

Strategic Risk Register - Q1 2017/18			
Ref	Strategic Risks	Risk Control / Response	RAG
12	<p>CYBER ATTACK 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.</p> <p>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.</p> <p>Examples of the impact of a Cyber Attack include:</p> <ul style="list-style-type: none"> • Financial fraud related to phishing of executives and finance staff; • Loss of Personally Identifiable Information and subsequent fines from Information Commissioner's Office (Currently up to £500k rising to 4% of global revenue when General Data Protection Regulation comes into effect May 2018); • Total loss of access to systems that could lead to threat to life. 	<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.</p> <p>Expanding Security Information and Event Management (SIEM) system capabilities to leverage latest standards of automation, detection and prevention.</p> <p>Education of key staff – Ongoing education of key staff to enable cascading of skills in detection and remediation. Creation of Security Champions to promote a visible approachable business based security team.</p> <p>Ongoing discussion and communication with the Info Sec industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>Expand E-Learning and policy delivery mechanisms to cover Cyber threat, educating staff around the techniques and methods used by active threats.</p>	R
4	<p>HEALTH 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>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will develop the plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation. In High Weald Lewes Havens the Connecting 4 You Programme has now been established to improve health and social care outcomes for residents. The Programme will have implications for management capacity and for the Medium Term Financial Plan. The RPPR process will be used to manage this risk and associated implications.</p> <p>We are testing this Alliance arrangement this year while we plan the best organisational structure. There are a number of 'legal vehicles' or ways that our organisations could be structured in the future that will help ESBT to achieve its aim, to fully integrate our health and social care system. On 22nd June a panel of representatives of each of the Alliance organisations, key stakeholders and subject matter experts, appraised the different options. The panel's aim was to develop a recommendation for future organisational structure. Each of the options was discussed and scored based on a set of criteria. This options appraisal indicated that a stronger Alliance arrangement, which we could establish by April 2018 – moving towards full integration in the longer term, would deliver the best opportunity for tackling this year's challenge and future sustainability. The recommendation will now be put forward to the governing body of each ESBT Alliance organisation in July.</p>	R
7	<p>SCHOOLS 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>	<ul style="list-style-type: none"> •Develop and implement a transition plan so the Standards and Learning Effectiveness Service and schools are prepared for the changes to funding and education policy. This includes: -Implementing a service restructure to remove direct delivery of school improvement and further develop commissioning model of school improvement -Continue to build relationships with academies and sponsors, including the Diocese of Chichester, ensure a dialogue about school performance, including data sharing. •Continue to work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships. • Continue to broker support to academies to address any performance concerns and investigate the feasibility of trading some LA school improvement services with all schools on a full cost recovery basis. •Where academies do not appear to be accessing appropriate support, bring this to the attention of the DfE, who may exercise their intervention powers. •Continue to build a relationship with the Regional Schools Commissioner to ensure the work of the RSC and the LA do not duplicate and that schools have the support they need. 	R
1	<p>ROADS Wet winter weather, over recent years has caused significant damage to many of the county's roads, adding to the backlog of maintenance in the County Council's Asset Plan, and increasing the risk to the Council's ability to stem the rate of deterioration and maintain road condition.</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>The County Council's asset management approach to highway maintenance is maintaining the overall condition of roads, despite recent winter weather. However, severe winter weather continues to be a significant risk with the potential to have significant impact on the highway network. 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 provides the ability to continue to improve condition and build resilience into the network for future winter events.</p>	A
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE 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 have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. The plans take account of known risks and pressures, including demographic changes, to design mechanisms to deliver the Council's priorities. The Queens Speech in June did not contain a Local Government Finance Bill and did not give any indication of additional funding for local authorities. A consultation on proposals for the future of social care was confirmed, but with no indication of when any new provisions might be introduced. It is prudent therefore to continue to plan on the basis of current assumptions.</p>	A

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8	<p>CAPITAL PROGRAMME 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, that the estimated Government Grants, which fund part of the programme, are significantly reduced. There continues to be a high level of annual slippage.</p>	<p>As a result of the high level Capital Programme Management Review delivery of the programme is much more robust. Governance arrangements have been reviewed and developed in support of this. This includes the Education Sub Board which in part focuses on future need for schools places and will focus on better forecasting of DfE grant. Regular scrutiny, by the Capital and Strategic asset board, of programme and project profiles (both in year and across the life of the programme) have also been timetabled. The Board also proactively supports the seeking of other sources of capital funding, including Local Growth Fund and European grants.</p>	A
9	<p>WORKFORCE 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.</p>	<p>Since 2014/15 ESCC have continued to see a significant reduction in days lost due to mental health and stress related absence. We have confirmed our commitment to the mental health 'Time for Change' pledge with a number of dedicated activities and have successfully been awarded funding from two sources in order to assist with our 16/17 and 17/18 wellbeing strategy.</p> <p>We have been awarded a grant of £10k from the LGA to develop an online mindfulness programme to support staff to be resilient at work. The evaluation is due to be completed in the autumn and will include data and recommendations for the future. More generally, a joint venture with Public Health offering ESCC staff work based health checks launched on 19 June 2017. The aim is to improve the health and wellbeing of adults aged 40-74 years through the promotion of earlier awareness, assessment, and management.</p> <p>A 'wellness tool' was introduced in September 2016 designed to enable employees and managers to discuss any wellbeing concerns at the earliest possible stage. Managers have reported an increase in preventative conversations with meaningful plans put in place to support employee's mental health.</p> <p>An automated process is in place to ensure that all managers with employees absent due to mental health or stress are contacted by the first and tenth day of absence. The email provides guidance for managers on the resources available to support staff. On 12 June 2017 the Return to Work form was also revised and improved and now provides tailored questions for specific conditions, including stress and mental health absence.</p>	A
10	<p>RECRUITMENT 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.</p>	<p>Work with departments is underway to understand key areas of recruitment difficulty. Strategies to address this will include refreshing and publicising more clearly the benefits of working in the public sector and ESCC in particular, as well as understanding the different markets we are competing in and our position within them. To support this, different talent attraction approaches will be developed, including use of apprentices and interns as part of our broader workforce mix; the development of appropriate recruitment and retention benefits packages; and broader employee benefits arrangements, such as promotion of flexible working options etc.</p>	A
6	<p>LOCAL ECONOMIC GROWTH 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>All projects that secured capital funding from the South East England Local Enterprise Partnership (SELEP) have now been completed or construction is underway. SELEP submitted its formal submission for a 3rd round of Local Growth Funding to Government in July 2016 and East Sussex successfully secured £13.2m for two projects: £5m towards the transformation project at Devonshire Park, Eastbourne; and £8.2m towards a number of strategic infrastructure investments, creating the opening for new business parks across the county in Hastings/Bexhill, Eastbourne and South Wealden through Seachange Sussex.</p> <p>We have also been working with Coast 2 Capital LEP following a call in December 2016 for projects that can start spending in Q4 2016/17 using underspend. We successfully bid with a private developer for £1.6m for Newhaven Eastside South, which will create new business workspace. Lewes DC was successful with a further £3.5m on two projects: for Springman House (Lewes), providing a new medical centre and housing; and investment into Railway Quay (Newhaven).</p> <p>Work has continued on developing partner bids across the SELEP despite uncertainty about EU funding availability in the current programme. Bids to augment the Business East Sussex service were secured for the South East Business Boost (SEBB) project until June 2019, providing a £1.1m injection to further enhance business support services for the growth of local companies, alongside a SEBB's small grants programme worth approximately £850k to East Sussex. The Lets Do Business Group (LDBG) won the contract, which will start in July 2017. A further bid termed South East Invest was secured in February 2017 and awarded £1.38m to May 2020 to enhance our delivery of inward investment services. Procurement was undertaken and LDBG, which has been running the current Locate East Sussex inward investment service, won the contract which started in May 2017.</p> <p>There will not be any subsequent rounds of Local Growth Funding but we are engaging with Government to help shape any replacement. This is likely to take the form of a Prosperity Fund – which seeks to combine LGF and an equivalent for EU funding – and as a consequence we continue to develop pipeline projects for subsequent funding programmes, including the devolution of skills and infrastructure funding to the 3 Southern Counties; the Government's Industrial Strategy; and the emerging Sub-National Transport Board, to influence the investment programmes of Highways England and Network Rail.</p>	A
2	<p>ORDINARY RESIDENCE Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&A. OR Inbox established to provide advice to staff and monitor all known incoming/outgoing OR queries and claims.</p> <p>Regular information gathering and reporting to DMT on all Ordinary Residence case referrals and financial projections.</p>	A

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11	<p>APPRENTICESHIP LEVY The Government introduced the Apprenticeship Levy on 6 April 2017. The levy requires all employers operating in the UK, with a pay bill over £3 million each year, to invest in apprenticeships.</p> <p>This creates a potential financial risk for the Council. A Levy contribution of approximately £550,000 will be deducted from the General Fund staffing budget, and £464,000 will be deducted from the (maintained) Schools delegated staffing budgets; but there is no certainty about how much of this will be returned to the budget in 2017-18 in the form of apprenticeship training vouchers.</p>	<p>As part of the RPP&R process, the core Corporate Levy costs have been accounted for, thereby removing the risk to the budget.</p> <p>The financial risk remains for Schools and as part of the mitigation, focussed work with Schools will be undertaken to support them in seeking to maximise their return on the Levy. In particular:</p> <ul style="list-style-type: none"> • Targeted communication and engagement with Schools to both raise the profile of the levy with them and the opportunities it presents; • Consideration of flexible financial arrangements such as carry forward of the levy into Year 2 and 'pooling' arrangements for any unspent levy; • A central procurement approach to save officer time in selecting approved training providers, and • A central approach to workforce mapping avoiding the need for each school to have to do this separately 	G