

## APPENDIX A

### Strategic Risk Register – Q1 2020/21

Ref	Risks	Risk Control / Response	RA G
16  Page 1	<p><b>COVID-19</b></p> <p>Adverse impact of Covid-19 sickness and restrictions on Council finances and services. Reduced ability to deliver services, priorities and long-term planning, impacting on e.g. protecting and supporting vulnerable adults and children, education and schools, roads and infrastructure, local economic growth, and the Council's workforce. Capacity to manage a response to a significant sustained increase in Covid-19 cases (a second wave). Adverse impact of Covid-19 on local health, wellbeing and economy creating new long-term need for Council services.</p>	<p>Services have changed and adapted to the changing situation and Government guidance. We are endeavouring to keep services going as far as possible and to offer other options when it isn't possible. Looking after the most vulnerable people in our community is our absolute priority and community hubs have been established with Borough and District partners to support those that need additional help. We have received additional funding from the Government and are closely monitoring our Covid-19 spend. We are also monitoring impacts on the economy and wider community and developing recovery plans with our partners.</p> <p>We have developed a Local Outbreak Plan to prevent, where possible, and respond to and contain local outbreaks, with specific measures for high risk areas.</p> <p>The Corporate Management Team are meeting regularly to ensure our response and recovery is effectively co-ordinated and working well through our established partnerships and the new partnerships, which come into operation when we are operating under the Civil Contingencies Act, including the Sussex Resilience Forum and the Local Health Resilience Forum. Preparation for a reasonable worst-case scenario of a second wave of infections is taking place in ESCC and coordinated across the Sussex Resilience Forum.</p> <p>Extensive co-ordination and lobbying are taking place at Member and officer level through SE7, CCN and other arrangements.</p>	R

<p>12</p> <p>Page 2</p>	<p><b>CYBER ATTACK</b></p> <p>The National Cyber Security Centre (NCSC) has highlighted the substantial risk to British web infrastructure with elevated levels of Cyber Crime being reported against all areas of government. Cyber-attacks often include multi vector attacks featuring internet based, social engineering and targeted exploits against hardware, software and personnel. The remote nature of the internet makes this an international issue and an inevitable risk. There is a significant rise in global and local Cyber based attacks, which are increasing in sophistication in terms of technology and social based insertion methods. The Covid-19 pandemic has increased the need to carry out</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. Keeping software up to date with regular patching regimes; continually monitoring evolving threats and re-evaluating the ability of our toolset to provide adequate defence'. Ongoing discussion and communication with the Information Security industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>IT&amp;D use modern security tools (e.g. Splunk) to help monitor network activity and identify security threats. These tools have proved their value in preventing and quickly tracing, isolating and recovering from significant malware attacks. IT&amp;D continues to invest in new tools which use AI and machine learning to identify threats by analysing network traffic and patterns for abnormal behaviour. The increasing use of Software As A Service adds additional risk for the user outside of the corporate data centre and core managed platforms, so elements of Cloud Access Security Broker functionality are being looked into but are expensive.</p> <p>Enhancing user awareness - Expanding E-Learning and policy delivery mechanisms to cover Cyber threat, educating staff around the techniques and methods used by active threats and providing GDPR training and workshops to cascade vital skills and increase awareness of responsibilities under Data Protection legislation. ESCC servers moved to the Orbis Primary Data Centre for resilience – An accredited •ISO 27001 - IT Governance and Information Security Management •ISO 9001 - Quality Standard in Customer Service, Customer Processes, Product Process and Service, Efficiency and Continuous Improvement •ISO 14001 - Environmental Management and Best Practices for Corporate Environmental Responsibility. Disaster Recovery services are similarly relocated in a Tier 3 Data Centre environment (Orbis Secondary Data Centre in Guildford).</p>	<p>R</p>
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	<p>many additional functions virtually and remotely and there are more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it.</p> <p>Examples of the impact of a Cyber Attack include:</p> <ul style="list-style-type: none"><li>•Financial fraud related to phishing of executives and finance staff;</li><li>•Loss of Personally Identifiable Information and subsequent fines from Information Commissioner's Office (4% of global revenue under the new General Data Protection Regulations);</li><li>•Total loss of access to systems that could lead to threat to life.</li></ul> <p>A successful cyber-attack can shut down operations - not just for a few hours, but rather for multiple days and weeks. The collateral damage, such as information leaks and reputational damage can continue for much longer. Added to that, backup systems, applications and data may also be infected and therefore, of little usable value during response and recovery operations</p> <p>- they may need to be cleansed before they can be used for recovery. This takes time and consumes skilled resources, reducing capacity available to operate the usual services that keep the Council working. Our external technology stack is dependent on vendors ensuring that their products are up to date against the methods employed by internet-based threats. Furthermore, aside from the technical risks - social engineering-based insertion methods (such as legitimate looking emails which trigger viral payloads) are becoming harder to identify and filter.</p>		

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<div>Page 4</div> <div>4</div>	<p><b>HEALTH</b></p> <p>Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>Our collective business associated with the East Sussex Health and Social Care Plan and integration programme has been paused since March in order to enable our health and social care system to focus on the management of our urgent response to the Covid-19 pandemic. This has included:</p> <ul style="list-style-type: none"> <li>•Adapting our system governance in order to deliver the emergency response where this has required coordination and grip across the whole system, for example hospital discharge and mutual aid support to care homes.</li> <li>•The production of system plans to support hospital discharge including integrated commissioning of additional bedded capacity, the local response to the DHSC Action Plan for Adult Social Care and the Care Homes Resilience Plan.</li> </ul> <p>We will continue to work as a whole health and social care system to manage existing and new challenges and requirements as they arise from Covid-19 and deliver coordinated support across all aspects of social care, and for the Council will be managed alongside significant financial risks that have arisen from the pandemic as we move into second wave planning and winter pressures. Funding arrangements for hospital discharges were initially confirmed from 19th March to 31st July, and local agreements and processes have been agreed via the East Sussex CFO Group and operated without issues to date. NHSE have committed to extend funding to September, with new conditions expected to be published by Friday 17th July, and the local discharge funding arrangements and the transition process will be reviewed in light of this.</p> <p>In May our system started a process to revise our integration programme as we moved into further phases of the Covid-19 response and the wider recovery process. This will take into account the changes due to Covid-19 to integrate the learning and sustain new models of delivery where there are agreed benefits, to produce a revised programme of the critical shared priorities, projects and objectives that will ensure our continued focus on local health and social care system issues. There will be a continual requirement to balance the ongoing need to respond the pandemic with the pace and delivery of transformation, and attention has also been given to programme capacity and the resources needed to support delivery of our shared priorities.</p> <p>The next step will be to develop a framework of realistic programme metrics and resources for the remainder of 2020/21. We have also started to revisit our objectives and next steps for integrated health and social care commissioning for our population to support how we shape and strengthen our East Sussex ICP as both a commissioner and provider of services, in light of the faster more collaborative approach between commissioners and providers emerging as a result of Covid-19.</p>	<div>R</div>

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5	<p><b>RECONCILING POLICY, PERFORMANCE &amp; RESOURCE</b></p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We take a commissioning approach to evaluating need and we consider all methods of service delivery. We work with partner organisations to deliver services and manage demand.</p> <p>We take a 'One Council' approach to delivering our priorities and set out our targets and objectives in the Council Plan. We monitor our progress and report it quarterly. Our plans take account of known risks and pressures, including social, economic and demographic changes and financial risks.</p> <p>The Coronavirus pandemic has had, and will continue to have for a long time, profound impacts on our communities and services. We are operating in new, changing and uncertain contexts. We will review and undertake research to track and understand the impacts. We will update and reset our performance targets, priorities, service offers and financial plans, as required, to reflect them.</p>	R
15	<p><b>CLIMATE</b></p> <p>Failure to limit global warming to below 1.5°C above pre-industrialisation levels, which requires global net human-caused emissions of carbon dioxide (CO2) to be reduced by about 45 percent from 2010 levels by 2030, reaching 'net zero' by 2050 at the latest. The predicted impacts of climate change in East Sussex include more frequent and intense flooding, drought and episodes of extreme heat, as well as impacts from the effects of climate change overseas, such as on food supply. This will lead to an increase in heat-related deaths, particularly amongst the elderly, damage to essential infrastructure, increased cost of food, disruption to supply chains and service provision, and greater coastal erosion.</p>	<p>Climate change adaptation: we are following national adaptation advice, including working with partners on flood risk management plans, a heatwave plan and drought plans.</p> <p>Climate change mitigation: we are continuing to reduce the County Council's own carbon footprint, which was cut by 56% between 2008-9 and 2018-19.</p> <p>The County Council declared a Climate Emergency in October 2019 and committed to achieve net zero carbon emissions from the County Council's own activities as soon as possible, and by 2050 at the latest. A corporate climate emergency plan was agreed by Cabinet on 2nd June. A new post of Climate Emergency Officer has been created to lead on delivering the plan and the new postholder will start on 1st July. A senior Officer climate emergency board has been set up and is holding its first meeting on 3rd July.</p>	R

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14	<p><b>NO TRADE DEAL BREXIT</b> Brexit transition period ends with no agreed trade deal or future relationship between the UK and EU leading to disruption. Key areas at risk of disruption are:</p> <ul style="list-style-type: none"> <li>•At Newhaven Port and on the surrounding road network due to new port checks;</li> <li>•In business and economic activity, due to import/export administrative complexities for SME's, supply chain disruption and goods storage, impact of trade tariffs on consumer purchasing power, and workforce supply;</li> <li>•The covid-19 pandemic response and local outbreak management e.g. through disrupting international supply chains for PPE; and</li> <li>•delivery of Council Services.</li> </ul> <p>The impact of this risk could be heightened should disruption coincide with other events such as an increase in covid-19 infection rates or extreme weather, which challenges the Council's capacity to respond to events effectively and interrupts recovery of the economy from the covid-19 pandemic.</p>	<p>Many of the key areas at risk of disruption are already on the Strategic risk register (Covid-19 response, Local Economic Growth) or departmental risk registers and are subject to business as usual risk and business continuity management.</p> <p>The Trading Standards team are working with Environmental Health colleagues to assess the impact of emerging Government border policy on the capacity required to support new border enforcement arrangements at Newhaven Port. Planning will also be informed by the Government Border Group, of which the Director of Communities, Economy and Transport is a member.</p> <p>The Sussex Resilience Forum has run a preparatory exercise on the coincidence of emergency responses to the Covid-19 pandemic and a No Trade Deal Brexit to inform multi-agency emergency planning for the scenario.</p> <p>The Chief Executive is a representative for the South East on the MHCLG group of nine regional chief executives, which provides a direct channel of communication into the Ministry on local and regional issues emerging in advance of the end of the transition period.</p>	R

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Page 7 1	<p><b>ROADS</b></p> <p>Wet winter weather, over recent years has caused <b>significant damage to many of the county's roads</b>, adding to the backlog of maintenance in the County <b>Council's Asset Plan</b>, and increasing the risk to the <b>Council's ability to stem the rate of deterioration and</b> maintain road condition.</p> <p>Covid-19 could lead to an increase in the level of staff sickness, as well as the need for staff to self-isolate/distance. It will lead to a change in our working approach and arrangements, even beyond the length of any Government imposed lockdown.</p>	<p>The additional capital maintenance funding approved by Cabinet in recent years has enabled us to stabilise the rate of deterioration in the carriageway network and improve the condition of our principle road network. However, a large backlog of maintenance still exists and is addressed on a priority basis.</p> <p><b>The County Council's asset management approach to highway maintenance is</b> maintaining the overall condition of roads, despite recent years' winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. The winter of 2019/20 was one of the wettest on record and generated 4 times more potholes for example. The recently approved five-year capital programme for carriageways 2018/19 to 2022/23, and the six-year additional capital programme for drainage and footways 2017/18 to 2022/23 provide the ability to continue to manage condition and build resilience into the network for future winter events.</p> <p>Additional DfT money from 2018/2019 has supported this approach.</p> <p>Remote working has been adopted where possible in response to Covid-19. We are still able to deliver works on the ground adhering to current working restrictions and the carriageway programme is continuing as normal. If working restrictions change, this might impact our ability to deliver. If staff illness increases for either our contractor, sub-contractors or suppliers, this might impact our ability to deliver.</p>	A

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7	<p><b>SCHOOLS</b></p> <p>Failure to manage the expected significant reduction in resources for school improvement from 2017/18 and the potential impacts of changing government policy on education, leading to reduced outcomes for children, poor Ofsted reports and reputational damage</p>	<p>Continue to secure high quality leadership and governance across all our schools, colleges and settings is a high priority for the SLES performance plan. We will:</p> <ul style="list-style-type: none"> <li>•Work with Teaching Schools Alliances and Education Improvement Partnerships to support the development of outstanding leaders.</li> <li>•Work with the existing Academy Chains within East Sussex, including the Diocese of Chichester, to ensure appropriate solutions for schools in East Sussex.</li> <li>•Work in partnership with the National College to increase opportunities for leadership and governance development programmes.</li> <li>•Implement strategies for encouraging headship applicants from outside East Sussex, including supporting schools to place more attractive advertisements and to provide better information on the benefits of living and working in East Sussex.</li> <li>•Accelerate the work to develop partnerships between schools that cannot secure adequate leadership alone and explore the options for closure of schools that are unable to deliver a high-quality education to their pupils.</li> <li>•Secure the establishment and implementation of the Primary Board and delivery working groups within it.</li> <li>•Develop the role of the Secondary Board and Area Groups to review data and other information to identify priorities for improvement, support needs of individual schools and build capacity for school led improvement.</li> <li>•Review of leadership responsibilities and capacity will help respond effectively to changes in the external environment and deliver our refreshed priorities for 2020/21</li> </ul>	A



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<p>Page 6</p> <p>8</p>	<p><b>CAPITAL PROGRAMME</b></p> <p>As a result of current austerity, the capital programme has been produced to support basic need only and as a result of this there is no resource for other investment that may benefit the County e.g. that may generate economic growth. Additionally, there is a risk, due to the complexity of formulas and factors that impact upon them, or changes in these, that the estimated Government Grants, which fund part of the programme, are significantly reduced.</p> <p>There is also a risk that the move from S106 contributions to Community Infrastructure Levy will mean that Council has reduced funding from this source as bids have to be made to Districts and Boroughs. Slippage continues to occur within the programme, which has an impact on the effective use of limited resources.</p>	<p>The Council has a Capital Strategic Asset Board (CSAB), a cross departmental group consisting of officers from each service department, finance, property and procurement to oversee the development and delivery of the capital programme. Governance arrangements continue to be reviewed and developed in support of the robust programme delivery of the basic need programme. The Education Sub Board, which in part focuses on future need for schools' places, continues to inform the CSAB of key risks and issues within the School Basic Need Programme. Regular scrutiny by the CSAB of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis.</p> <p>The CSAB also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL and, Local Growth Fund monies. A cross department sub board has been set that oversees the process for bidding for CIL and to the use of S106 funds, and work continues with Districts and Boroughs to maximise the Council's receipt of these limited resources. The impact of Covid-19 provides a risk to external funding that supports the capital programme, with future years capital grants and receipts estimates, CIL and S106 targets at risk of reducing. Officers will proactively monitor funding announcements and seek to minimise the impact on delivery of the capital programme and ensure that there is sufficient liquidity to meet funding requirements.</p> <p>A risk factor was introduced in 2019/20 to acknowledge and address the historic level of slippage in the capital programme, its impact on the financing of the capital programme, and therefore on treasury management activity. Following the creation of the 20-year capital strategy (2020/21 to 2040/41) and the enhanced rigour in the building of the 10-year capital programme (2019/20 to 2029/30), this factor has not been extended to future years. CSAB will continue to monitor slippage and recommend any change should it become necessary. Covid-19 is impacting on the delivery of projects and programmes of work and as a result slippage will increase in 2020/21, to be reported as part of the capital monitoring process overseen by the CSAB. The pressures and issues that Covid-19 has presented are unprecedented and has thrown many of the current planning assumptions off course. Over the summer, services will need to consider if their current targeted basic need investment and capital strategy remain appropriate to support the post Covid-19 service offer and Council Plan.</p>	A

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9	<b>WORKFORCE</b> Stress and mental health are currently the top two reasons for sickness absence across the Council, potentially leading to reduced staff wellbeing, reduced service resilience, inability to deliver efficient service and / or reputational issues.	The 2020/21 Q1 sickness absence figure for the whole authority (excluding schools) is 1.78 days lost per FTE, an increase of 1.7% since last year. Stress/mental health remains the primary reason for absence, increasing sharply by 106.5% compared to 2019/20 Q1. It is worth noting that Q1 covers the key period of the immediate response to the coronavirus pandemic and lockdown period and it is likely therefore, that the sudden increase since April 2020 is as a result of the Coronavirus situation. This should become clearer in future reports. <ul style="list-style-type: none"> <li>•Almost 100 Mental Health First Aiders have been trained across the organisation and 73 interventions have taken place since November 2019</li> <li>•Employee and Managers Mental Health Guides have been produced alongside a supporting toolkit, campaign video and dedicated resource intranet page</li> <li>•A dedicated Yammer wellbeing campaign to support staff during Covid-19 was launched in March 2020 and continues to run to support staff</li> <li>•Development of a coaching offer to support an approach based on compassionate leadership</li> <li>•A new Stress Awareness Campaign, with supporting resources has been launched</li> </ul>	A
10	<b>RECRUITMENT</b> Inability to attract high calibre candidates, leading to limited recruitment choices and therefore lack of the expertise, capacity, leadership and/or innovation required to deliver services and service transformation.	Following an assessment of our workforce demographics and recruitment and retention 'hotspots', CMT had previously supported the establishment of two workstreams of: 'attracting and recruiting the future workforce' and 'leading the workforce'. Work on these workstreams had progressed well with the intention of specific proposals for action being presented to CMT in April 2020. This was delayed as a result of the Coronavirus pandemic. Before reporting back to CMT, the opportunity will now be taken to incorporate the lessons learned from Covid-19 and the Council's response to it, including new ways of working and new models of service delivery.	A

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Page 11 6	<p><b>LOCAL ECONOMIC GROWTH</b></p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>The County Council and its partners have been successful in securing significant amounts of growth funding totalling £118m, via both the South East and Coast 2 Capital Local Enterprise Partnerships, to deliver a wide range of infrastructure projects in East Sussex. We have also secured outgoing EU funding for complementary economic development programmes supporting businesses to grow, including South East Business Boost (SEBB), LoCASE, SECCADS and inward investment services for the county. We have continued to bid for further EU funding on the above projects and have secured over £4m of investments to be delivered from April 2020 for a further 3 years.</p> <p>Government has withheld a third of all LEPs LGF allocations for 2020/21, which for SELEP equates to approximately £25m pending a review of the deliverability of all the projects within its programme. They subsequently issued a call in mid-June for pipeline projects that can create jobs and deliver over next 18 months, and East Sussex submitted over 25 schemes worth over £40m for consideration – we await further details. Furthermore, there are several recent funds including Future High Streets, Stronger Towns Fund and European Social Fund and we have been actively working with partners in developing projects and submitting proposals and await the outcomes.</p> <p>East Sussex have submitted projects for consideration to SELEP for the Growing Places Fund (GPF Round 3) programme and in June both Barnhorn Green (Rother) commercial workspace and medical centre AND the Observer Building in Hastings secured £1.75m each, subject to business case approval.</p> <p>The Covid-19 outbreak in early March 2020 is seemingly changing the funding landscape, having an impact on major funding decisions from Government. We are developing the East Sussex Economy Recovery Plan, and this is identifying deliverable actions in the short term, alongside more aspirational asks. The initial action plan is expected to be presented to Team East Sussex at end of July, and this plan will become an important bidding document.</p>	G

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