 26) should be identified by those who are directly involved in the management of the activity or by experts who have detailed knowledge of the underlying risks and who have actively engaged in the risk identification and evaluation process. Risk control options should be evaluated as the wrong choice can be difficult to unwind.

MONITORING AND REVIEWING THE RISKS

30. After evaluating the measures already in place to mitigate and control the risk(s) , there may still be some remaining exposure to risk (residual risk). It is important to stress that such exposure is not necessarily detrimental to the Council and ensures that the Council is aware of its key business risks; what controls are in place to manage (mitigate) these risks; and what the potential impact of any residual risk exposure is. This step in the risk process never really ends as monitoring and review of your risk assessment to ensure it stays valid is an ongoing process. The ultimate aim of risk management/assessment is to implement measures to reduce the risks to an

acceptable level. Monitoring and review of circumstances must occur to see whether the measures implemented have reduced risks effectively and whether more should be done. To summarise, are the controls being implemented, are they effective and is the business requirement being met, has the risk changed, do further controls need to be considered, therefore, re-scoring of the risk, and do new risks need to be incorporated or any existing ones deleted.

31. It is important that those risks that have been identified as requiring action are subject to periodic review, to assess whether the risk of an event or occurrence still remains acceptable and if further controls are needed. Any further action(s) should be determined, noted and implemented. The frequency of reviews should be decided by management, depending on the type and value of the risks identified (see also 32 below). Currently, at LCC, the significant strategic and operational risks are reviewed and reported on a 4 monthly basis to CMT and bi-annually to the G&AC, with strategic risks reported 4 monthly to the City Mayor and Executive, facilitated by the Manager, Risk Management. Below, is a table indicating a **suggested review** of risks dependent on the risk rating whether, high, medium or low.

Recommended risk review frequencies as per risk rating:

Risk Rating	Risk Review Frequency
Red risks	1 – 3 months
Amber risks	3 months
Green risks	6 months

RISK REPORTING

32. Significant operational risks (scoring 15 and above) should continue to be logged and monitored via the Operational Risk Register (ORR). It is the responsibility of each divisional director to ensure that operational risks are recorded and monitored via a risk register. These registers and the risks identified are aligned to the Council's operating structure. REBR has produced a pro-forma risk assessment/register that **must** be used by all business areas (see **Appendix 3/3A**). Every divisional director is required to use the newly updated Risk Register highlighting which strategic risk the identified divisional risk has an impact on and the PESTLE category it falls under where possible.

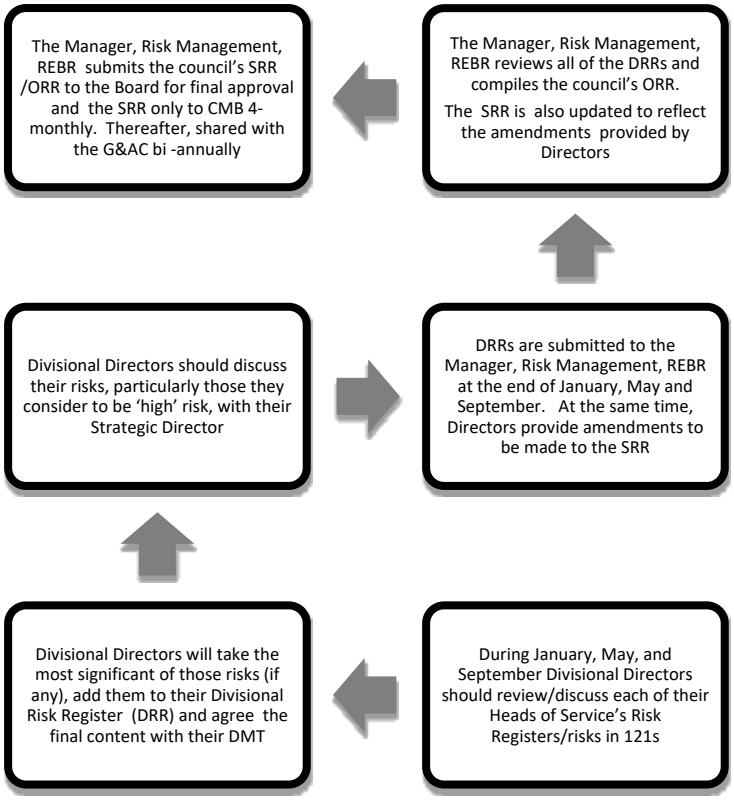
33. The most significant risks (those scored 15 and above) identified by the divisional directors feed into the council's ORR which is managed by CMT and facilitated by the Manager, Risk Management, REBR. CMT is accountable for ensuring that all operational risks are identified against service delivery objectives; that plans are implemented to control these exposures; key risks are included within the individual service plan and that monitoring and communication of risks takes place.

34. **Reporting of Divisional, Operational and Strategic Risks (use Appendix 3a to log risks)**- The Chief Operating Officer supported by CMT manages and monitors the Strategic Risk Register (SRR) for those risks that may affect the achievement of the council's strategic objectives, with REBR facilitating. Individual risk owners for the SRR will be Strategic Directors and/or those with statutory roles such as the Monitoring Officer and Section 151 officer (specific actions relating to the risk are likely to be owned and delivered by other Directors and Senior Officers). This ensures there is robust strategic ownership and oversight of the most significant risks facing the organisation. The intention is to use the **PESTLE** analysis as a framework for considering the wider context and environment and the risks that this gives rise to. PESTLE is a mnemonic that stands for '**Political, Economic, Social, Technological, Legal and Environmental'** and these themes are built into the approach of when reviewing strategic risks **(Appendix 7** provides a

definition of PESTLE). Risk control action plans (**Appendix 4**) are also required for such risks and to be implemented to manage these exposures. The most significant of these risks, those that may threaten the Council's overall strategic aims, form this register which is reviewed and updated by directors every four months. As part of the overall process of escalation, each strategic director should also have risk on their 121 agenda with their divisional directors at least quarterly and with lead Executive members. One of the significant strategic risks is a serious failing of the management of operational risks by divisional directors.

35. REBR facilitates and supports this process and will continue to maintain the SRR/ORR, using the input from each Divisional Risk Register and the updates provided by the strategic director for the SRR. The SRR/ORR will be reported 4-monthly to CMT, and bi-annually to the G&AC. In addition, the SRR is also reported to the City Mayor / Executive 4-monthly. As part of this process, bespoke training needs may be identified and the REBR team will provide training and support upon request.

36. The process for reviewing and reporting operational and strategic risks at LCC is set out as below:



Key:

DRR – Divisional Risk Registers – compiled using most significant operational risks from Heads of Service risk registers.

ORR – Operational Risk Registers – produced by REBR using the significant risks from the DRRs submitted by Divisional Directors

SRR – Strategic Risk Registers – compiled by REBR using significant risks submitted by Directors and are those risks that may affect achievement of the council's strategic aims.

37. All risks identified, both operational and strategic, will need to be tracked and monitored by regular reviews of the risk registers at 121's with management. This will ensure that any changes in risks

requiring action are identified; there is an effective audit trail; and the necessary information for ongoing monitoring and reporting exists.

38. Those officers completing risk assessments / registers should use this document as a reporting tool to their line manager in order to aid decision making. The frequency of this reporting should be as and when changes are made to the risk assessment / register particularly where they are significant. However, this is not to become a bureaucratic process and to put it into perspective, the DRR's are revised for 4-monthly reporting to CMT and Executive.

39. **Document Retention -** It is recommended to save a new copy of the updated risk register rather than overwriting the existing one so that an audit trail of reviews can be evidenced.

40. To improve the process of risk management, it is worth Divisional Directors noting any emerging risks on the Divisional Register on a separate worksheet. These emerging risks may not be a risk currently but may be so in the future. This is good risk management practice.

PARTNERSHIP RISK

41. It is recognised that partnership working is a key area where associated risk needs to be identified and controlled. Best practice states that local authorities must meet two key responsibilities for each partnership they have. They must: -

- Provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are appropriately managed (partnership risks);
- Ensure that the individual partnership members have effective risk management procedures in place (individual partner risks).

RISK MANAGEMENT TRAINING

42. An annual programme of training (covering risk and business continuity planning) is available to all staff, managers and members. However, directors and managers should identify staff who require this training through the staff appraisal process (existing staff) and through the jobs specification process (new staff) and appropriate training will be provided by REBR. CMT have made the 'Identifying and Assessing Operational Risk' training mandatory for staff who have to carry out a risk assessment. (See **Appendix 5** for the 2025 training schedule).

INSURANCE LIMITS AND PROCURING OF SERVICES / GOODS (RISK TRANSFER)

43. Guidance is available on SharePoint on what to consider when determining insurance levels if procuring for services by a contractor or third party. The insurance limits requested are based on the risks the activity will impose and the impacts (risk based rather than blanket limits). The consequences, impact and cost of risk columns of the risk assessment template will help to determine the insurance levels required. The insurances requested are usually Public Liability, Employers Liability and Professional Indemnity (though the latter is not always a pre-requisite).

REVIEW OF RISK MANAGEMENT POLICY AND STRATEGY

44. This Risk Management Policy Statement and Strategy is intended to assist in the development/integration of risk management from now until December 2025 when the next review is due of this policy and strategy.

45. All such documents and processes will remain subject to periodic review and with the next planned review to occur in Quarter 4 2025, this allows any changes in process to be aligned to the council's financial year end.

RISK MANAGEMENT AT LEICESTER CITY COUNCIL

46. A robust risk management process should be applied to all our activities during the next 12 months and beyond. To achieve this, priority exposures should be identified, addressed, and incorporated into appropriate risk management strategies and risk improvements into organisation's service delivery. A robust risk process will allow identification of emerging risks and horizon scanning. This should be in line with the Council's priorities. This helps to determine how risks affect such priorities, whether to consider changes in Council operations and to enable us to make well-informed decisions. Risk must be considered as an integral part of divisional planning, performance management, financial planning and strategic policy-making processes. The cultural perception of risk management must continue changing from a 'have-to-do' to a 'need-to-do'. However, this does not need to become a bureaucratic and paper intensive exercise and judgment by the appropriate person should be exercised.

47. The Manager, Risk Management, REBR will continue to maintain a central copy of the SRR/ORR as well as the DRR's. Internal Audit will continue to utilise these registers to assist them in developing the audit plan and producing a programme of audits, which will test how well risk is managed within specific areas of the business – subject to resource being available. The Council's Risk Strategy and Policy will help directors to report appropriately upon their risk and their risk registers, together with other information gathered by Internal Audit through consultations, will be used to formulate the audit work programme which, in turn, allows assurance to be given to both the CMT (officers) and the Governance and Audit Committee (members) that risk is being properly identified and managed at LCC.

48. Consideration should be given as to whether the management of risk should be included in job descriptions for all operational service area managers with responsibility and accountability for risks and be included in every director/manager's objectives and performance appraisal discussion.

49. Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are aware of their responsibilities for risk management and of the lines of escalation for risk related issues. Operational performance linked to risks helps to achieve objectives more effectively and efficiently.

CONCLUSION

50. A certain amount of risk is inevitable to achieve objectives, improve performance and take opportunities, hence the existence of this Policy and Strategy to help the organisation manage those risks and deliver high quality public services and better value for money. The aim of risk management is to 'embrace risk' and acknowledge opportunities can arise from taking risks and not to miss those opportunities.

Appendix 1 - LEADERSHIP, ROLES AND RESPONSIBILITIES

All Councillors	• To consider and challenge risk management implications as part of their decision-making and scrutiny processes.
City Mayor/ Executive	• Approve the Council's Risk Management Strategy and Policy Statement annually. • Consider risk management implications when making decisions and determine the risk appetite for the Council. • Agree the Council's actions in managing its significant risks. • Receive regular reports on risk management activities and a four-monthly review of the strategic risk register. • Approve an annual statement on the effectiveness of the Council's risk controls as part of the statement of accounts. • Consider the effectiveness of the implementation of the risk management strategy and policy.
Governance and Audit Committee	• Receive and note the Council's Risk Management Strategy and Policy Statement annually. • Receive and note the Strategic and Operational Risk Registers update reports. • Challenge risk information and escalate issues for consideration
Strategic Directors	• Responsibility for leading and managing the identification of significant strategic risks. • Ensure that there is a robust framework in place to identify, monitor and manage the council's strategic risks and opportunities. • Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed, timescales, ensuring that they bring about a successful outcome. • Lead in promoting a risk management culture within the Council and with partners and stakeholders. • Approve and maintain the requirements for all CMT reports, business cases and major projects to include a risk assessment (where appropriate). • Ensure risk is considered as an integral part of service planning; performance management; financial planning; and, the strategic policy-making process. • Consider risk management implications when making Strategic decisions. • Management and four monthly review of the strategic risk register. Review and progress actions and capture emerging risks. • Recommend the level of risk appetite for all strategic risks to Executive. • Note, through four monthly review, the operational risk register. Ensure that the measures to mitigate these operational risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. • Ensure that appropriate advice and training is available for all councillors and staff. • Ensure that resources needed to deliver effective risk management are in place.
Corporate Management Team (CMT)	• Responsibility for leading and managing the identification of significant operational risks from all operational areas. • Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. • Lead in promoting a risk management culture within the Council and within their departments. • Approve and endorse the Risk Management Strategy and Policy • Approve regular Risk Registers Report and the understand status

	• To respond appropriately and in a timely manner to exceptions in reports to ensure accountability and risk management processes aren't compromised.
Divisional Directors	• Submit Divisional Operational Risk Register (DORR) showing significant Divisional operational risks to Risk Management for consideration of inclusion in the Council's Operational Risk Register. • Escalating risks/issues to the relevant Strategic Directors, where appropriate. • Report Divisional Risks to LMB. • Ensure there is a clear process for risks being managed by their Heads of Service (and where appropriate, their managers and/or supervisors) to be reviewed, at least quarterly, allowing their DORR to be seen as complete. • Embeddedness of risk management within the service areas they are responsible for and promoting a risk management culture. • Ensure compliance with corporate risk management standards. • Ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues. • Identify and nominate appropriate staff for risk management training.
Manager, Risk Management	• To develop and coordinate the implementation of the Risk Management and Business Continuity Policy and Strategy. • Provide facilitation, training and support to promote an embedded, proactive risk management culture throughout the Council. • Assist the Strategic and Divisional directors in identifying, mitigating and controlling the council's risks. • Coordinate, populate and maintain the strategic and operational risk registers of the council's most significant risks which are submitted to CMT and Governance and Audit Committee four monthly . • Review risks identified in reports to Strategic Directors and the Executive. • Ensure that risk management records and procedures are properly maintained, decisions are recorded, and an audit trail exists. • Ensure an annual programme of risk management training and awareness is established and maintained to promote good risk management. • To horizon scan and assess emerging risks and key risks facing the Council. • Advise management of key risk issues • Review External and Internal Audit recommendations to ensure these are picked up and dealt with by the business.
Internal Audit	• Have knowledge of Risk Management Policy and Strategy. • Focus internal audit work on significant risks – risk-based auditing. • Provide the Risk team / Divisions / Departments with updates on risks identified from audits where necessary.
All Employees	• To have an understanding of risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities. • Support and undertake risk management activities as required. • Attend relevant training courses focussing on risk and risk management.
Stakeholders	• Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation for risk related issues. Risk management is most successful when it is explicitly linked to operational performance

Appendix 2 – RISK APPETITE AND RISK SCORING MATRIX

Key to Table:

The numbers in the boxes indicate the overall **risk score,** simply put:

'Impact score' x (multiplied) by the 'Likelihood score'.

The score is then colour coded to reflect a 'RAG' (red, amber or green) status. The solid black line indicates what Directors consider is the council's **'risk appetite'** (see paragraphs 4-12 above) where they are comfortable with risks that sit below and to the left of that line.

Risk or Likelihood	Almost certain (5)	Probable /Likely (4)	Possible (3)	Unlikely (2)	Very Unlikely /Rare (1)
Critical/Catastrophic (5)	25	20	15	10	5
Major (4)	20	16	12	8	4
Moderate (3)	15	12	9	6	3
Minor (2)	10	8	6	4	2
Insignificant/negligible (1)	5	4	3	2	1

Level of Risk	Overall Rating	How the Risk should be Managed
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

Likelihood	Impact	Actions to take
High	High	**Terminate** - needs immediate action
High	Low	**Treat** - consider steps to take to manage risks
Low	High	**Transfer** - contingency plan/Insurance cover
Low	Low	**Tolerate** - keep under review

			IMPACT GRID Benchmark Effects						
	Impact	**Score**	**Impact on Corporate or Service Objectives**	**Service Impact**	**Financial**	**Reputational**	**Duty of Care**	**People**	**Governance**
Criteria	**CRITICAL / CATASTROPHIC**	5	- Strategic Objectives not met	- Inability to function effectively, council-wide	- Financial Losses in excess of £5m - Budgetary intervention at national level.	- Extensive adverse media interest resulting in front page news story in national press/social media	- Multiple deaths of employees of those in the council's care	- Could lead to resignation of Chief Operating Officer and/or City Mayor - Recruitment and retention difficulties which have resulted in the inability to deliver essential services.	- Serious breach of legal or contractual obligation resulting in National impact with rapid intervention of legislative or regulatory bodies. Service delivery taken over by Central Government. - Corporate manslaughter charges
	MAJOR	4	- Noticeable/ significant impact on achieving strategic/divisional(directorate) objectives	- Major disruption to council's critical services for more than 48hrs (e.g. major ICT failure) causing widespread medium to long term impact on operational efficiency, performance and reputation.	- Financial loss £1m - £5m - Budgetary issues that can only be resolved by Section 151 Officer / Chief Executive / Members.	- Adverse coverage in national press/front page news locally and or social media.	- Suspicious death in council's care	- Could lead to resignation of Strategic Director and/ or Executive Member - Recruitment and retention difficulties which are impacting on the ability to deliver services.	- Breach of legal or contractual obligation attracting medium-term attention of legislative or regulatory bodies. - Major civil litigation and/or national public enquiry
	MODERATE	3	- Moderate impact on achieving service objectives	- Disruption to one critical council service for more than 48hrs	- Financial loss between £100k - £1m - Budgetary issues that can be resolved at Directorate level	- Adverse coverage in local press - Significant complaints, sustained media coverage.	- Serious Injury to employees or those in the council's care where hospital treatment is required	- Could lead to resignation of Divisional Director/ Project Director - Recruitment and retention difficulties which are impacting more than one occupational group / numbers are widespread across the service.	- Attracting short term media attention and potential for litigation/ prosecution from legislative or regulatory bodies. - Major civil litigation and/or local public enquiry
	MINOR	2	- Minor impact on achieving section objectives	- Manageable disruption to internal services - Noticeable internal impact, but service delivery would remain on course to achieve priorities	- Financial loss £50k-£100k - Budgetary issues that can be resolved within Management Team.	- Isolated/one off reports/complaints local media resulting in localised minor reputational damage	- Minor Injury to employees or those in the Council's care where medical treatment is required	- Disciplinary action against employee - Recruitment & retention difficulties being experienced in pockets across the service.	- Minor civil litigation with some local media attention
	INSIGNIFICANT / NEGLIGIBLE	1	- Minimal Impact/no service disruption - Objectives broadly achieved	- Day to day operational problems.	- Financial loss under £50k - Budgetary issues that can be resolved within Service.	- No interest to the media, internal only	- No obvious harm/injury. - Near miss having the potential to cause harm	- Unplanned departure of staff.	- Internal enquiry only which has little external impact and is being dealt within

LIKELIHOOD GRID Benchmark Effects				
	Likelihood	**Score**	**Expected Frequency Description**	**Probability of Occurrence**
Criteria	**ALMOST CERTAIN**	5	Reasonable to expect that the event **WILL** undoubtedly happen/recur, possibly frequently and is probable in the current year. The event is expected to occur	Over **90%** chance of event occurring
	PROBABLE / LIKELY	4	Event is **MORE THAN LIKELY** to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term. There is a significant chance of event occurring.	**61%-89%** chance of event occurring
	POSSIBLE	3	**FAIR LIKELIHOOD** of event occurring. Not likely in the current year, but reasonably likely in the medium/long term. Realistic chance of event occurring	**21%- 60%** chance of event occurring
	UNLIKELY	2	Event **NOT EXPECTED.** Do not expect it to happen/recur. Unlikely to happen in the current year, but possible in the longer term. Could occur in certain circumstances (unlikely chance)	**6% - 20%** chance of event occurring
	VERY UNLIKELY / RARE	1	**EXCEPTIONAL** event. This will probably never happen/recur. A barely feasible event. This will occur in rare circumstances.	**5% or less** chance of event occurring

Appendix 3 – RISK ASSESSMENT / REGISTER TEMPLATE

Risk Assessment/Register

Completed by:
Date completed: xx/xx/23

Business Objective	**Risk** **What is the problem/hazard?** ***What is it that will prevent you from meeting your objectives?***	**Consequence /effect:** ***what would actually happen as a result? How much of a problem would it be? To whom and why?***	**Existing actions/controls** ***What are you doing to manage this now?***	**Risk Score with existing measures** **(See Scoring Table)** **(I x L)**			**Response Strategy / Action**	**Further management actions/controls required.** ***What would you like to do in addition to your existing controls?***	**Target Score with further management actions/ controls required** **(See Scoring Table)**			**Cost (of Impact; of current controls; of further controls)**	**Risk Owner** ***(Officer responsible for managing risk and controls)***	**Risk Review Date**
				Impact	**Likelihood**	**Risk Rating**			**Impact**	**Likelihood**	**Risk Rating**			
What is your objective upon which the risk could have an effect? What is it you need to achieve?	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens what will actually be the impact? What will go wrong/	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood and multiply the two together to get the overall risk score. These scores should take into account the existing controls			Select from the 4 T's Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here regardless of whether you have the resource to makes these happen.	Score as per scoring guide for both impact and likelihood taking into account the proposed new controls. Multiply the two together to get the overall risk score.			What will it cost you/the council if this happens? Include also how much the current controls are costing you as well as the cost of future controls	Who is the owner of this risk on a day to day basis? This may not be the owner of the risk register.	When will the future controls be in place or when will the risk be reviewed?

Appendix 3A – RISK REGISTER TEMPLATE (FOR USE WITH SRR AND RISK REPORTING)

Risk Assessment/Register

Completed by :
Date completed: xx/xx/2023

Business Objective	Which category does the risk fall into using PESTLE? P - Political E - Economic S - Socio-cultural T - Technological L- Legal E - Environmental	Which Strategic Risk does the risk link to?	Risk What is the problem/hazard? What is it that will prevent you from meeting your objectives?	Consequence /effect: what would actually happen as a result? How much of a problem would it be? To whom and why?	Existing actions/controls What are you doing to manage this now?	Risk Score with existing measures (See Scoring Table)			Response Strategy / Action What action / response strategy is most appropriate for the risk identified?	Further management actions/controls required. What would you like to do in addition to your existing controls?	Target Score with further management actions/ controls required (See Scoring Table)			Cost (of Impact; of current controls; of further controls)	Risk Responder (Officer responsible for managing risk and controls)	Risk Review Date
		Risk management (sharepoint.com)				Impact	Likelihood	Risk Rating (I x L)			Impact	Likelihood	Risk Rating (I x L)			
What is it you need to achieve? Think about what your objective is/what you have to deliver.	Establish theme / category (above) risk comes under. See Process tab for PESTLE definition	Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (above link provides access to current SRR on SharePoint). Log strategic risk ref no.	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens, what will actually be the impact? What will go wrong?	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood. Multiply the two together to get the overall risk score. These scores should take into account the existing controls.			Select from the 4T's Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here, regardless of whether you have the resource to make these happen.	Score, as per the scoring guide, for both impact and likelihood taking into account the proposed new controls. Multiply the two together to get the overall risk score.			Impact cost - what will it cost you/the Council if this happens? Controls Cost - how much are the current controls costing you and how much will the future controls cost you?	Who is owner of this risk on a day to day basis. This may not be the owner of the risk register nor the person who identified the risk.	When will the future controls be in pace or when will this risk be reviewed

Appendix 4 – RISK ACTION PLAN TEMPLATE

IDENTIFIED RISK/RISK ACTION PLAN – SRR

SECTION A – Risk description and existing controls

Risk description	
Risk theme	
Risk reference	SRR
Risk owner (name and role)	
Current risk score	
Response strategy/action	
Target risk score	
Risk review date	

Potential Impact/Likelihood

Provide a brief summary of the risk that you have identified in this section and the likely impact on the organisation's objectives if the risk occurs

Provide a brief explanation of impact of this risk and the why the likelihood is scored as it is (will help with root cause and possible controls)

Existing action/controls already in place

Describe the specific actions and controls that are already in place now to manage the risk

Current risk score with existing measures

Impact	Likelihood	Risk rating (I X L)

Response strategy: Treat

Further management action/controls:

List the further action(s) that will be taken in addition to existing controls to manage the risk. Complete the action plan in section B:

1. XX
2. XX
3. XX

Target risk score with further management actions/controls

Impact	Likelihood	Risk rating (I X L)

SECTION B – Risk action plan

Action No	Control / Action	Action owner	Target date for implementation	Resources/costs required to implement	Progress update - date action completed / pending (if so why)	Success criteria

Risk, Emergency & Business Resilience Training Programme 2025

Please see below for details of the Risk, Emergency, and Business Resilience (REBR) Training Programme for 2025.

Risk and Business Continuity sessions are delivered virtually on MS Teams. The session starts promptly at 10.00 to finish at approximately 12.45pm.

The Evacuation Centre Staff Volunteer Training is face to face at City Hall and starts at 10-am – 1pm.

Please book via the ESS system to confirm your place (to search for the training on ESS - under 'Learning' on the left-hand side of the landing page, enter '**risk', 'business' or 'emergency'** on the keywords depending on your interest and select search. Sessions are limited to 20 attendees.

Prior to booking, please seek your manager's approval.

Identifying and Assessing Operational Risks Training

- **Thu 23rd January**
- **Tue 11th February**
- **Wed 26th February**
- **Thu 13th March**
- **Tue 25th March**
- **Wed 9th April**
- **Thu 8th May**
- **Tue 20th May**
- **Wed 4th June**
- **Thu 19th June**
- **Thu 3rd July**
- **Tue 16th September**
- **Wed 29th October**
- **Thu 27th November**

(Training delivered by Sonal Devani and Pritesh Madlani)

Since October 2014 this session has been mandatory for all staff who complete an operational risk assessment or risk register. Anyone completing a risk assessment who has not been on this training recently should attend.

This course covers the process of Operational Risk Identification and Assessment and will cover identification of risks and mitigating controls. The session provides an outline of the council's Risk Management Policy and Strategy. Anyone who manages operational risk (manage staff; manage buildings; manage contact with service users or the general public) in their day-to-day role – all tiers of staff from Directors down – and those that manage council contracts should attend. The training covers the agreed risk reporting process at Leicester City Council and allows you to identify your role within that process. The practical exercise helps staff complete the council's corporate risk assessment form.

Business Continuity Management Training

- **Wed 15th January**
- **Thu 6th Feb**
- **Thu 6th March**
- **Tue 13th May**
- **Wed 11th June**
- **Thu 11th September**
- **Wed 8th October**
- **Thu 13th November**

(Training delivered by Sonal Devani and Pritesh Madlani)

This course provides an understanding of Business Continuity Management within LCC. The session outlines the council's Business Continuity Policy and Strategy. It explains the difference between managing business continuity and merely writing your plan, therefore, will allow you to manage unexpected incidents and get back to the delivery of your business-as-usual service in the event of an unforeseen circumstance. This session is aimed at anyone who has responsibility for a building, staff, and delivery of a service, therefore, needs to have a business continuity plan or would be part of a recovery team to restore an affected service after an incident. A step-by-step guide will be provided for completing the council's BCP pro forma.

To summarise, the session will help to, in the event of a serious unexpected incident, understand processes/procedures that will help to ensure the council/your service can continue to operate with minimal impact and eventually to business as usual.

Evacuation Centre Staff Volunteer Training (10.00– 13.00)

- **Thu 13th February**
- **Wed 30th April**
- **Tue 10th June**
- **Thu 25th September**
- **Wed 26th November**

(Training delivered by Martin Halse, Nusrat Idrus and Neil Hamilton-Brown)

The half-day training session gives you an understanding of how an Evacuation Centre is set up and the roles and responsibilities of staff and various organisations. **'What happens to people when there is a fire or flood in the city?'** Frequently, the council is the first port of call for those caught up in the incident. One of the essential ways the council can help during an emergency is to open an emergency centre to assist those affected, Hinckley Road Explosion being a prime example of where one was required.

Personal/Bespoke Sessions

We can deliver these sessions to specific teams/staff at times and locations to suit you and focus on your own service area's needs and objectives when delivering this training to a bespoke group of staff.

If you would like to discuss a bespoke session, please contact:

For Risk and Business Continuity:
Sonal Devani: (sonal.devani@leicester.gov.uk) / 454 (37) 1635
Pritesh Madlani (Pritesh.Madlani@leicester.gov.uk) 454 (37) 1211

For Emergency Management:
Nusrat Idrus (nusrat.idrus@leicester.gov.uk) / 454 (37) 1623
Neil Hamilton-Brown (neil.hamilton-brown@leicester.gov.uk) / 454 (37) 1341
Martin Halse (martin.halse@leicester.gov.uk) /454 (37) 3621

Sonal Devani
Manager, Risk Management
Risk, Emergency & Business Resilience (REBR)

Appendix 6 – CATEGORIES OF RISK

Sources of risk	Risk examples
External	
Infrastructure	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
Political, Legislative and Regulatory	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors). Regulations – change and compliance.
Social Factors and Public Health	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'. Key Public Health issues.
Leadership	Reputation, authority, democratic changes, trust and branding. Intellectual capital. Culture. Board composition.
Policy and Strategy	Clarity of policies, communication. Policy Planning and onitoring and managing performance.
Technological	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
Competition and Markets	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users. Success or failure in securing funding.
Stakeholder related factors	Satisfaction of LCC taxpayers, Central Government, GOEM and other stakeholders. Customer/service user demand.
Environmental	Environmental impact from council, stakeholder activities (e.g. pollution – air and water, energy efficiency, recycling, emissions, contaminated land etc.). Traffic problems and congestion. Impact of activity on climate and climate change.
Operational (Internal influences)	
Finance & Budgets	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions. Liquidity and cashflow. Interest rates. Credit lines and availability. Accounting controls.
Human Resources, Capability and Capacity	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
Supply Chain - Contracts and Partnership	Supply Chain management. Contracts. Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
Tangible Assets and Equipment	Safety and maintenance of buildings and physical assets i.e. properties; plant and equipment; ICT equipment and control. Public access.
Environmental	Pollution, noise, licensing, energy efficiency of day-to-day activities. Natural events, often weather related.
Project, Processes and Procedures	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc. Research and development.
Professional Judgement and Activities	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).
Safeguarding	Protection of vulnerable adults/children
Corporate Governance Issues	
Integrity	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
Leadership	Reputation, authority, democratic changes, trust and branding.
Information Governance & Data Security/Information for decision making	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery. IT Systems.
Risk Management and Insurance	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

Potential areas of risk / opportunities to consider

Appendix 7 – PESTLE ANALYSIS FOR CONSIDERATION IN SRR

Context – what might give rise to our strategic risks?

- Political – national context, local context, governance structures internal and partners
- Economic – national and local economy, inflation, cost of living, supply chains, workforce relations, resources
- Socio-cultural - inequality, population demographics, community resilience, public expectations, cohesion
- Technological – cyber and technological disruption, data, AI
- Legal – new legislation, reforms, post Brexit, changing responsibilities and structures
- Environmental – climate change, natural disasters, infrastructure and resilience, pollution, sustainability, assets

Appendix 2

Business Continuity Management Policy Statement and Strategy 2025

21/11/2024
Leicester City Council
Sonal Devani on behalf of Andrew Shilliam

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Business Continuity Management

Policy Statement and Strategy 2025

Business Continuity Management Policy Statement

Leicester City Council (LCC) is committed to implementing and maintaining a robust and effective Business Continuity Management System (BCMS) as a key mechanism to restore and continue to deliver services in the event of a disruption or emergency, particularly those that are critical. Unexpected disruptive events occur. Such events could be **external** like severe weather, utility failure, terrorist attack or flu pandemic, or an **internal** incident such as ICT failure, loss of a major supplier or loss of a key building which could affect the delivery of LCC's services. These events are usually low likelihood, but high impact if they materialise which should be planned for by implementing a robust, effective and efficient Business Continuity Management System(BCMS).

The Civil Contingencies Act 2004 places a statutory duty on the council (as a Category 1 responder) to ensure that it can:

- Respond to an emergency;
- Continue to support emergency response partners and
- Continue to provide critical services to the public.

By pre -planning rather than waiting for incidents to occur, normal business can be resumed more effectively and efficiently. This is essential for those stakeholders who rely on, or interact with, council services and it helps communities retain confidence in the council. Planning minimises firefighting in a real incident, staff can respond better, service delivery is resumed at an acceptable level, reputational damage is managed and reduced potential for financial loss.

In an internal corporate business continuity incident, it will not be possible to initially run **all** council services as normal. Recovery will be prioritised to services that are the most essential (business-critical services and activities) – those that the Corporate Management Team (CMT) have defined must be back up and running within 24 hours in a defined priority order, unless a dynamic risk assessment of the situation identifies exceptions to this reflecting particular unexpected circumstances.

The expectation is that all services whether deemed critical or not, should have a Business Continuity Plan (BCP) in place which aligns to the ISO22301 Standard.

The BCM Strategy and Policy sets the framework for our BCM approach, key elements of which include:

- Aligned approach with the International Standard for Business Continuity, ISO22301;
- An Incident Response Plan which is reviewed and updated annually;
- Business critical services determined and agreed by CMT through a Business Impact Analysis exercise;
- Clear roles and responsibilities defined within both the Incident Response Plan and Service BCP's, which staff are fully aware of;
- Management have responsibility for ensuring an effective service level BCP is in place for invocation (in line with the corporate standard) which is reviewed annually and as and when changes take place in the service;
- Corporate training provided to staff on BCM;
- BCM will also apply to the Council's relationships and dependencies on goods, supplies and services delivered by other third parties; and

- The council will implement a programme of BCP testing exercises and learning will be reflected in plans.

- A corporate debrief is carried out after a Corporate Business Continuity Incident.

The BCM Framework (Policy and Strategy) will be reviewed on an annual basis to ensure continued relevance and to assess that its aims and objectives are being met.

Alison Greenhill
Chief Operating Officer

Sir Peter Soulsby
City Mayor

Business Continuity Management Strategy

1. DEFINITION

Business Continuity Management (BCM) is be defined as:

> *'A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.'*

ISO22301 Societal security – Business continuity Management systems - Requirements

BCM is about the council preparing for a disaster, incident or event that could affect the delivery of services. The aim is that key elements of a service are maintained at an emergency level and brought back up to an acceptable level as soon as possible. Although the immediate response to a disruption is a key component, business continuity is also concerned with maintenance and recovery of business functions following such a disruption.

BCM is an ongoing process of risk assessment and management with the purpose of ensuring that the council can continue to deliver critical services if and when risks materialise.

BCM is not simply about producing a plan, or even a set of plans. It is a comprehensive management process that systematically analyses the organisation, determines criticality of services, identifies threats, and builds capabilities to respond to them. It should become our 'culture - the way we do things'.

2. SCOPE

BCM is a cross-functional, organisation-wide activity; consequently, the arrangements in this strategy apply to all parts of the council.

Business Continuity will also apply to outsourced contracts, services as well as suppliers, service partners and other relevant stakeholders. This is covered in more detail in section 13. The aim is to ensure that business continuity practices are implemented so that the service provider is able to deliver acceptable standards of service following any disruption they may face. .

3. IMPORTANCE AND BENEFITS OF BCM

The Civil Contingencies Act 2004 places a statutory duty upon the council. As a Category 1 responder under the Act, Leicester City Council (LCC) has a legislative requirement to develop and maintain plans to ensure that it can continue to exercise its functions in the event of an emergency so far as is reasonably practicable. In addition, a clear procedure for invoking BCP's should be in place. Plans should also be reviewed and tested periodically to keep them up to date. Training should be provided to those staff responsible for populating, invoking and reviewing BCPs.

The benefits of having a clear, unambiguous and appropriately resourced Business Continuity Management policy and programme include:

- **Resilience -** Proactively improves resilience when faced with disruption to the council's ability to achieve its key objectives;
- **Communities –** helps to ensure those services which are critical particularly to the city's most vulnerable residents are delivered in as far as possible in order to continue to safeguard and support our communities;

- **Reputation -** Helps protect and enhance the council's reputation as well as reducing the risk of financial loss;

- **Compliance -** Demonstrates applicable laws and regulations are being observed;

- **Cost Savings -** Creates opportunities to reduce the potential cost of disruption and may reduce insurance premiums. Poorly managed incidents also leave the council and its officers exposed to insurance claims;

- **Delivery -** Provides a rehearsed method of restoring the council's ability to supply critical services to an agreed level and timeframe following a disruption;

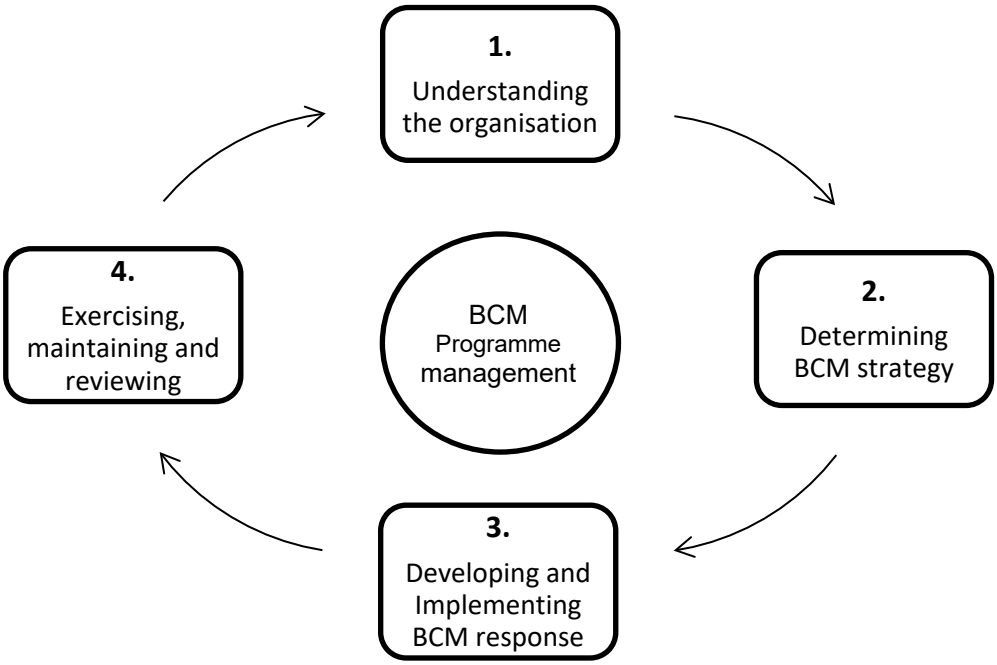
- **Management -** Delivers a proven capability for managing disruptions which helps to retain confidence in the council.

BCM arrangements are effective only if specifically built for the organisation. The council's programme is aligned with the principles of ISO22301, the International Standard, and to BS11200 Crisis Management Guidance and Good Practice, a recent standard for Crisis Management which is reinforced by reference to the Business Continuity Institute's Good Practice Guidelines.

4. METHODOLOGY

The ultimate aim is to embed BCM within the council's culture. Training and education is an ongoing task but awareness and capability is also a product of the structures put in place and the way we manage our programme.

Embedding BCM in the organisation's culture



Key stages in a BCM programme are:

1. Understanding the organisation:

This involves carrying out in-depth information gathering via business impact analysis' (BIAs) and risk assessments to identify critical activities / functions, evaluate priorities and assess risks to service delivery (see below).

- **BIA** – identify the critical processes and functions and assessing the impacts on the council if these were disrupted or lost. The BIA measures the impact of disruptions upon the organisation;

- **Risk assessment** – once critical processes and functions have been identified, a risk assessment can be conducted to identify the potential threats to these processes. Specific risks that would have a high local adverse impact are documented in service BCPs with details of contingency arrangements in place.

2. Determining an appropriate Business Continuity Strategy:

This involves identification of strategies that support the timely and efficient recovery of services, making decisions based on analysis of data gathered in stage 1, setting recovery time objectives for services and determining resources required to mitigate loss and assessing the effectiveness of maintaining the council's ability to deliver critical service functions in the event of a disruption.

BCM strategies at LCC involve:

- Implementing appropriate measures/strategies to reduce the likelihood of incidents occurring and/or reduce the potential impacts of those incidents;

- Taking account of mitigation measures in place;

- Providing continuity for critical services during/following an incident in priority order;

- Plan owners/HoS reviewing/updating their BCP's and the Business Impact Analysis Assessment annually otherwise sooner where required due to changes in the internal or external environment;

- Identifying key staff/teams who would be involved in a response to a BC incident and ensuring they have access to the relevant response plans;

- Factoring services that have not been identified as critical in planning of BC;

- Consider, determine and set communication channels for implementation in an incident;

- Ensure a Corporate Debrief is conducted following any corporate internal business continuity related incidents and lessons learnt are incorporated into any processes, guidance, plans etc.

3. Developing and implementing a BCM response:

This involves implementing relevant BCM strategies in response to a disruption/interruption. For LCC this would mean triggering the Incident Response Plan (IRP) and service area BCPs to pull together the organisation's response to a disruption and enable resumption of business units according to agreed corporate priorities. The IRP and service area BCPs ensure that the following actions are considered:

- The immediate response to the incident;

- The interim solutions for maintaining an emergency level of service;

- Reinstatement of full services within realistic timescales.

4. Exercising, maintaining and reviewing:

- **Testing and Exercise** – Testing ensures plans are in step with organisational and wider external changes and can be audited against defined standards. This enables LCC to demonstrate the extent to which plans are complete, current and accurate and helps identify opportunities for improvement.

- **Maintenance of BCPs –** Ensures the organisation's BCM arrangements and plans are fit for purpose, kept up to date, quality assured and support an effective response.

- **Review and Lessons Learnt -** Assesses suitability and adequacy and effectiveness of the BCM programme and identifies opportunities for improvements. It is imperative that a debrief is held after any incident with the involvement of relevant parties, be it internal or external. Lessons learnt should be reflected by updating BCPs accordingly.

  LCC Critical service BCPs are to be tested every two years as agreed by LCC's Corporate Management Team.

5. INVOKING THE INCIDENT RESPONSE PLAN (IRP) FOR A BUSINESS CONTINUITY INCIDENT

The IRP is a high-level strategic response plan which is accessible to all on-call senior officers and other relevant staff. A redacted version of the plan is also available to all council staff located at the REBR pages on Interface. This plan will not allow recovery of individual services but co-ordinates the overall approach and supports the recovery of affected services, alongside the use of service area BCPs. The IRP can be invoked by a member of the council's Corporate Incident Response Team (CIRT) as defined within the plan itself.

The IRP can be triggered by serious situations such as:

- Serious danger to lives and/or the welfare of council staff, Members, visitors or service users;
- The disruption of two or more council services by a business continuity incident;
- A business continuity incident which has the potential to affect the Council's ability to deliver its critical services;
- More than one council service area is involved in the response;
- Significant resources are required to respond effectively to the incident;
- Actual or potential disruption to public service is incurred or likely to be.
- A coordinated response, over and above day to day working practices, is required.
- A business continuity incident with the potential to adversely affect the organisation's performance and reputation due to loss of **PEOPLE** and/or **PLANT** and/or **PARTNERS** and/or **PREMISES**.
- Serious loss or damage to key assets;
- Serious impact on the council's financial status or political stability; or
- Emergency situations in Leicester, or the wider Local Resilience Forum area (Leicester, Leicestershire and Rutland).

6. CORPORATE INCIDENT RESPONSE TEAM

The council has put in place a 3-tier incident management structure: - the Strategic (Gold) and Tactical (Silver) teams have control of the situation and are authorised to take all decisions necessary. The Strategic (Gold) Team have overall control by overseeing, directing and authorising the work of the Tactical (Silver) Team who are managing the response and monitoring the actions which the Operational (Bronze) Recovery teams implement.

The IRP sets out this process in more detail. The constitution of the following teams can change as the BCM response unfolds which are:

Incident Response Team:

- Comprises predominantly of those Directors and Senior Heads of Service who have responsibility for defined Business Critical Services;
- Manages and directs the council's response to a serious incident affecting council services or assets;
- Comprises of the Strategic (Gold) and Tactical (Silver) teams;
    - **Strategic (Gold) Team** sets the response strategy, oversees the response including work-force related matters, and leads on communications (internal and external),
    - **Tactical (Silver) Team** will manage the Operational (Bronze) Recovery teams and keeps the Strategic (Gold) team informed of developments.

Recovery Teams:

- Comprises principally of Heads of Service and their senior managers;
- Collective responsibility for resumption of critical services within their divisions by means of their own individual BCPs;
- Will be directed by and report back to the 'Tactical' (Silver) team reporting to Gold.

The above establishes the command, control and communication system helping to ensure the organisation has clearly documented and well understood mechanisms for responding to an incident regardless of its cause.

Instances may occur where external stakeholders may need to be involved in responding to an incident.

7. MAINTENANCE OF THE INCIDENT RESPONSE PLAN (IRP)

It is crucial that the IRP reflects ongoing changes within the organisation. This involves revising the document and amending to reflect updates, testing the updated plan, informing and updating the on-call team / authorised personnel. REBR will facilitate the maintenance of this plan and will ensure that this undergoes a formal/complete review every 2 years. However, if changes are required before the review, they will be made.

8. BUSINESS CRITICAL SERVICES BCPs/BIAs

Annually, the Business Continuity & Risk Officer / Manager, Risk Management circulate a reminder to business-critical services plan owners requesting a thorough update of the plan and the associated BIA

for submission to REBR. The Business Continuity & Risk Officer facilitates this process. Although, changes should be made to BCPs as and when new staff join or leave, to reflect office moves, procedures changing or a major corporate change, a thorough review is required annually, usually by the financial year end.

Each department is responsible for keeping its contact lists up to date and issuing off-site documentation to new members of staff in their service areas BCPs. These revisions will need to then be distributed to all authorised personnel, who exchange their old plans for the newly revised plans.

9. LOCATING BCPS

The IRP and business-critical service BCPs are held securely on Resilience Direct (a secure Government IT platform within which LCC have a restricted area) as well as the restricted pages on MS Teams.

BCPs should be saved electronically and onto a memory stick (ensuring that the memory stick is an encrypted one). Holding paper copies is acceptable as this mitigates the risk of total loss of ICT, however, also being cautious of such a method as the plan will contain confidential information. All staff within teams should be aware who has access to their service area BCP. This will ensure smoother and faster recovery following an incident.

10. ROLES AND RESPONSIBILITIES

The table below details the roles and responsibilities of those involved in the planning and implementation of BCM and invocation of plans.

City Mayor / Executive	• Approve the council's Business Continuity Strategy and Policy Statement annually.
Governance and Audit Committee	• Ensure that the Business Continuity Strategy is produced, approved by CMT and the Executive and updated regularly; • Note and comment on the BC Policy & Strategy
Chief Operating Officer / BCM Champion	• During an incident, lead the council's 'Strategic' (Gold) Incident response.
Strategic and Divisional Directors	• Ensure the BCM policy, strategy and development plan is implemented and resourced appropriately across service areas; • Participate as required in management teams within the Incident Response Plan; • Ensure appropriate staff sit on the 'Strategic' (Gold) and 'Tactical' (Silver) and Operational (Bronze) Recovery teams within the Incident Response Plan; • Ensure each of their Service Areas has an effective and current BCP in place which is reviewed each year; • Annually self-certify that effective plans exist for all their services, that these plans remain current and 'fit for purpose'; and that any testing of those plans has been carried out (with the assistance and support of REBR, if required); • Identify staff for training and keep themselves updated on BCM practice; • Ensure a debrief is carried out following a BC related incident in their divsion • Embed BCM culture into the ethos of operational management
Corporate Management Team	• Approve the BC Strategy and Policy annually and ensure implementation
Manager, Risk Management / Business Continuity & Risk Officer	• Co-ordinate the BCM programme; • Produce the Corporate BCM framework; • Provide a critical friend service on reviewing service areas BCPs • Produce the Business Continuity Policy and Strategy and ensure it is reviewed annually; • During an incident, co-ordinate the council's BCM incident response(s), supporting the COO as 'Strategic' lead; • Following an incident, facilitate the 'lessons learned' session(s); • Make available best practice tools (e.g. templates); • Identify training needs and arrange delivery; • Support and advise service areas and LA maintained schools; • Facilitate the self-cert process; • Facilitate BIA Workshops • Facilitate testing and exercising of the council's BCPs when requested by Directors/their teams and undertake testing in business-critical areas at least every other year; • Quality control – review BCM arrangements for services; • Promote BCM in the community.
All Heads of Service / Managers	• Lead Business Continuity arrangements within their area; • Attend training commensurate with their role; • Identify staff from their teams that have a role to play in any recovery for suitable training; • Prepare a recovery plan covering all service delivery functions (priority for critical functions), update at least annually; and, • Implement the agreed arrangements in the event of a disruption.
All Staff	• Familiarisation with business continuity arrangements within their area; • Attend training commensurate with their role; • Engage with testing and exercising; • Respond positively during a crisis.

11. BUSINESS CONTINUITY SELF CERTIFICATION

Annually, all Directors will self-certify that BCPs are in place for all their services and the associated BIA is updated. LCC's BC and Risk Manager will facilitate the process and report to CMT.

12. MANAGING BC INCIDENTS AND INCIDENT LOGGING

REBR support and advise service areas during a business continuity incident to help manage a response to an incident. Once an incident has concluded, REBR can assist with conducting a debrief and draw out any lessons learnt, involving relevant parties and gather feedback for distribution, and where necessary, services amend BCPs appropriately to reflect any changes.

On-call officers are regularly briefed by REBR on how to deal with internal and external incidents and LCC's response. In addition, they are also briefed on guidance, plans and processes available to them to aid in the response to an incident.

REBR have produced an incident logging template which Senior Officers On call and other relevant officers have access to or will be given access to it the event of an incident. This is found on MS Teams. This is to be used for all major and minor incidents and may help when conducting the debrief.

13. BUSINESS CONTINUITY AND PROCUREMENT

Contracts for goods and / or services deemed critical to business continuity should include a requirement for each nominated supplier to give an assurance and evidence that robust BCP arrangements are in place covering the goods and/or services provided. When procuring for goods and/or services, the need for business continuity requirements in the specification and/or evaluation criteria must be considered.

14. BCM IN THE COMMUNITY

The council will participate in appropriate practitioner groups and work with partner agencies to promote BCM in the community and will advise and assist local organisations with their BCM arrangements.

15. MULTI-AGENCY BUSINESS CONTINUITY WORKING GROUP

The Manager, Risk Management will continue to chair this group which involves partner agencies such as emergency services, utilities, voluntary organisations. These meetings highlight how partner agencies respond to an incident and its business continuity implications and support the sharing of ideas and good practice.

Item 6

Regulation of Investigatory Powers Act 2000 Bi-Annual Performance Report July 2024 – December 2024

Governance and Audit Committee

Decision to be taken by: Committee Members

Date of meeting: 24 March 2025

Lead director: Kamal Adatia

Useful information

- Ward(s) affected: All
- Report author: Vanessa Maher-Smith – Principal Lawyer - Information Governance & Risk and Data Protection Officer
- Author contact details: vanessa.maher-smith@leicester.gov.uk
- Report version number: 1.0

1. Summary

1.1 The report advises on the performance of the Council in authorising Regulatory Investigation Powers Act (RIPA) applications from 1st July 2024 to 31st December 2024.

1.2 The report provides an update in relation to the Council's Surveillance Policy.

2. Recommended actions/decision

2.1 Receive the Report and note its contents.

2.2 Approve the proposed amendments to the Council's Surveillance Policy.

2.2 Make any recommendations or comments it sees fit either to the Executive or to the City Barrister and Head of Standards.

3. Scrutiny / stakeholder engagement

N/A.

4. Background and options with supporting evidence

4.1 The Regulation of Investigatory Powers Act (RIPA) enables the Council to use covert surveillance; covert human intelligence sources (CHIS); and the acquisition of service use or subscriber information in relation to communications data in a manner that is compatible with Article 8 of the European Convention on Human Rights governing an individual's right to respect for their private and family life, home and correspondence.

4.2 There are various criteria which must be met, including a 'seriousness threshold' for the use of directed surveillance, and any requests by the Council to use the RIPA powers must be approved by a Magistrate, under the current legislation.

4.3 The Council has applied for 0 Directed Surveillance Authorisation and 0 Communications Data Authorisations in the second half of 2024.

4.4 The Council has submitted its annual data return for 2024 to the Investigatory Powers Commissioner's Office.

4.5 In January/February 2025, the Council was inspected by the Investigatory Powers Commissioner's Office as part of its 3 yearly cycle of inspection, the last one having been conducted in 2022.

4.6 The IPCO wrote to the Council on 26th February 2025 and made some recommendations for improvements to the Council's 'Surveillance Policy' and the 'Guidance on the Use of Social Media Profiles', as follows:

My Inspector noted that the policy documents were well structured and had been updated since the last inspection, however they would benefit from further amendment.

The Covert Human Intelligence Sources (CHIS) section within the 'Guidance on the Use of Social Media Profiles' policy document contains a link titled 'Covert Human Intelligence Sources Code of Practice.' Unfortunately, this links to the Codes of Practice for Covert Surveillance and should be amended.

The 'reviews, renewals, and cancellations of RIPA authorisations' section of the Surveillance policy document requires additional information to ensure that practitioners and authorising officers both understand their responsibilities at review and renewal. Whilst the policy identifies that the applicant must review the authorisation on a monthly basis, it is for the Authorising Officer to conduct and set the frequency of those reviews.

Your policy states that RIPA authorisations are only valid for three months, whilst this is true for Directed Surveillance, the authorisation period for a CHIS is twelve months, and should therefore be expanded to include both covert activities.

4.7 The relevant Policy is the Council's Surveillance Policy which sets out how the Council complies with the relevant legislation and the procedures in place. The Policy is available on the Council's website:

Surveillance policy

4.8 The Policy was last reviewed in August 2024 and no changes were required.

4.9 The policy has now been reviewed in light of the above recommendations and proposed amendments are set out in red on the document attached as 'Appendix A'.

4.10 Further, since it was last reviewed, the former Head of Information Governance & Risk has left the Council and the role has changed to 'Principal Lawyer – Information Governance & Risk". As such the Policy requires minor changes to update the job title of the responsible officer. The Policy also refers to the former Audit and Risk Committee, which will need updating to the Governance and Audit Committee.

4.11 A further full review of the Policy will be conducted in August 2026.

4.12 Elected members are expected to have oversight of the council's use of RIPA and to approve the relevant Policy.

4.13 The document referred to as '*Guidance on the Use of Social Media Profiles'* is an internal guidance document that is available to officers on the Council's intranet

pages. It is not a Policy document that requires approval of members. However, it has been updated as per the recommendation made.

4.14 The inspection report concludes that:

It must be emphasised that although your Council has not exercised its RIPA powers for some time, it is vital that the relevant staff are appropriately trained should the need to authorise covert activity arise. It is also important that officers engaged in investigatory areas where RIPA considerations are not so immediately apparent, maintain their levels of knowledge and know whom to approach for guidance.

I am satisfied your reply provides your assurance that ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016 will be maintained. As such, your Council will not require further inspection this year.

I would ask that you ensure the key compliance issues continue to receive the necessary internal governance and oversight through: policy refreshes; annual updates to your Elected Members; ongoing training and awareness raising; internal compliance monitoring by lead managers within their business areas; and the retention, review and destruction (RRD) of any product obtained through the use of covert powers (Records and Product Management in accordance with the Safeguards Chapters of the relevant Codes of Practice).

Your Council will be due its next inspection in 2028, but please do not hesitate to contact my Office if IPCO can be of assistance in the intervening period.

4.15 The Council continues to ensure compliance with RIPA as set out above.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no financial implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed
Signed: Kirsty Cowell, Head of Finance ext. 37 2377
Dated: 21 February 2025

5.2 Legal implications

There are no legal implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed.
Signed: Kamal Adatia (City Barrister and Head of Standards) ext. 37 1402
Dated: 18th February 2025

5.3 Equalities implications

N/A.
Signed:

Dated:

5.4 Climate Emergency implications

N/A.
Signed:
Dated:

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	Yes	HRA Article 8 must be considered for all applications
Elderly/People on Low Income	No	
Risk Management	No	

6. Background information and other papers:

None

7. Summary of appendices:

Appendix A – Surveillance Policy with proposed amendments.

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

9. Is this a "key decision"? If so, why?

No.

Leicester City Council

Information Assurance

Policies and Guidance

Surveillance Policy

12/08/2024

Document Version: v1.0

Review Date: 12/08/2026

Owner: Head of Information Governance and Risk

Document History

Revision Date	Version Number	Summary of Changes
01012013	V0.1	Original draft
12022013	V0.2	Suggestions for amendments by Sarah Khawaja, Legal Services
19072013	V0.3	Suggestions for amendments by Linda Fletcher, Corporate Counter Fraud Team, & presentation comments via IMPB
01072015	V0.4	Updated contact details, changed reporting to Audit Committee to Bi-annual, changed Strategic Directors Board to Corporate Management Team, removed IMPB.
22082016	V0.5	Added non-RIPA Surveillance to policy
23052018	V0.6	Reviewed by Information Governance & Risk Manager. Textual amendments to reflect legislative and role changes made to sections 1., 5., 6.3., 9.2, 12.8, 12.10, 14.5, 14.6, 16., 17.1, 18.4, 19.3, 20.1, 21.2, 22.1, & 22.2
18022019	V0.7	Add social media monitoring, add Investigatory Powers Commissioner's Office (IPCO) to replace IOCCO and OSC, and add annual review of policy by elected members
03072019	V0.8	Changes to reflect Investigatory Powers Act 2016 and NAFN's processing of Communications data, recommendations from IPCO inspection, update of titles, use of social media, & keeping records electronically.
30092022	V0.9	Changes to reflect recommendations from IPCO inspection.
12082024	V1.0	Reviewed. No changes needed.
14022025	V1.1	Updated section 15 - Reviews, Renewals and Cancellations of RIPA Authorisations Job Titles and Committee Name updated.

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1. Introduction

1.1 The Human Rights Act 1998 gave effect in UK law to the rights set out in the European Convention on Human Rights (ECHR). Amongst the qualified rights is a person's right to respect for their private and family life, home and correspondence, as provided for by Article 8 of the ECHR. It is Article 8 that is most likely to be engaged when public authorities seek to obtain private information about a person by means of surveillance.

1.2 Part II of the Regulation of Investigatory Powers 2000 Act provides a statutory framework under which covert surveillance activity undertaken by the Council can be authorised and conducted compatibly with Article 8 and the Data Protection Act 2018.

1.3 The Employment Practices Code provides a framework under which surveillance activity of employees can be authorised and conducted compatibly with Article 8 and the Data Protection Act 2018.

1.4 Surveillance, for the purpose of the Regulation of Investigatory Powers Act 2000, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

1.5 Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.

1.6 Specifically, covert surveillance may be authorised under the 2000 Act if it is either intrusive or directed:

- Intrusive surveillance is covert surveillance that is carried out in relation to anything taking place on residential premises or in any

private vehicle (and that involves the presence of an individual on the premises or in the vehicle or is carried out by a means of a surveillance device);

- Directed surveillance is covert surveillance that is not intrusive but is carried out in relation to a specific investigation or operation in such a manner as is likely to result in the obtaining of private information about any person (other than by way of an immediate response to events or circumstances such that it is not reasonably practicable to seek authorisation under the 2000 Act.

1.7 The grounds on which local authorities can rely on to authorise directed surveillance are narrower than those available to the police or security services. A local authority can only authorise directed surveillance of a member of the public if the designated person believes such surveillance is necessary and proportionate for the purpose of preventing or detecting crime.

1.8 In most cases the crime for directed surveillance must be an offence for which there is a minimum prison sentence of 6 months, and the surveillance must be authorised by a magistrate.

1.9 The Council must have a policy in place to ensure that such directed surveillance is carried out in compliance with the law and does not breach the human rights of any of the surveillance subjects, and that surveillance in or around the workplace is also carried out in compliance with the law.

1.10 The Protection of Freedoms Act 2012 amended s28 of RIPA and brought in the requirement for a magistrate to approve a RIPA authorisation when the crime threshold was met (criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco.).

1.11 The Investigatory Powers Act 2016 (IPA 2016) provided powers to local authorities to access communications data in order to carry out their statutory functions as a Competent Authority under the Data Protection Act 2018.

2. Scope

2.1 The policy applies to all surveillance carried out by The Council, including external surveillance covered by RIPA authorisations, communication data acquisitions covered by the IPA 2016 and internal surveillance covered by the Employment Practices Code

3. Aim

3.1 To provide a framework for the carrying out of covert surveillance of the public and staff by the Council.

3.2 To ensure all legal obligations on the Council are met, in particular, the Human Rights Act 1998.

4. Applicability to investigations carried out by or on behalf of Leicester City Council

4.1 This policy applies to covert surveillance activities carried out by or on behalf of the Council and includes, but is not limited to, the following:

- the taking of photographs of someone in a public place or;
- the recording by video cameras of someone in a public place;
- the use of listening devices or photographic equipment in respect of activities in a house, provided the equipment is kept outside the house and the equipment gives information of less quality and detail than devices which could have been placed in the house itself
- the taking of photographs of staff in the workplace or;
- the recording by video cameras of staff in the workplace;
- acquisition of communications data e.g. telephone call logs, subscriber details.

5. Review and Maintenance

5.1 This policy is agreed and distributed for use across the Council by the Principal Lawyer - Information Governance and Risk on behalf of the

Corporate Management Team. It will be reviewed every two years by the Principal Lawyer - Information Governance and Risk, who will forward any recommendations for change to the Monitoring Officer and the Governance and Audit Committee for consideration and distribution.

6. Legal Requirements

6.1 The Council is obliged to comply with all relevant UK and EU information legislation. This requirement to comply is devolved to Elected Members, staff, contractors or others permitted to carry out surveillance on behalf of the Council, who may be held personally accountable for any breaches of Article 8 of the Human Rights Act 1998 (Right to Privacy).

6.2 The acquisition of a RIPA authorisation will equip the Council with the legal protection (The RIPA 'Shield') against accusations of a breach of Article 8.

6.3 The Council shall comply with the following legislation and other legislation as appropriate:

- The Data Protection Act (2018) and
- The General Data Protection Regulation (2016)
- Human Rights Act (1998)
- Regulation of Investigatory Powers Act 2000
- Protection of Freedoms Act 2012
- The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000
- The Investigatory Powers Act 2016

7. Policy Statement

7.1 Leicester City Council supports the objectives of the Human Rights Act 1998, the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and the Protection of Freedoms Act 2012. This policy

aims to assist staff with meeting their statutory and other obligations which covers the issues of Information Governance.

8. Objectives

8.1 The policy is intended to provide a framework for carrying out surveillance activities in compliance with the law by:

- Creating and maintaining within the organisation an awareness of the Right to Privacy (Article 8, Human Rights Act 1998) as an integral part of the day to day business;
- Ensuring that all staff are aware of and fully comply with the relevant legislation as described in policies and fully understand their own responsibilities when undertaking surveillance activities;
- Ensuring that all staff acquire the appropriate authorisations when undertaking surveillance activities;
- Storing, archiving and disposing of sensitive and confidential surveillance information in an appropriate manner.

8.2 The Council will achieve this by ensuring that:

- Regulatory and legislative requirements are met;
- RIPA and surveillance training is provided;
- All breaches of privacy, actual or suspected, are reported, investigated and any resulting necessary actions taken;
- Standards, guidance and procedures are produced to support this policy.

9. Responsibilities

9.1 The Chief Operating Officer, on behalf of the City Mayor and Corporate Management Team, is the Senior Information Risk Owner and has overall responsibility for Information Governance within the Council.

9.2 The Principal Lawyer - Information Governance and Risk is responsible for:

- Acting as the Council's RIPA Monitoring Officer
- Developing, implementing and maintaining the relevant corporate Information Governance policies, procedures and standards that underpin the effective and efficient surveillance processes;
- Support and advice to staff and managers on Surveillance;
- The production, review and maintenance of Surveillance policies and their communication to the whole Council;
- Provision of professional guidance on all matters relating to Surveillance;
- Oversight management of all privacy breaches and suspected breach investigations;
- Provision of corporate training;
- Provision, via the Intranet, of Surveillance briefing materials and, through City Learning, of on-line training;
- Management and recording of RIPA authorisations;
- Providing returns to national inspectors e.g. Investigatory Powers Commissioner's office (IPCO)
- Liaising with national inspection regimes, IPCO and the CCTV commissioner to organise inspections;
- Production of an annual Information Governance Report.

9.3 The RIPA Authorising Officers will assess and authorise RIPA applications.

9.4 The Senior Officer, who will be a service manager or above, will be made aware of IPA Communications data requests via the National Anti-Fraud Network (NAFN) process.

9.5 The Director of Finance will authorise all internal intercept requests

9.6 The Corporate Investigations Team will advise and assist in all aspects of staff investigations and internal intercept requests.

9.7 All Directors will:

- Implement this policy within their business areas;
- Ensure compliance to it by their staff;
- Sign off applications for surveillance of staff;
- Take all reasonable steps to protect the Health and Safety of investigators and where appropriate of third parties involved with investigations. This should include the carrying out of risk assessments.

9.8 Elected members will review any updated policy for compliance, and receive bi-annual reports on surveillance activities, via the Governance and Audit Committee.

10. Surveillance Principles

10.1 Leicester City Council is committed to a surveillance framework that ensures:

- Requests for Authorisations are assessed to ensure the privacy of the individual is not breached unless it is necessary and proportionate to do so;
- All requests are monitored, and performance indicators made available to demonstrate compliance with the legislation;
- The surveillance process is regularly audited to ensure compliance with statutory requirements and that relevant national codes of practice are followed.

11. Intrusive Surveillance

11.1 Intrusive surveillance is covert surveillance carried out by an individual or a surveillance device in relation to anything taking place on residential premises or in any private vehicle. The Council is not permitted to carry out intrusive surveillance in any circumstances.

12. Directed Surveillance

12.1 Surveillance is directed surveillance if the following are all true:

- it is covert, but not intrusive surveillance;

- it is conducted for the purposes of a specific investigation or operation;
- it is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);
- it is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the 2000 Act to be sought.

12.2 The Council will use Directed Surveillance to acquire information covertly where it is appropriate and legal to do so.

12.3 At the start of an investigation, council officers applying for a RIPA authorisation must satisfy themselves that what they are investigating is a criminal offence and passes the criminal threshold test.

12.4 The appropriate Directed Surveillance application form, which will be available on the Council's intranet site, should be completed and submitted to the Authorising Officer.

12.5 Any officer completing the Directed Surveillance RIPA application form must contact Legal Services so that they can be authorised to attend the magistrate's court on behalf of the Council. This authorisation to act on behalf of the Council at the court remains valid as long as the applying officer is employed by the Council.

12.6 The applying officer must submit the signed Directed Surveillance RIPA application, once it is signed by the Authorising Officer, to the local Magistrate for approval.

12.7 If confidential information or matters subject to legal privilege are to be acquired, the Directed Surveillance may only be authorised by the Head of Paid Service or their deputy in their absence.

12.8 The Principal Lawyer - Information Governance and Risk will ensure there is always a minimum of three (3) trained Authorising Officers at the Council. These will be at Divisional Director level or above, and their names published on the Council's intranet.

12.9 Statistical returns for directed surveillance data acquired using RIPA will be submitted to the IPCO by the Principal Lawyer - Information Governance and Risk upon request.

12.10 The Principal Lawyer - Information Governance and Risk will comply with requests from the IPCO in relation to the organisation of inspections of the Council

12.11 A Directed Surveillance RIPA authorisation may also be used if the crime threshold is not met but the offence is a criminal offence under:

(i) sections 146, 147 or 147A of the Licensing Act 2003; or
(ii) section 7 of the Children and Young Persons Act 1933

(underage sales of alcohol and tobacco).

12.12 A RIPA authorisation is not needed when it is not reasonably practicable for an authorisation to be sought for the carrying out of the surveillance in an immediate response to events.

13. Covert Human Intelligence Sources

13.1 Under the 2000 Act, a person is a CHIS if:
a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph b) or c);
b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

13.2 A relationship is established or maintained for a covert purpose if and only if it is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

13.3 The Council may use a covert human intelligence source (CHIS) to acquire information covertly where it is appropriate and legal to do so. A CHIS covertly uses a relationship to obtain information or to provide access to any information to another person.

13.4 The crime threshold does not apply to the authorisation of a CHIS.

13.5 The appropriate CHIS application form, which will be available on the Council's intranet site, should be completed and submitted to the Authorising Officer.

13.6 The applying officer must submit the signed CHIS RIPA application, once it is signed by the Authorising Officer, to the local Magistrate for approval.

13.7 The Council will never authorise the use of a CHIS under the age of 16 to gather evidence against his parents or carers.

13.8 The Council will never authorise the use of a CHIS under the age of 18 without carrying out a special risk assessment in relation to any risk of physical injury or psychological distress to the source that may arise.

13.9 If confidential information or matters subject to legal privilege are to be acquired by the CHIS, or the CHIS is a juvenile or a vulnerable individual, the Directed Surveillance may only be authorised by the Head of Paid Service.

13.10 Monitoring of Internet and/or social media sites as part of investigations or enforcement activity must be carried out in compliance with the relevant Code of Practice. Refer to further guidance entitled 'How to Carry Out Surveillance'.

14. Communications Data

14.1 Communications data is generated, held or obtained in the provision, delivery and maintenance of communications services, those being postal services or telecommunications services. The term 'communications data' embraces the 'who', 'when' and 'where' of a communication but not the content, not what was said or written. It includes the manner in which, and by what method, a person or machine communicates with another person or machine external to the Council.

14.2 Local Authorities must not apply for access to internet connection records. It is a criminal offence to unlawfully access such internet data and any staff doing so may be subject to disciplinary procedures.

14.3 Applications can be made for entity data (data that associates or links people, identifies people) or event data (data that identifies or describes events).

14.4 The crime threshold will apply only to the acquisition of communications data by local authorities for event data and not entity data.

14.5 The Council will appoint a Single Point of Contact (SPoC) known as the Senior Officer, who will be a service manager or above, responsible for the acquisition of external communications data. If the National Anti-Fraud Network (NAFN) SPoC system is not used, a trained and accredited member of Council staff must undertake this role.

14.6 If the National Anti-Fraud Network (NAFN) SPoC system is not used, the appropriate application form, which will be available on the Council's intranet site, should be completed and submitted to the Senior Officer.

14.7 NAFN will submit the request to the Office for Communications Data Authorisations (OCDA) on the Council's behalf if the NAFN service is

subscribed to. Any application returned by OCDA for re-work must be completed within 14 days or a new request submitted.

14.8 Any application rejected by OCDA can be appealed within 7 days. Any appeal must be re-submitted via the Senior Officer.

14.9 Statistical returns for communications data acquired using IPA will be submitted to the Investigatory Powers Commissioner by the Principal Lawyer - Information Governance and Risk upon request.

14.10 The Principal Lawyer - Information Governance and Risk will comply with requests from the Investigatory Powers Commissioner and the National Anti-Fraud Network (NAFN) in relation to the organisation of inspections of the Council.

14.11 Council staff will refer to the statutory Codes of Practice issued by the government and guidance issued by the Council when applying for communications data.

15. Reviews, Renewals and Cancellations of RIPA Authorisations

15.1 The Authorising Officer ~~applying officer~~ must review the authorisation at a frequency to be stipulated by them, usually a monthly basis, to decide if the operation needs to continue, and to consider any related security and welfare issues. This review shall be conducted in conjunction with the applying officer. Additional reviews should also be conducted by the Authorising Officer in response to changing circumstances, which must be brough to the attention of the Authorising Officer immediately by the applying officer.

15.2 RIPA authorisations must be cancelled as soon as they are no longer required. Cancellations must be authorised by the Council's Authorising Officer.

15.3 RIPA authorisations for Directed Surveillance are only valid for 3 months. If a renewal is required, it must be applied for prior to the three-month

deadline. Renewals must be authorised by the Council's Authorising Officer and the Magistrate.

15.4 CHIS Authorisations are valid for twelve months. The Authorising Officer that granted the Authorisation should be responsible for considering subsequent renewals. If the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was granted, they may renew it in writing for a further period of twelve months. An application for renewal should be made shortly before the authorisation period is due to end.

16. Reporting Errors in RIPA Authorisations

16.1 All errors in RIPA authorisations must be reported immediately by the applying manager or Authorising Officer to the Principal Lawyer - Information Governance and Risk.

17. RIPA requests from Third Parties

17.1 Requests from third parties to use Council equipment, facilities or buildings quoting RIPA authorisations must be made in writing, including a copy of the RIPA authorisation (redacted if necessary) and referred to the Principal Lawyer - Information Governance and Risk, or in the case of CCTV, the CCTV Manager.

18. CCTV

18.1 The Council operates CCTV systems, the use of which is subject to the national CCTV code of practice, as adopted by the Council.

18.2 Where CCTV cameras are used covertly as part of an operation to observe a known individual or group, an appropriate authorisation must be applied for.

18.3 The Council will keep its CCTV protocol up to date.

18.4 The Principal Lawyer - Information Governance and Risk will comply with requests from the CCTV Commissioner in relation to the organisation of inspections of the Council.

18.5 Any statistical returns required by the CCTV Commissioner will be supplied to him by the Principal Lawyer - Information Governance and Risk upon request

19. Surveillance of Employees and NON-RIPA Surveillance

19.1 The Council may use Surveillance and the acquisition of internal communications data where there are grounds to do so. Procedures must be followed in relation to its staff where it is appropriate and legal to do so to protect the Council against claims of a breach of Article 8. A RIPA authorisation is not available in these circumstances. It is good practice to apply the same process however to address Article 8 considerations.

19.2 All managers must consider the impact on the human rights of the staff member(s) under formal surveillance and complete one of the appropriate forms which can be found on the Council's intranet.

19.3 The Council will follow the ICO's 'Employment Practices Code' to ensure employees' personal information is respected and properly protected under the Data Protection Act 2018.

19.4 For the acquisition of communications data (including but not limited to cryptag logs, email accounts, computer access, printing logs, internet use logs and telephone call logs) and internal CCTV footage managers must complete the 'Interception of Communications Form' which can be found on the Council's intranet and submit it to the Corporate Investigations Team.

19.5 For all other directed surveillance of staff, managers must complete the 'Non-RIPA Surveillance Form' which can be found on the Council's intranet and submit it to the Information Governance Manager once it has been signed by the relevant Divisional Director.

19.6 RIPA does not grant powers to carry out surveillance. It simply provides a framework that allows the Council to authorise and supervise a defined category of surveillance in a manner that ensures compliance with the Human Rights Act 1998. Equally RIPA does not prevent surveillance from being carried out in other circumstances that fall outside the RIPA

framework.

19.7 There may be times when it will be necessary to carry out covert Directed Surveillance or use a CHIS other than by using RIPA. For example, in relation to an investigation into an allegation that a contractor is not carrying out their work as contracted, a serious disciplinary offence by a member of staff is alleged e.g. gross misconduct, or children are at risk where Court Orders are not being respected, then a RIPA authorisation is not usually available because "*criminal proceedings*" are not normally contemplated.

19.8 Similarly, there may be serious cases of neighbour nuisance or involving anti-social activity which involve potential criminal offences for which the penalty is below the thresholds which would enable use of a RIPA authorisation. Nonetheless in such cases there may be strong grounds for carrying out Directed Surveillance or use of a CHIS. Indeed there may be circumstances in which Directed surveillance or use of CHIS is the only effective means of efficiently obtaining significant information to take an investigation forward.

19.9 Officers should be particularly careful to ensure that individuals who are not a CHIS at the outset of an investigation do not inadvertently become a CHIS by a process of "status drift". If, for example a complainant volunteers to obtain further information about a person being investigated, care should be taken to consider whether the proposed action would involve the complainant becoming a CHIS and if so whether that is appropriate and in accordance with RIPA and the CHIS Code of Practice. Advice should be sought from the Principal Lawyer - Information Governance and Risk if such conduct is suspected.

19.10 In the circumstances outlined above, a RIPA application may be completed in accordance with this Policy and the application must be clearly endorsed in red "NON-RIPA SURVEILLANCE" along the top of the first page. The application must be submitted in the normal fashion to

the Authorising Officer who must considered it under the necessity and proportionality test in the same way they would a RIPA application. The normal procedure of timescales, review and cancellations must also be followed.

19.11 The authorisation, regular review, the outcome of any review, renewal applications and eventual cancellation must be notified to the RIPA Monitoring Officer in the normal way and using the same timescales as would be applicable to a RIPA investigation. However, for non RIPA surveillance the requirement to seek approval from the Magistrates Court is inapplicable. The authorisation for non RIPA surveillance takes effect from the date that it is authorised by the Authorising Officer.

20. Social Media

20.1 In some investigations, social media sites can form a useful source of intelligence. Usually a review of open source sites will not require authorisation. However, if reviews are carried out in respect of the same individual with some regularity, this may amount to directed surveillance and authorisation should be obtained.

20.2 If it is necessary and proportionate for the Council to covertly breach privacy controls (e.g. by becoming an account holders “friend” using a false identity) to conduct an investigation, then a directed surveillance authorisation will be required.

20.3 If the surveillance involves more than merely reading the sites contents, then an authorisation for the use and conduct of a CHIS will be required.

20.4 Such activities may be monitored by the Council.

21 Storage and Destruction of Surveillance Data

21.1 The Principal Lawyer - Information Governance and Risk will store all signed authorisations electronically centrally in a secure manner.

21.2 All electronic copies of the signed authorisations, will be retained for three years and then disposed of securely, unless it is believed that the records could be relevant to pending or future criminal proceedings, where they must be retained for a suitable further period, commensurate to any subsequent review.

21.3 The Council will undertake retention, review, and destruction (RRD) of covertly gathered material and comply with the safeguarding chapters within each RIPA code of practice.

22. Compliance with the Legislation

22.1 The Council recognises the need to make the contents of this Policy known and ensure compliance by every employee.

22.2 The Principal Lawyer - Information Governance and Risk will notify relevant staff of changes to RIPA and surveillance legislation, how these changes will affect them, when they will occur and what is needed to stay within the law.

22.3 Elected members will receive a bi-annual RIPA report via the Governance and Risk Committee, plus any updates to this policy.

22.4 The Council also recognises the need to make their policies known and accessible to the public. This policy will be published on the Council's website.

22.5 RIPA statistics, suitably redacted as to not reveal specific operations, will be published on the Council's website annually via the open data site.

22.6 Leicester City Council expects all employees to comply fully with this policy. Disciplinary action may be taken against any Council employee who knowingly breaches any instructions contained in, or following from, this policy.

23. Complaints

23.1 Complaints relating to any surveillance matters must be made in writing and addressed to:

Principal Lawyer - Information Governance and Risk
Legal, Coronial & Registrars Services
Leicester City Council
4th Floor, City Hall
Leicester
LE1 1FZ
info.requests@leicester.gov.uk

23.2 If the complainant is still unhappy following the Principal Lawyer - Information Governance and Risk's response they must be advised to write to:

The Investigatory Powers Tribunal
PO Box 33220
London
SW1H 9ZQ.
Tel. 0207 035 3711

24 Internal Charging

24.1 Costs incurred by the Council as a result of cases which are progressed to the Investigatory Powers Tribunal or the courts, will be charged to the relevant service area.

25 Further Guidance

25.1 Further guidance entitled 'How to Carry Out Surveillance' can be found on the Council's intranet site.

Item 7

Internal audit work progress report 2024/25

Governance & Audit Committee

Decision to be taken by: N/A

Date of meeting: 24 March 2025

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Connor Munro, Assistant Director – Audit Assurance (Veritau)
- Author contact details: connor.munro@veritau.co.uk
- Report version number: 1.0

1. Summary

1.1 This report provides an update on the delivery of the internal audit work programme for 2024/25, up to 10 March 2025.

2. Recommended actions/decision

2.1 The Governance & Audit Committee is recommended to:

2.1.1 Note the progress made in delivering the 2024/25 internal audit work programme, and current delivery intentions over the remainder of the year.

3. Scrutiny / stakeholder engagement

3.1 In preparing the internal audit work programme, on which this progress report is based, consultation has taken place with members of the Governance & Audit Committee and key officers from across the council. The work programme is continually reviewed during the year, alongside senior officers and this committee, to ensure it remains targeted to priority areas.

4. Background and options with supporting evidence

4.1 The internal audit work programme for the period 1 August 2024 to 31 March 2025 was approved by this committee at its meeting on 18 September 2024.

4.2 To conform with professional standards, and the council's audit charter, the Head of Internal Audit must report periodically to this committee on the progress made against the internal audit work programme, and on the results of audit activities undertaken.

4.3 Appendix 1 to this report provides an update on progress made in delivering the internal audit work programme. This includes a summary of completed work, work currently in progress, and work currently scheduled for the remainder of the year. It also reports on outcomes from the follow-up of recommendations made in previous audit reports.

4.4 There are no alternative options relating to this report. The Governance & Audit Committee is required to note the progress made in delivering internal audit work in order to fulfil its requirements under the committee's terms of reference and the internal audit charter, and to ultimately ensure that the council's internal audit service conforms to professional standards.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no financial implications arising directly from this report.
Signed: Amy Oliver, Director of Finance
Dated: 11 March 2025

5.2 Legal implications

There are no adverse legal implications arising from this report, it is an update but as a reminder: The Accounts and Audit Regulation 2015 (Part 2, Section 5) states a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance. Completion of the annual internal audit ensures compliance with both the Public Sector Internal Audit Standards 2017 and the Accounts and Audit Regulations 2015 Furthermore, internal audit assists the Director of Finance in fulfilling their duties under Section 151 of the Local Government Act 1972 which requires each Local Authority to make arrangements for the proper administration of their financial affairs.
Signed: Kamal Adatia, City Barrister & Head of Standards (Monitoring Officer)
Dated: 5 March 2025

5.3 Equalities implications

The Council has responsibility for establishing and maintaining appropriate risk management processes, control systems and governance arrangements. There are no equality implications arising directly from this report. People from across all protected characteristics should benefit from the work of the committee and the audits that are conducted and reported on by ensuring the effectiveness of the Council's internal control system.
Signed: Surinder Singh, Equalities Officer
Dated: 28 February 2025

5.4 Climate Emergency implications

There are no implications linked to the climate emergency arising directly from this report.
Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249
Dated: 7 March 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None.

6. Background information and other papers:

None

7. Summary of appendices:

Appendix 1 – Internal audit progress report 2024/25

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”? If so, why?

No

Leicester City Council

Internal Audit Progress Report 2024/25

Date: 24 March 2025

APPENDIX 1

Veritau
Assurance for the public sector

CONTENTS

3	Background
3	Internal audit progress
4	Follow up
5	Annex A: Internal audit work in 2024/25
8	Annex B: Audit opinions and finding priorities
9	Annex C: Follow up of agreed actions

BACKGROUND

1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.

2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government, and the CIPFA Statement on the role of the Head of Internal Audit.

3 In accordance with the PSIAS the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Governance & Audit Committee, and to identify any emerging issues which need to be brought to the attention of the committee.

4 The internal audit work programme for the remainder of 2024/25 was agreed by this committee in September 2024.

5 Veritau has adopted a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.

6 The purpose of this report is to update the committee on internal activity up to 10 March 2025.

INTERNAL AUDIT PROGRESS

7 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in annex A.

8 Since our last report to this committee, the audit on the central schools finance team has been finalised. Four audits have also reached draft report stage.

9 A further 15 audits are underway at the time of reporting. Several of these are approaching the latter stages of fieldwork. A number are at earlier stages as they have started during the current quarter. Taken together, these audits will conclude the 2024/25 work programme.

10 We expect the outcomes from ongoing audits to be reported to this committee as part of the head of internal audit annual report. This will be presented to the committee at its May 2025 meeting. Work is on track to enable us to provide an annual opinion for 2025/26.

11 Other audits in the work programme which had been classified as 'do next' or 'do later' are being reviewed as part of the audit planning process for

2025/26, alongside new and emerging areas. Those that remain a priority will be included in the 2025/26 work programme[1].

12 In addition to the audits mentioned in paragraphs 8 and 9, we have also continued to support the council by certifying a number of central government grants, and undertaking consultative engagements relating to Homes England funded schemes and leaseholder service recharges. More information is provided in Annex A.

13 Annex B provides the definitions for our audit opinions and finding ratings. This can be referred to, to help interpret information presented in annex A.

FOLLOW UP

14 At the time of reporting, no actions agreed with management in internal audits completed by Veritau have become due[2]. However, Veritau has continued to follow up high priority recommendations from internal audits completed by the council's previous internal audit provider, Leicestershire County Council.

15 The purpose of follow up is to ensure that issues identified during internal audit work have been satisfactorily addressed through management action. As a result of this work, we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits.

16 A summary of the status of follow up activity is included at annex C.

[1] The internal audit work programme includes all potential areas to be considered for audit in the short to medium term, recognising that not all of these will be carried out during the current year (work is deliberately over-programmed).

[2] Actions agreed as part of Veritau audits will start to become due at the end of March 2025. Auditors have been assigned to monitor and verify completion of the council's agreed actions. Future reports to this committee will provide detail on the outcomes of this work.

ANNEX A: INTERNAL AUDIT WORK IN 2024/25

Audits in progress

Audit	Status
Highways maintenance scheme development	In draft
Ordering and creditor payments	In draft
Homelessness (high-cost accommodation)	In draft
Procurement compliance (inc. waivers)	In draft
Agency staff	In progress
Sundry debtors	In progress
Bereavement services	In progress
School themed audit: purchasing and best value	In progress
Council Tax and NNDR: arrears management	In progress
Housing rents	In progress
School traded services (educational psychology)	In progress
Element 3 (high needs) funding: Leicester College	In progress
Adults commissioning: NHS	In progress
Contract management: Social Care & Education	In progress
Direct payments and short breaks (adults and children)	In progress
Asylum seekers	In progress
Risk management	In progress

Concerto: post-implementation review	In progress
ICT audit: network security	In progress

Final reports issued

Audit	Reported to committee	Opinion	Count of findings by priority			
			Critical	Significant	Moderate	Opportunity
Information governance: case management	December 2024	Reasonable Assurance	0	0	5	1
Schools finance – central team overview	March 2025	Reasonable Assurance	0	1	1	0

Summary of critical and significant findings (audits reported to the committee for the first time)

Audit		
Central schools finance		
Finding priority & title	**Finding summary**	**Agreed action(s) and timescale(s)**
Significant Scheme for Financing Schools: control implementation	It has not been possible for all the requirements of the scheme to be fully implemented, such as issuing notices of financial concern and licensed deficit budgets. The team has been unable to claw back funds where surplus balances are high, and gain sufficient assurances that budgets are being spent to support the education and needs of the current intake.	Resource in the finance team will be increased to help with the monitoring of school balances. *30 April 2025*

Other work in 2024/25

Internal audit work has been undertaken in a range of other areas during the year, including those listed below.

- Follow up of recommendations
- Grant certification work:
  - DLUHC / DfE Supporting Families
  - DfT Traffic Signal Obsolescence Grant and Green Light Fund
  - DfT Bus Subsidy (Revenue) Grant
  - DfT Local Transport Capital Funding Specific Grant
  - Historic England Heritage Action Zones
- Consultative engagements:
  - Homes England compliance audit
  - Leaseholder statement of accounts

ANNEX B: ASSURANCE AUDIT OPINIONS AND FINDING PRIORITIES

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

ANNEX C: FOLLOW UP OF AGREED AUDIT ACTIONS

Veritau inherited a total of six high priority recommendations made in audits completed by the council's previous internal audit provider, Leicestershire County Council. High priority recommendations are defined as:

> *"Recommendations requiring essential action by management in order to address a fundamental threat to the achievement of objectives."*

Follow up work has been undertaken with relevant officers. The results of this follow up work are presented in the table below, This shows that one recommendation has been implemented since the previous report to this committee (December 2024), the remaining four recommendations have yet to reach their original or revised implementation date.

Audit	Recommendation	Implementation timescale	Status
Key ICT controls	Resiliency testing of the network and key applications should be planned and undertaken as soon as possible.	August 2024	Revised date agreed: 31 March 2025
Direct payments	Annual reviews of support plans should be undertaken to establish whether the needs of the person on direct payments have changed, and the direct payments remain appropriate.	September 2024	Implemented
Contract management (Housing)	There should be a review of contracts where there are repeated extensions and waivers, to identify the root cause and, where appropriate, provide training and support to operational managers.	October 2024	Revised date agreed: 31 March 2025
Herrick Primary School	The governing body should work closely with the school and the Local Authority Schools Finance team to ensure the deficit position is closely	June 2025	Not yet due for follow up

	monitored and improvements are made in line with the deficit budget plan (when in place).		
	The school, along with the Local Authority, should take immediate action to investigate the cause of the large overdraft position on the bank balance. Once resolved, the school should ensure a positive bank balance is maintained.		

Internal audit work programme 2025/26

Governance & Audit Committee

Decision to be taken by: N/A

Date of meeting: 24 March 2025

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Connor Munro, Assistant Director – Audit Assurance (Veritau)
- Author contact details: connor.munro@veritau.co.uk
- Report version number: 1.0

1. Summary

1.1 This report presents the draft programme of internal audit work to be undertaken in 2025/26, and seeks the Governance & Audit Committee's approval of this programme.

2. Recommended actions/decision

2.1 The Governance & Audit Committee is recommended to:

2.1.1 Approve the 2025/26 internal audit work programme.

3. Scrutiny / stakeholder engagement

3.1 In preparing the internal audit work programme, consultation has taken place with members of the Governance & Audit Committee and with key officers from across the council.

4. Background and options with supporting evidence

4.1 The council's internal audit service must comply with the Public Sector Internal Audit Standards ('the standards'), and the council's own internal audit charter.

4.2 The standards require that the Head of Internal Audit provides an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out.

4.3 Veritau's work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. The programme of internal audit work for 2025/26 is attached as appendix 1.

4.4 There are no alternative options relating to this report. Approval of the work programme is required to ensure that the council's internal audit service conforms to professional standards.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no financial implications arising directly from this report. Internal audit work is expected to be completed within the budget available to the council.
Signed: Amy Oliver, Director of Finance
Dated: 11 March 2025

5.2 Legal implications

There are no legal implications arising directly from this report.
Signed: Kamal Adatia, City Barrister & Head of Standards (Monitoring Officer)
Dated: 5 March 2025

5.3 Equalities implications

There are no direct equality implications arising directly from this report. People from across all protected characteristics should benefit from the work of the committee and the audits that are conducted and reported on by ensuring the effectiveness of the Council's internal control system.
Signed: Surinder Singh, Equalities Officer
Dated: 28 February 2025

5.4 Climate Emergency implications

Responding to the climate emergency is one of the council's strategic priorities and this is reflected in the inclusion of the climate change action plan in the audit programme for 2025/26.
Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249
Dated: 7 March 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None.

6. Background information and other papers:

Internal audit work programme consultation report (29 January 2025 Governance & Audit Committee meeting): Item 5 - Annex 1 - Internal audit work programme consultation report 2025-26.pdf

7. Summary of appendices:

Appendix 1 – Internal audit work programme 2025/26

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

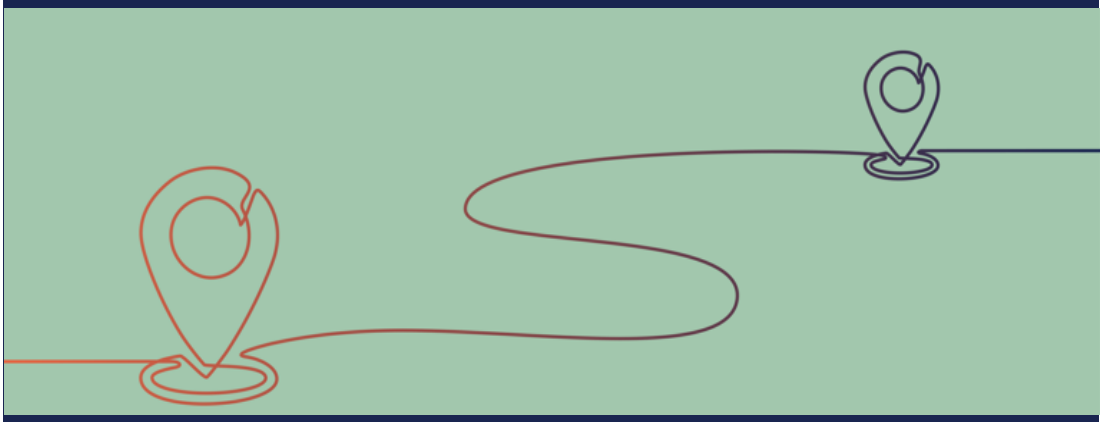
9. Is this a "key decision"? If so, why?

No

APPENDIX 1

Leicester City Council

Internal Audit Work Programme 2025/26



Veritau

Assurance for the public sector

CONTENTS

3 Introduction

4 Strategic context

5 2025/26 internal audit work programme

9 Annex A: internal audit work programme

Introduction

1 This report sets out the proposed 2025/26 programme of internal audit work for Leicester City Council.

2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the council's audit charter[1]. To comply with professional standards and the charter, internal audit work must be risk based and take into account the requirement to produce an evidence-based annual internal audit opinion. Accordingly, planned work should be reviewed and adjusted in response to changes to risks, operations, programmes, systems and internal controls.

3 Specifically, the PSIAS require that the Head of Internal Audit "must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The risk-based plan must take into account the requirement to produce an annual internal audit opinion."

4 The Head of Internal Audit's annual opinion is formed following an independent and objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the council, and to produce a body of work which allows us to provide our opinion.

5 At the 29 January 2025 meeting of this committee, we presented our work programme consultation report. This report explained how we approach development of the work programme by using our opinion framework. In summary, by considering key areas of assurance, the council's risks, and its priorities we are able to define a body of work which will allow us to provide an opinion.

6 However, responsibility for effective risk management, governance and internal control arrangements remains with the council. The Head of Internal Audit cannot be expected to prevent or detect all weaknesses or failures in internal control, nor can internal audit work cover all areas of risk across the organisation.

[1]As previously reported to the committee, from 1 April 2025 the PSIAS will be replaced by the Global Internal Audit Standards (GIAS) and the Application Note: Global Internal Audit Standards in the UK Public Sector. Together, these are referred to as the GIAS (UK public sector) and will represent the new standards regime to be followed. Our next report to the Governance & Audit Committee will include an updated internal audit charter which is aligned to the GIAS (UK public sector). The GIAS (UK public sector) make no substantive changes to the approach to strategic planning and so the flexible, risk-based approach in use at the council remains appropriate.

Strategic context

7 Leicester City Council continues to face unprecedented challenges to its medium-term financial outlook, with its latest budget setting a plan to secure its financial sustainability until 2027/28. Sustained real terms reductions in government funding combined with acute pressures arising from delivery of social care (particularly children's social care) and housing services have eroded the council's reserves. With government funding seemingly not set to increase in the short term and both cost and demand pressures showing no signs of abating, any further reductions to the council's budget are likely to stretch its ability to deliver its statutory and remaining discretionary services extremely thin[2].

8 The severity of the situation the council finds itself in has necessitated strong action. This will see £110m in revenue and capital fund reserves immediately released, reductions in the capital programme, disposal of property assets, placing constraints to growth on demand-led services, and setting a £23m per year revenue budget savings requirement.

9 It is important to note that the council is not alone in this situation. Estimates suggest that over half of all local authorities consider it likely that their financial position will require a S114 notice to be issued before or by 2028/29[3]. This is a clear indication of the scale of the challenge the sector is facing.

10 While the council's financial situation continues to dominate, efforts will need to be made to ensure that key aspects of risk management, governance, and control are not eroded. However, 2025/26 will also give rise to other priorities and challenges. Some of these include the reimplementation of the council's main financial system (Unit 4), its Regulator of Social Housing inspection, development and delivery of an action plan in response to the recent LGA peer review, and ensuring compliance with the Procurement Act 2023 (the biggest change in the regime for a decade).

11 Many of the challenges around demand-led services, particularly in social care (with an aging population, increasing complexity of need, and exposure to unfavourable market conditions) are so ingrained that they are now perennial issues impacting local authorities. The council has already begun transformative change in this area and work will continue into 2025/26.

12 At the same time the housing crisis continues to be an issue of strategic importance, with insufficient affordable homes being available for the council's residents to live in, and the numbers presenting as homeless increasing.

---

[2] General Fund Revenue Budget 2025/26, Council (19 February 2025)
[3] The State of Local Government Finance in England 2024, Local Government Information Unit (February 2024)

13 In short, the council is expected to deliver more with less. Maintaining effective operational arrangements is an essential building block in delivering the council's core functions and its strategic objectives. Internal audit contributes to overall objectives by helping to ensure that systems of governance, risk management and control that underpin operational arrangements are robust.

14 To maximise the value of internal audit, it is vital that we provide assurance in the right areas at the right time. We have designed the processes for developing the internal audit work programme, and refining it through the year, to do that.

2025/26 Internal audit work programme

The 2025/26 indicative internal audit work programme

15 2025/26 will represent the first full year of Veritau's internal audit service delivery, having become the council's provider in August 2024. The proposed internal audit work programme for 2025/26 is included in annex A.

16 The overall level of service to be provided by Veritau is based on an indicative number of days, for planning purposes. This is 800 days for 2025/26.

17 The proposed areas of coverage in the 2025/26 work programme have been subject to consultation with this committee, strategic directors and their Directorate Management Teams, the Corporate Governance Panel (which includes the council's statutory officers), and with other senior officers from across the organisation.

18 Internal audit activity is organised into several functional programme areas. These areas are set out in table 1 below.

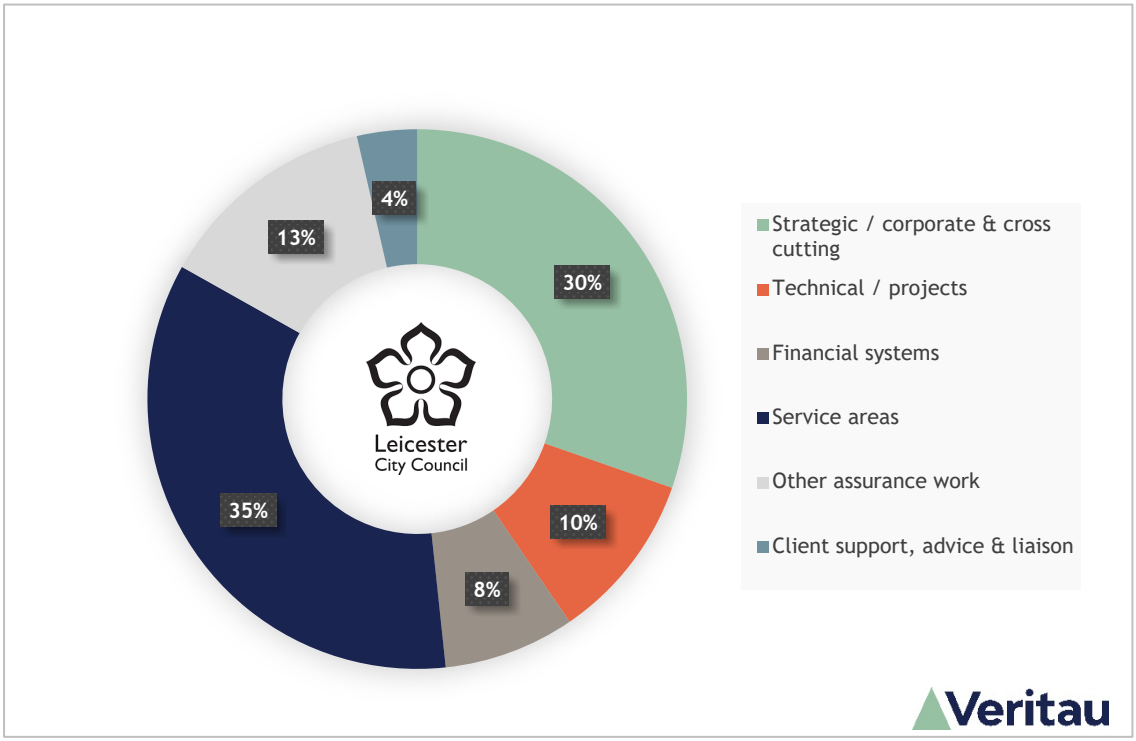
Table 1: Work programme functional areas.

Programme area	Purpose
▲ **Strategic / corporate & cross cutting**	To provide assurance on areas which, by virtue of their importance to good governance and stewardship, are fundamental to the ongoing success of the council.
▲ **Technical / projects**	To provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the council as the risks involved could detrimentally affect the delivery of services.
▲ **Financial systems**	To provide assurance on the key areas of financial risk. This helps provide assurance to the council that risks of loss or error are minimised.

▲ **Service areas**	To provide assurance on key systems and processes within individual service areas. These areas face risks which are individually significant but which could also have the potential to impact more widely on the operations or reputation of the council if they were to materialise.
▲ **Other assurance work**	An allocation of time to allow for continuous audit planning and information gathering, grant certifications, unexpected work, and the follow up of work we have already carried out (ensuring that agreed actions have been implemented by management).
▲ **Client support, advice & liaison**	Work we carry out to support the council in its functions. This includes the time spent providing support and advice, and liaising with staff.

19 Figure 1 below shows the proportion of time we expect to spend delivering work across each area during the year.

Figure 1: 2025/26 work programme: indicative functional area split.



The 'do now', 'do next', 'do later' audit prioritisation system

20 Once initial internal audit priorities have been identified through the application of the opinion framework, we then overlay a second system of prioritisation. This system allows us to determine the relative priority of audits included in the indicative work programme.

21 This second prioritisation system sees audits assigned to one of three categories, as shown in figure 2 below.

Figure 2: 'do now', 'do next', 'do later' prioritisation system.

22 Decisions on which of the three categories internal audit work falls into will be based on judgement, and will be made having given consideration to the prioritisation factors in table 2 below. These will result in internal audit work being considered a relatively higher or lower priority at the time of assessment.

Table 2: Internal audit prioritisation factors.

Prioritisation factors	
▲ where we have no recent audit assurance, or other sources of information	▲ where controls are changing and / or risks are increasing
▲ where we are following up previous control weaknesses	▲ where specific issues are known to have arisen
▲ areas that are of significant importance to the council, for example they reflect key objectives or high priority projects	▲ areas that provide broader assurance, for example corporate policies and frameworks
▲ areas that need to be covered to enable us to provide an annual opinion	▲ where there are time pressures or scheduling requirements, for example grant deadlines, or where work is scheduled to minimise the impact on council service areas at busy times

23 The above factors will be used on an ongoing basis to decide what internal audit work will be carried out, and when, during the course of the year. These decisions will be made in consultation with the council through our ongoing dialogue with senior officers. Individual pieces of work will move between the three categories, as required, based on their priority at the time of assessment.

24 For example, an audit scheduled for quarter two to minimise the impact on a service area may initially be classed as to 'do later' but will become 'do now' as we move into quarter two. Similarly, an audit of a council project classed as 'do now' because it represents an area of high importance may move from 'do now' to 'do next' or 'do later' if, for example, a project slips or planned work cannot be undertaken until a

specific point is reached. Towards the end of the year, audits classed as 'do later' are likely to be deferred until the following year.

25 It is important to re-emphasise two important aspects of the programme as a whole. Firstly, the audit activities included in annex A are not fixed. Work will be kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council. This is to ensure the audit process continues to add value.

26 Secondly, it will not be possible to deliver all audit activities listed in the programme. The programme has been intentionally over-planned, to build in flexibility from the outset, while also providing an indication of the priorities for work at the time of assessment. Over-planning the programme enables us to respond quickly if we need to commence work in other areas of importance to the council when risks and priorities change during the year.

27 The committee will be provided with information on current internal audit priorities throughout the year as part of regular progress reporting.

ANNEX A: internal audit work programme 2025/26

Programme area	Internal audit activity
Strategic / corporate & cross cutting	▲ Climate change action plan ▲ LGA peer review action plan ▲ Organisational development / workforce planning ▲ Recruitment (including establishment control), selection, and onboarding ▲ Strategic Procurement panel, A2R panel, & business case development ▲ Procurement Act compliance ▲ Contract management: City Development & Neighbourhoods ▲ Contract management: Corporate ▲ Ward community funding ▲ Grant-funded schemes: procurement compliance ▲ Democratic governance and decision-making ▲ Savings delivery ▲ Business continuity management ▲ Complaint handling ▲ Data security incident management ▲ Physical information security (Town Hall)
Technical / projects	▲ ICT: access control ▲ ICT: supply chain management ▲ ICT cybersecurity – user awareness and training ▲ ICT: server administration and security ▲ ICT: cybersecurity – vulnerability management

Programme area	Internal audit activity
	▲ Project management
Financial systems	▲ Main accounting system (Unit 4 reimplementation) ▲ Payroll ▲ Housing benefits ▲ Leaseholder statement of accounts
Service areas	▲ Adult safeguarding ▲ Domiciliary Care Service (reablement) ▲ Adult Social Care Cost Mitigation Programme ▲ Adult social care debt management ▲ Children's homes and commissioning ▲ Post-19 planning ▲ Home to school transport ▲ School themed audit: topic TBC ▲ Acquisitions (homelessness) ▲ Housing allocations ▲ Right To Buy ▲ Community / third sector commercial property income ▲ Levelling Up projects ▲ Section 106 agreements ▲ Planning performance ▲ Building control ▲ Events management

Programme area	Internal audit activity
	▲ Gladstone membership management system ▲ Community safety ▲ Contract management and performance: Public Health
Other assurance work	▲ Grant certifications ▲ Follow-up of previously agreed management actions ▲ Continuous audit planning and additional assurance gathering to help support our opinion on the framework of risk management, governance and internal control ▲ Attendance at, and contribution to, governance- and assurance-related working groups
Client support, advice & liaison	▲ Committee preparation and attendance ▲ Key stakeholder liaison ▲ Support and advice on control, governance, and risk related issues

Item 8

Annual Review of the Council's Local Code of Corporate Governance

Governance & Audit Committee

Decision to be taken by: Governance & Audit Committee
Date of meeting: 24 March 2025
Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1

1. Summary

1.1. To present the Local Code of Corporate Governance to the Governance & Audit Committee for approval.

2. Recommendations

2.1. **The Governance & Audit Committee is recommended to:**

- Approve the Local Code of Corporate Governance 2025/26, at Appendix 1

3. Background

3.1 The Council has a Local Code of Corporate Governance and a Governance & Audit Committee. The committee has prescribed terms of reference that form part of the Council's constitution and are designed to enable the Committee to discharge its functions both as 'those charged with governance' generally and as 'the Board' under the Public Sector Internal Audit Standards (PSIAS)

3.2 There are clear linkages between the terms of reference and the local code in making up the Council's overall system of corporate governance. In order that they remain relevant and fit for purpose, each of these documents is subject to regular review.

3.3 Reporting on actual compliance (i.e., what we have achieved as an organisation in this regard) will be reported in due course through the Annual Governance Statement which is presented alongside the Statement of Accounts.

4. Local Code of Corporate Governance

4.1 A central component of the Council's system of governance is its Local Code of Corporate Governance. This reflects the main components set out in the CIPFA and SOLACE guidance "Delivering Good Governance in Local Government: Framework". The Local Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards.

4.2 The Local Code is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, as each year the Council conducts a review of compliance with the Code. The results of this feed into the annual review of the effectiveness of the Council's system of internal control, thereby contributing to the Annual Governance Statement.

4.3 The Local Code has been refreshed for 2025/26 to reflect changes in strategies or policies.

4.4 The Local Code of Corporate Governance is given at Appendix 1.

5. Financial, legal and other implications

5.1 Financial implications

Adequate and effective systems of corporate governance and assurance and an effective Governance & Audit Committee are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Such arrangements support the processes of audit and internal control that will help the Council as it faces financially challenging times.

Amy Oliver, Director of Finance, Ext 5

5.2 Legal implications

Part 2 of the Accounts and Audit (England) Regulations 2015 obliges the Council to ensure that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once in a year of the effectiveness of its system of internal control and following the review, must approve an annual governance statement.

Kevin Carter
Head of Law – Commercial, Property and Planning
12th March 2025

5.3 Climate Change and Carbon Reduction implications

'Climate ready' is identified as one of the ten priorities in the City Mayor's Strategic Vision, the delivery of which is supported by effective governance arrangements. The council's strategy and key interventions for achieving the climate ready priority is set out in the Climate Ready Leicester Plan, approved by Council on 5 September 2024.

Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.
13th March 2025.

5.4 Equalities Implications

The report seeks approval for the Local Code of Corporate Governance 2025/26, there are no direct equalities implications arising from the report. Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. Corporate governance is about the systems, processes, and values by which the Council operates and by which it engages with, and is held accountable to, our communities and stakeholders. Ensuring openness and comprehensive stakeholder engagement is important in effective corporate governance.

Equalities Officer, Surinder Singh, 12 March 2025, Ext 37 4148

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with effective systems of governance and control, which are an important safeguard again
Risk Management	Yes	The whole report concerns the governance and assurance processes, a main purpose of which is to give assurance to Directors, the Council and this Committee that risks are being managed appropriately.

6. Background information and other papers:

N/A

7. Summary of appendices:

Appendix 1 – Local Code of Corporate Governance

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"?

No

Appendix 1

Local Code of Corporate Governance 2025/26

INTRODUCTION

The Council's Local Code of Corporate Governance is based on the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework 2016"

The International Framework defines Governance as arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework goes on to state that to deliver good governance in the public sector, both governing bodies and individuals working for them must aim to achieve their entity's objectives while acting in the public interest at all times.

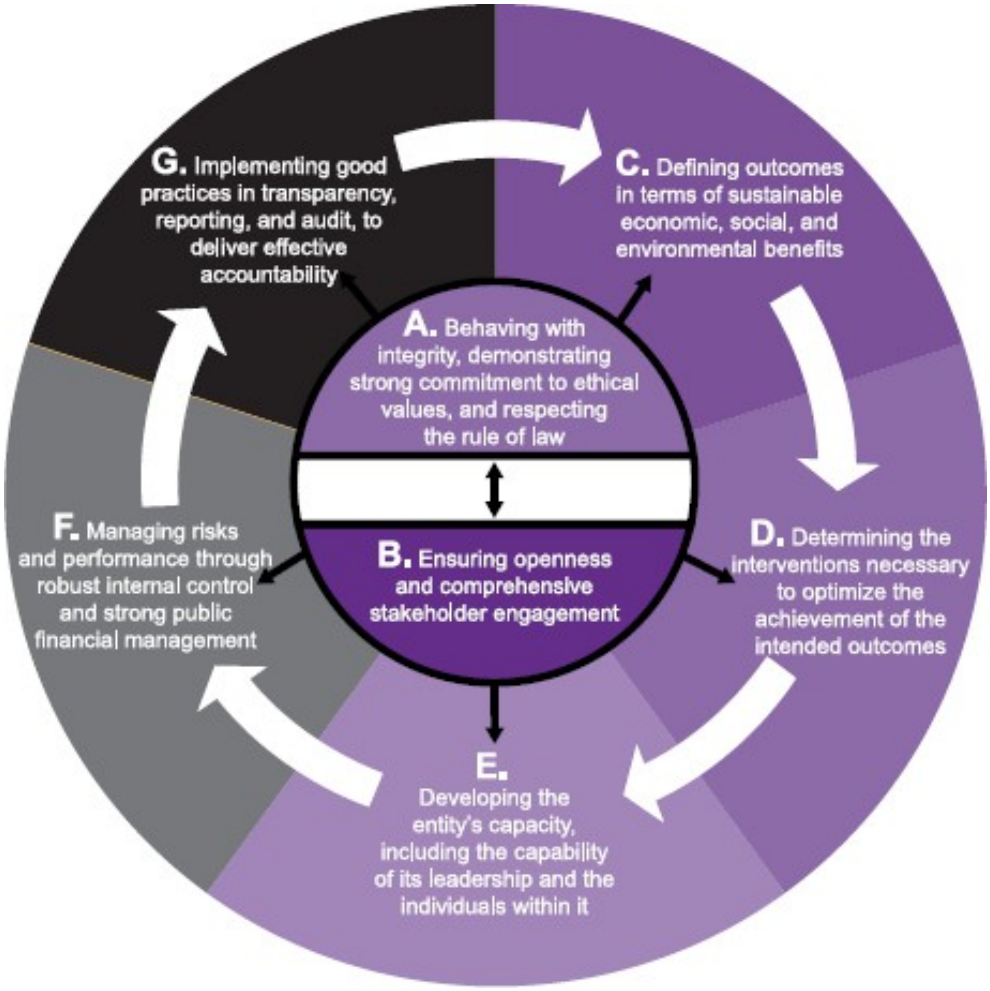
The Council is committed to the principles of good corporate governance as identified in the CIPFA/SOLACE guidance. Its commitment is confirmed through the adoption of its Local Code of Corporate Governance and its publication of the Annual Governance Statement.

This document sets out the Council's *Local Code of Corporate Governance for 2025/26* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

CORE PRINCIPLES

The Council's Code of Corporate Governance is based on the seven core principles. The illustration below shows the principles of good governance in the public sector and how they relate to each other.

Achieving the Intended Outcomes While Acting in the Public Interest at All Times



HOW THE COUNCIL ENSURES GOOD GOVERNANCE

The following details how the Council ensures good governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016).

Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
We have the following codes and rules which are followed:
• Constitution
• Financial Procedure Rules
• Code of Conduct for Members
• Code of Conduct for Employees
• Anti-fraud, Bribery & Corruption Policy
• Whistleblowing Policy
• Information Governance & Risk Policy
• Anti-Money Laundering Policy
• Contract Procedure Rules

Ensuring openness and comprehensive stakeholder engagement.
We show openness and engagement through the following:
• Open Council & committee meetings with published minutes
• Published Executive Decisions
• Scrutiny of Executive projects through commissions
• Call in periods for Executive decisions
• Public engagement through consultation, representations and petitions
• Use of social media engagement on key projects and partnership working
• Publication of Freedom of Information Act responses and transparency data
Defining outcomes in terms of sustainable economic, social and environmental benefits
The City Mayor has set out a strategic vision underpinned by ten priorities which relate to:
• Supporting people
• Supporting communities
• A good home
• A good job
• Safe, clean streets
• Climate ready
• Our well-being

• Our children and young people
• Our quality of life
• Our care services
Determining the interventions necessary to optimise the achievement of the intended outcomes
The priorities are supported by the following key plans:
• Budget Strategy
• Creative and Cultural Industry Strategy
• New Local Plan 2024-36 – expected to be adopted in Summer 2025
• Active Leicester 2023-2028 Strategy
• Bus Service Improvement Plan 2024 – 10 year plan
• Voluntary, Community and Social Enterprise Engagement strategy: 2023-2027
• Climate Ready Leicester Plan

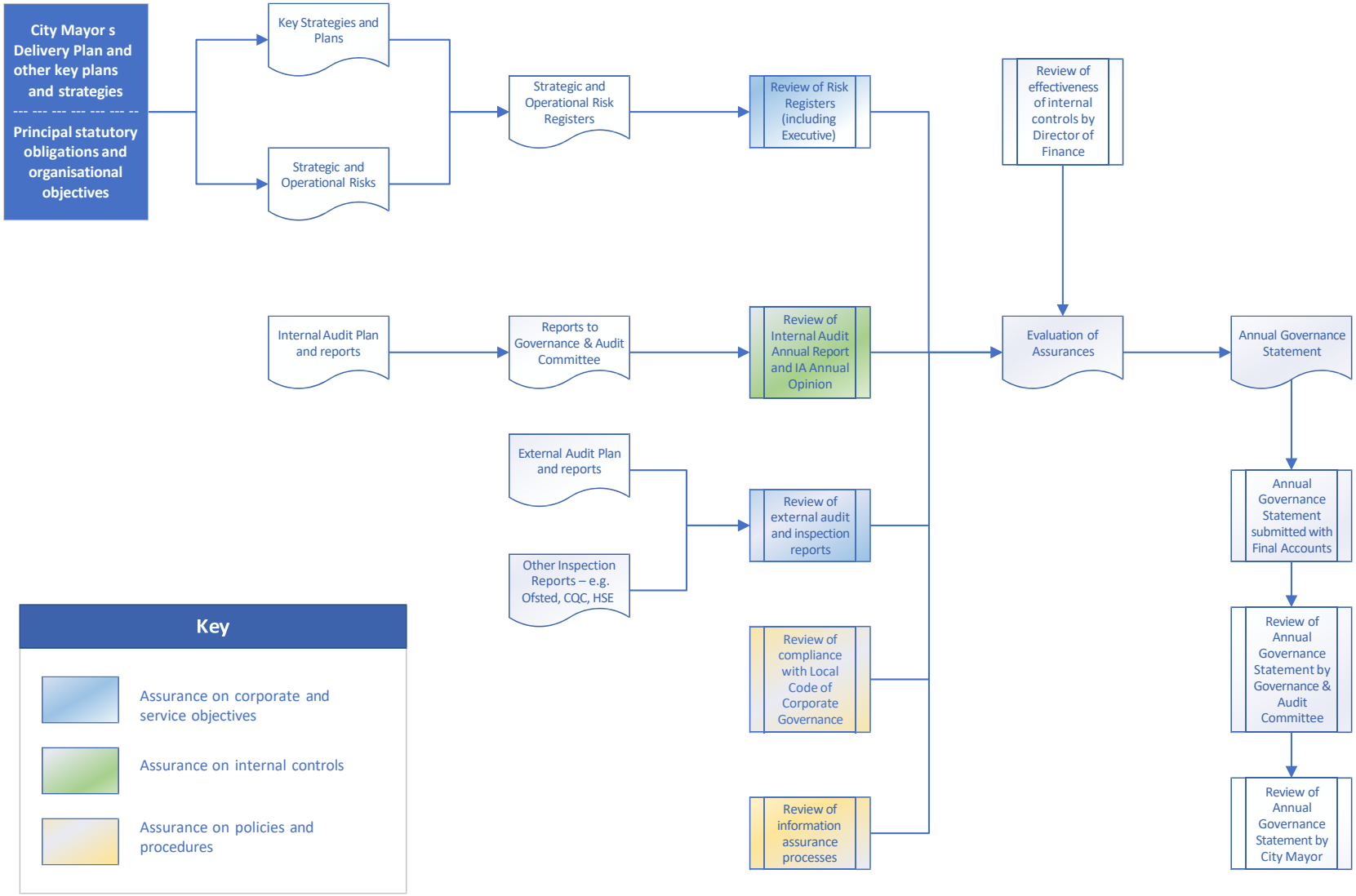
Examples of the Council's commitment to achieving good governance in practice is demonstrated below
Principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it
The Council is supported by:
• Democratic services including Member and Civic Support Services, who also support member development
• An Organisational Development Team, who ensure effective development of employees
• A communications function which includes PR, Media and Digital Media Teams
• A staff intranet and established internal communication channels, which provide guidance to staff
• Partnership working on key priorities
• An Information Governance Team to support our data policies
• Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance
Principle: Managing risks and performance through robust internal control and strong public financial management
We review processes and delivery throughout the year supported by:
• Internal Audit
• External Audit
• Information Governance
• Governance & Audit Committee

• Regular reporting of Capital and Revenue spend during a year
• Annual review of the Local Code of Corporate Governance
• Annual review of the Assurance Framework
Principle: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
How the Council demonstrates good practice and ensures accountability:
• External Audit
• Annual Financial Statements
• Annual Governance Statement
• Open Council & committee meetings with published minutes
• Compliance with CIPFA codes of Practices
• Scrutiny Committees
• External inspections and reviews of services

Additional information on many of the areas detailed above can be found on the Council's website; Home - Leicester City Council

ANNUAL REVIEW OF GOOD GOVERNANCE

The Council is annually required to assess how effective its governance arrangements are and report this through the Annual Governance Statement. The assessment of the Council's effectiveness is completed by following the framework below.



Item 9

Finance Update – Final Accounts Processes

Governance & Audit Committee

Date of meeting: 24th March 2025

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1

1. Summary

1.1. This report identifies proposed improvements to our processes for preparing the statement of accounts for 2024/25, and for subsequent years.

2. Recommended actions/decision

2.1. The Governance & Audit Committee is recommended to note the report.

3. Background and options with supporting evidence

3.1. The statement of accounts for 2023/24 was approved by this Committee in February with an unqualified audit opinion. However, the External Auditor's report (ISA260) highlighted some areas that require improvement.

3.2. The final set of accounts was published on our website with appropriate amendments shortly after the committee meeting.

4. Detailed report

4.1. Whilst it was positive that the Council met the February accounts deadline, areas for improvement were identified by the auditor. These are as follows:

- Valuation processes including:
  - Evidence needed to support valuations
  - Assurance around assumptions made
  - Need for review of assets not valued as part of the rolling programme
  - Assurance that all assets are valued every 5 years
  - Quality control of the process
  - Calculation of capital expenditure not intended to increase the value of assets.
- Correct classification of debtors and creditors.
- Timely recognition of receipt of goods or services.
- Identification of items to be included in the register of members' interests.
- Treatment of grant income, particularly in relation to schools.
- Process for closedown of schools' balances.

4.2. It should be recognised that we are not the only Council experiencing difficulties producing the statement of accounts, and particularly with the valuation of assets. This has been extensively reported nationally, and will require national as well as local improvements to resolve. Notwithstanding this, we will strive to make improvements which ensure the accounts meet the requirements of readers, and

meet accounting standards and audit requirements. We have therefore created an action plan.

Action Plan

4.3. The annual accounts process should be a constantly evolving process, to recognise the constant use of technology, and changing audit and accounting requirements. The plan below details what changes we will make for the 2024/25 accounts, and work we are doing now to improve the process for 2025/26.

4.4. For 2024/25 we are taking the following actions:

- Additional training in the Accountancy team
- Additional workshops to be held with the valuers and accountants.
- Collaborative sessions with the auditors, accountants and valuers to review audit working papers as early as possible.
- Evidence for asset values to be provided to auditors for review early in the process.
- Additional review of working papers to be undertaken by senior finance staff.
- Recruitment of temporary resource to the team, whilst we try and fill several "hard to fill" posts permanently. We have recently recruited a Chief Accountant - a post we had struggled to fill for some time.

4.5. For 2025/26 we are planning to take two additional actions as well as continuous improvements to training:

- To outsource the asset valuation process, recognising the difficulty we have in resourcing this in-house, and the significant demand it places on the internal team.
- To fully resource the corporate accountancy team, which is responsible for most of the work in producing the statement of accounts, ensuring we have an appropriate blend of skills.

4.6. Beyond 2025/2627, the new version of our financial management system will enable us to produce our accounts in a more efficient manner, and will also improve controls and reporting.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no financial implications arising from this report.

Amy Oliver, Director of Finance, Ext 5667

5.2 Legal implications

There are no direct legal implications arising from this report.
Kevin Carter, Head of Law – Commercial, Property and Planning
12th March 2025

5.3 Equalities implications

There are no direct equalities implications arising from the report.

Equalities Officer, Surinder Singh, March 12 2025 Ext 37 4148

5.4 Climate Emergency implications
There are no climate emergency implications associated with this report.

Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249
13th March 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)
N/A

6. Background information and other papers:

- Statutory Statement of Accounts & Annual Governance Statement 2023/24 presented to Governance & Audit Committee on 11 February 2025 with the External Auditors ISA260.

7. Summary of appendices:
N/A

8. Is **this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**
No

9. Is **this a "key decision"? If so, why?**
No

Governance & Audit Annual Report 2024/25

Governance & Audit Committee

Decision to be taken by:

Date of meeting: 24 March 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1

1. Summary

1.1. To present to the Council the report of the Governance & Audit Committee setting out the Committee's work and achievements over the municipal year 2024/25.

1.2. This report was presented to the Committee for approval at its meeting on 24 March.

2. Recommendations

2.1. The Governance & Audit Committee is recommended to approve this report for submission to the Council, subject to any amendments that it may wish to make.

2.2. Council is recommended to receive this report.

3. Scrutiny/Stakeholder engagement

N/A

4. Background and options with supporting evidence

4.1. The The Committee's terms of reference approved by Council require the submission of an annual report on its activities, conduct, business and effectiveness. The CIPFA* guidance on Audit Committees states that the audit committee should be held to account on a regular basis by Council, and that the preparation of an annual report can be helpful in this regard.
(CIPFA – the Chartered Institute of Public Finance and Accountancy).*

4.2. Following the Committee's approval, this report will proceed to Council.

4.3. The Governance & Audit Committee considered a wide range of business in fulfilment of its central role as part of the Council's system of corporate governance, risk management, fraud and internal control. It conducted its business in an appropriate manner through a programme of meetings and fulfilled the expectations placed upon it. Its membership includes an independent member.

5. Detailed report

5.1. The Committee's terms of reference are regularly reviewed. They formally confer upon it the role of 'the board' for the purposes of the Public Sector Internal Audit Standards, which are the recognised professional standards for local authority internal audit. The Standards are the mandatory elements of the Institute of Internal Auditor's International Professional Practices Framework, interpreted and adopted for local government by CIPFA.

5.2. During the municipal year 2024/25, the Committee met on seven occasions. All meetings were properly constituted and quorate. The Committee's terms of reference require it to meet at least four times during the year. The Director of Finance, internal audit and various officers attended meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, the Committee was supported by the City Barrister & Head of Standards or his representatives.

5.3. Members may recall the CIPFA publication "Audit Committees – Practical Guidance for Local Authorities." The guidance notes that "audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management."

5.4. Further to this, it notes the purpose of the committee is to provide those charged with governance with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.

5.5. It is considered that Governance & Audit Committee continued to meet the requirements for an effective Audit Committee. In summary the reasons for this are:

- The Committee meets regularly, and its chair and membership are sufficiently independent of other functions of the Council. Meetings are conducted constructively, are free and open and are not subject to political influences;

- The Committee's terms of reference provide a sufficient spread of responsibilities covering internal and external audit, risk management and governance;

- The Committee plays a sufficient role in the management of Internal Audit, including approval of the audit plan, review of Internal Audit's performance and the outcomes of audit work, together with management's responses to recommendations made;

- The Committee received reports from Grant Thornton as the Council's external auditor and maintained an overview of the external audit process,

including the fees charged; and

- The Committee was updated on changes in governance and local authority finances during the year.

5.6. It is recognised that Committee members need suitable training. Arrangements continue to be made to provide training on relevant topics. The Committee may also request informal briefings on key topics.

5.7. Some turnover of membership is inevitable each municipal year, a consequence of the political environment in a local authority. Should this happen, training for new members is offered. The appointment of the independent member for a longer term of office is intended to provide some continuity in this context.

5.8. Taking all the above into account, the Committee has continued to make an important contribution to the effectiveness of the City Council's internal control and corporate governance frameworks. It is a central component of the Council's system of internal control.

5.9. The key outcomes from the Committee's work included:

a Internal Audit

- The Committee considered the Internal Audit annual plans and monitored delivery and outcomes during the year. The Committee also received the Internal Audit annual reports and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2023/24.
- The Committee reserves the right to summon relevant officers to attend its meetings to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.
- The Committee worked with officers to support the transition to a new internal auditor during the year.

b Counter-Fraud

- The Committee maintained an effective overview of the Council's measures to combat fraud and financial irregularity. Specifically, the Committee:
    - Considered counter-fraud reports, which brought together the various strands of counter-fraud work with data on the various types of work carried out by the teams involved.
    - Reviewed and supported the Council's participation in the National Fraud Initiative.

c External Audit

- The Committee considered the external auditor's plans and progress and the outcomes of this work, with particular reference to the annual audit of the Council's statutory financial statements and value for money arrangements.
- The Committee was kept updated on the national issues with local authority accounts and audit, which delayed the finalisation of the Council's statutory statement of accounts. The Committee monitored progress and asked questions about the impact.
- The Committee received the 2023/24 Audit Findings Report at its meeting

in February 2025, allowing the Statement of Accounts for 2023/24 to be published with an unqualified audit opinion.

d Risk Management

- The Committee maintained a regular overview of the Council's risk management arrangements. This included the Council's strategic and operational risk registers, identifying potential emerging risks to the Council and its services, together with the Risk Management Strategy and Policy and the Corporate Business Continuity Management Strategy.

e Corporate Governance

- The Committee fulfilled the responsibilities as 'the board' for the purposes of the City Council's conformance to the Public Sector Internal Audit Standards.
- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and preparing the Council's statutory Annual Governance Statement, was reviewed and approved by the Committee.
- The Committee approved the Annual Governance Statement for 2023/24.
- This annual report to Council is part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

f Financial Reporting

- The Committee received and approved the Council's statutory Statement of Accounts for 2023/24 and associated external audit reports. It approved the Council's letters of representation, by means of which the Council gives assurance to the external auditor that there were no significant items not reflected in the Council's accounting statements. As noted above, the Committee was kept updated on the delays in finalising the accounts and audit and provided an action plan for making improvements.
- The external auditor's Annual Governance Reports were issued to the Committee as 'those charged with governance' and considered accordingly. In these reports, the auditor confirmed that his audit opinion on the Council's financial statements would be expected to be 'unqualified'.

g Other Work

During the year the Committee also received updates and reports on the following areas:

- Cyber incident upon the request of the Committee.
- Health & Safety
- Procurement
- Insurance
- Third Party Relationships
- Complaints

5.10. Conclusions

- The Committee met the requirements of its terms of reference as mentioned above and has fulfilled the good practice guidance issued by CIPFA.

- It is the view of the Director of Finance (the s151 officer) that the Governance & Audit Committee made a significant contribution to the good governance of the City Council. Through its work, it has reinforced the Council's systems of internal control and internal audit and has given valuable support to the arrangements for corporate governance, legal compliance and the management of risk.

5. Financial, legal and other implications

5.1 Financial implications

An adequate and effective Governance & Audit Committee is a central component in the governance and assurance processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Its support for the processes of audit and internal control will help the Council as it continues to face financially challenging times.

Amy Oliver, Director of Finance, Ext 5667
13th March 2025

5.2 Legal implications

The Governance & Audit Committee aids the fulfilment by the Council of its statutory responsibilities under the Accounts and Audit Regulations 2015 by considering the findings of a review of the effectiveness of the Council's system of internal control. It is an important part of the way in which the duties of the responsible financial officer under s151 of the Local Government Act 1972 are met.

Kevin Carter, Head of Law – Commercial, Property and Planning
12th March 2025

5.3 Climate Change and Carbon Reduction implications

The areas of responsibility of the Committee all contribute to the council's effective delivery of actions towards the City Mayor's strategic priority for achieving a Climate Ready Leicester, as set out in the Climate Ready Leicester Plan 2023-28. This includes the identification and management of risks arising from the climate emergency, as set out in the Strategic Risk Register.

Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.
13th March 2025

5.4 Equalities Implications

The work undertaken by the committee provides confirmation for full Council, as the body charged with governance, that arrangements in place are up to date, fit for purpose, communicated and embedded, monitored and routinely complied with. There are no direct equalities implications arising from the report. Corporate governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability.

Equalities Officer, Surinder Singh, 12 March 2025 Ext 37 4148

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERRED
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights / People on low incomes	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

6. Background information and other papers:

Agendas and minutes of the Governance & Audit Committee meetings in 2023/24.

7. Summary of appendices:

N/A

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"?

No

ACTION TRACKER - GOVERNANCE AND AUDIT

ACTIONS ARISING FROM GA 18 September 2024

AGENDA ITEM	ACTION REQUIRED	DIRECTOR RESPONSIBLE	PROGRESS NOTES	COMMENTS
Minutes from the previous meeting	A member highlighted the need to include an action log to keep track of which actions have been completed or outstanding.	Governance Officer	Included in the agenda for 29 January 2025	Closed
Third Party Relationships and Governance Update	To include an additional column to the appendix which includes a high-level summary of any relationships and commentary for each organisation to enhance clarity and transparency.	Monitoring Officer	To include in future reports	Closed
Local Governance & Social Care Ombudsman and Housing Ombudsman Complaints & Corporate Complaints 2023/24	To include thematic and qualitative analysis in future reports	Director of Corporate Services	To include in future reports, next due in 2025/26.	Closed
Financial Sustainability	A more detailed report addressing financial sustainability to the next committee	Director of Finance	Actioned on the 5th of December meeting	Closed

ACTIONS ARISING FROM GA 5th December 2024

AGENDA ITEM	ACTION REQUIRED	DIRECTOR RESPONSIBLE	PROGRESS NOTES	COMMENTS
Minutes of the Previous Meeting	Publication of Minutes of last meeting before the new-year.	Monitoring Officer	Included in the agenda for 29th January 2025.	Closed
Minutes of the Previous Meeting	Circulate Action Log	Monitoring Officer	Included in the agenda for 29 January 2025, and will be a standing committee item	Closed
Mid-year Fraud	Identifying where students are not living in properties that get student discount	Director of Finance	Response circulated 21st January 2025	Closed
Mid-year Fraud	Identifying those claiming single person discount	Director of Finance	Response circulated 21st January 2025	Closed

ACTIONS ARISING FROM GA 29th January 2025

AGENDA ITEM	ACTION REQUIRED	DIRECTOR RESPONSIBLE	PROGRESS NOTES	COMMENTS
Internal audit work programme consultation 2025/26	Internal Audit Plan 2025/26 to 19 March 2025 Meeting	Director of Finance	Added to the Governance & Audit workplan	Closed

ACTIONS ARISING FROM GA 11 February 2025

Statutory Statement of Accounts and Annual Governance Statement 2023/24	To include an Executive Summary for future years to capture key financial highlights and provide an overview of the accounts.	External Auditors	To include in future reports	Open