

In partnership with the LGiU

## Report: Risk management in local government

29 January 2025

Our long-standing work with public sector risk managers has given us valuable insight into how their roles are evolving in response to changing political, economic and social pressures.

With local authorities facing financial and resource challenges on an unprecedented scale, effective risk management has never been more important.

In partnership with the Local Government Information Unit (LGiU), we commissioned a comprehensive report exploring how councils are managing an increasingly complex risk environment. Working with the leadership team at ALARM allowed access to their membership, some of whom contributed to the report.

From climate change to cyber-attacks, the report examines the successes and difficulties in protecting essential public services. It also looks ahead to the future of risk management, providing practical recommendations for strengthening this vital function.

#### View report

https://lgiu.org/publication/navigating-risk-in-local-government-challenge-change-and-capacity/

## The evolving role of risk management

Our research reveals that risk management in local government is undergoing a significant transformation. Risk managers are moving beyond traditional compliance-based approaches to develop more dynamic, integrated strategies. However, resource constraints and organisational challenges continue to impact effectiveness.

## Key insights from the report

#### 1. A business-critical role

Risk managers are central to managing and mitigating risks, including reputational and financial. Their work is instrumental in addressing community needs and vulnerabilities, contributing to the creation of a safer, more resilient society.

### 2. Importance of talent management

Attracting, developing and retaining skilled risk management professionals is identified as a key strategy for local governments. The report emphasises the importance of setting professional standards and creating clear career paths to ensure the sector is equipped with the talent needed to navigate complex risks.

### 3. The need for active leadership support

The success of risk management initiatives hinges on the active sponsorship from senior leaders. The report advocates for a collaborative relationship between leaders and risk managers, one that is built on mutual respect and a shared vision for the future.

### 4. Facing future challenges head-on

With public organisations confronting threats from climate change, pandemics, and cybersecurity, a forward-looking approach to risk management is crucial. The report highlights the necessity for risk managers to anticipate and prepare for these evolving challenges.

Local authorities provide essential services that millions of people rely on daily. Effective risk management isn't just about compliance - it's about protecting communities, ensuring service continuity and maintaining public trust.

## **Looking forward**

The future of <u>local government</u> risk management lies in its ability to adapt and evolve. With appropriate support and recognition, risk managers will continue to play an essential role in ensuring effective, resilient public services that benefit individuals, communities and society as a whole.

## **Enhancing risk management practices**

The report proposes clear strategies for local authorities to enhance their risk management practices, including establishing clear roles, breaking down silos and fostering a culture of risk awareness. To explore the full depth of our findings and to understand how local government can navigate the evolving landscape of risk management, view the full report below.

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