

New report set out how councils need to strengthen risk management

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Local authorities should be embedding risk management into the fabric of their organisations as they face a broad range of structural and natural challenges, according to a new report by the Local Government Information Unit (LGIU) and Browne Jacobson.

The report, [Navigating risk in local government: challenge, change and capacity](#), calls on council leadership to give risk managers sufficient backing and resources to carry out their duties effectively, while sustaining the function with a future talent pool equipped with the complex skills required to co-ordinate risk management strategies.

Validated by ALARM, the professional body for risk management practitioners, it cites a growing list of external risks affecting local authorities requiring careful management, including climate change, pandemics, cyber security, budget pressures and demographic changes.

The LGIU interviewed risk managers from upper and lower-tier local authorities in England and Scotland, representing rural, urban and coastal communities.

The research, conducted between June and September 2024, drew out the individuals' perspectives, perceptions and challenges. This helped to provide an in-depth assessment of the manifestation and management of risk within councils.

Examples were found of risk managers having restructured their council's approach to risk via cultural change, proactive planning and tailored communication.

Their work was instrumental in creating a more resilient organisation, where risks are actively managed rather than passively acknowledged, and where staff at all levels are engaged in the risk management process.

Despite these successes, the report finds that challenges remain, particularly in fostering sustained engagement among councillors and overcoming negative perceptions of risk management as a punitive process. To help address this, it makes four recommendations including:

1. Risk management should be embedded within local authorities' organisational structure and culture by establishing clear roles, responsibilities and reporting lines for this function.
2. Executive leadership needs to fully support the risk management function to ensure it has sufficient backing and authority, including mandatory risk training sessions for staff.
3. To ensure the future of risk management, a thriving talent pool should be developed comprising young graduates and recruits equipped with the complex skills required, including non-technical and "soft" skills.
4. Government should develop, with local government involvement, a shared platform for identifying and prioritising risk areas, such as strengthening Local Resilience Forums.

Bridget Tatham, Partner and Co-Head of Risk and Inquiries, Browne Jacobson, said: "At a time of challenge from financial constraints, heightened regulatory compliance, operational issues arising from the drive to commercialise and the increasing digitisation of services – to name but a few – the risk manager's role is pivotal to a local authority's ability to meet its statutory obligations and serve its communities effectively.

“It is a role that is forever evolving to meet the complexities of today’s socio-economic landscape. Covid-19 underscored the indispensable role of the risk manager in guiding local governments through one of its most significant crises in recent history.

“This report was borne out of a sense, gleaned from discussions in the sector, that the voice of the risk manager was not being heard. We had heard the role, in some organisations, was often stretched, amalgamated into a combined role, not valued and not given the professional standing the function deserves.

“The report’s findings are therefore heartening, providing hope and showing there are risk managers with a seat at the table who are held in high regard within their organisations and are empowered to maximise their impact positively.

“However, there is still plenty of work for local authorities to do in ensuring their risk management function is given the level of stature required for it to be effective. The report shows that where the risk manager’s role is supported by senior leaders, with due recognition, councils will attract top talent to this business-critical role.”

Report author, Dr Andrew Walker, Head of Research at the LGIU, said: “The risk managers interviewed for this paper have largely described a role that relies on communication, relationship building, leadership and the confidence to challenge at the highest levels.

“It is a role that depends on facilitation and organisation, the ability to motivate and engage busy colleagues, as well as to be across a range of policy areas.

“As a previous LGIU and Browne Jacobson report found about monitoring officers, this role is about people and relationships, as well as demanding a strategic understanding of shifting pressures and how they might impact the work of local government now and into the future.

“These skills are often referred to as ‘soft’, as opposed to so-called ‘hard’ technical skills and knowledge. Our interviews have shown that they are essential to the healthy functioning of risk management.

“As risk is an increasingly present and important part of the local government landscape, we should afford the managers who possess these skills the proper acknowledgement and respect as the agents who will enable councils to navigate this landscape.”

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