

## Strategic Risk Register – Q4 2017/18

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	
12	<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.</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"> <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 (Currently up to £500k rising to 4% of global revenue when General Data Protection Regulation comes into effect May 2018);</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 - 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.</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'</p> <p>Expanding Security Information and Event Management (SIEM) system capabilities to leverage latest standards of automation, detection and prevention;</p> <p>Development of "Security Advocates". Trained staff that can cascade and share cyber security insights and highlight potential issues into the workforce. Promoting 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>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.</p> <p>With 77% of all malware installed via email, users to be given learning experiences of phishing at point of use in a safe and secure environment;</p> <p>Providing GDPR training and workshops to cascade vital skills and information to those affected by new Data Protection laws;</p> <p>Move of ESCC servers to the Orbis Primary Data Centre for resilience – An accredited Tier 3 environment certified to these standards:</p> <ul style="list-style-type: none"> <li>• ISO 27001 - IT Governance and Information Security Management</li> <li>• ISO 9001 - Quality Standard in Customer Service, Customer Processes, Product Process and Service, Efficiency and Continuous Improvement</li> <li>• ISO 14001 - Environmental Management and Best Practices for Corporate Environmental Responsibility</li> </ul>	R

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4	<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>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>	R
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>	<ul style="list-style-type: none"> <li>• Work closely with schools to build a sustainable system across East Sussex, in order to ensure that the capacity and expertise is available to provide oversight of educational performance and to offer appropriate support and challenge where it is required.</li> <li>• Provide an opportunity for every school to be part of a local Education Improvement Partnership to support their ongoing improvement and for all partnerships to develop to the point where they provide a sustainable network through which all schools and other providers take responsibility for improvement in their local area.</li> <li>• Continue to develop a commissioning model of school improvement including reviewing the level of trading by SLES to ascertain what is sustainable within reducing capacity and to identify core services that can be traded.</li> <li>• Continue to build relationships with academies and sponsors, including the Diocese of Chichester; ensure a dialogue about school performance, including data sharing.</li> <li>• Work with academies and maintained schools through the Education Improvement Partnerships to develop system leadership, school to school support and to broker partnerships to reduce pressure on SLES services.</li> <li>• 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.</li> <li>• Where academies do not appear to be accessing appropriate support, bring this to the attention of the DfE, who may exercise their intervention powers.</li> <li>• Work with the Regional Schools Commissioner to ensure the work of the RSC and the LA is aligned and that schools have the support they need.</li> </ul>	R

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1	<p><b>ROADS</b></p> <p>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 year's 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 provide the ability to continue to improve condition and build resilience into the network for future winter events.</p> <p>The past winter (2017/18) has been more severe than previous years. We gritted 52,584 km last year and have gritted 98,157 km so far this year. There were also two periods of snowfall this year. Whilst this was managed well it has led to an increase in carriageway potholes, which will put some additional pressure on the revenue budget as a result.</p>	A
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 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 and manage demand. 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 and financial risks, to design mechanisms to deliver the Council's priorities. Central Government's plans for the future funding of local government services remain undeveloped. It is prudent therefore to continue to plan on the basis of current assumptions.</p>	A
13	<p><b>DEDICATED SCHOOLS GRANT</b></p> <p>Failure to manage the loss of flexibility in the allocation of the Dedicated Schools Grant and High Needs (HN) Block funding and the potential increased risk to the Council's budget.</p>	<p>The County Council has agreed an approach to mitigate and fund DSG reductions,</p> <p>Through the RPPR process, and building on previous work to offset DSG reductions, funding to offset expected reductions to the highest risk areas has been planned over the next 3 years.</p> <p>For HN block in particular, a significant amount of work has been undertaken, working with schools, to reduce the pressure in this area. The funding of DSG reductions as described above will also help with this.</p> <p>The on-going RPPR process will continue to part-mitigate this risk.</p>	A

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8	<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, 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>Governance arrangements have been reviewed and developed with Property for the delivery of Schools Basic Need and capital property works 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 Capital Strategic Asset Board of key risks and issues within the School Basic Need Programme. Regular scrutiny by the Capital Strategic Asset Board, of programme and project profiles (both in year and across the life of the programme) occurs on a quarterly basis. Financial regulations have been updated to reflect the revised governance arrangements. The Board also proactively supports the seeking and management of all sources of capital funding, including; grants, S106, CIL, Local Growth Fund and European grants. Finance continues to work with CET colleagues to strengthen the governance and reporting across their capital programme.</p>	A
9	<p><b>WORKFORCE</b></p> <p>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>The end of year 2017/18 sickness absence outturn for the whole authority (excluding schools) is 9.24 days lost per FTE employee, which is a 5.9% increase on 2016/17. The last two quarters have seen an increase in absence levels, primarily due to stress.</p> <p>This is a place holder as the Q4 data is not yet available. The Firstcare data suggests that there was a peak of 'flu like symptoms' in January 2018 which was the primary driver for absence that month, this trend was reflected nationally. February 2018 saw an improvement in absence compared to the same period in 2017 however, stress remains the primary reason for absence.</p> <p>Over the last six months, a range of initiatives to address this have been implemented, including:</p> <ul style="list-style-type: none"> <li>- Targeted stress workshop for managers with high level of stress in their teams which took place on 07 March 2018</li> <li>- Identification of teams with high levels of stress absence to enable targeted HR interventions such as coaching and bespoke training sessions which took place in targeted areas across CSD and ASC in Feb/March 2018</li> <li>- Menopause workshops for employees and managers took place w/c 12 March 2018 with further sessions planned</li> <li>- Development of a half-day session on Mental Health awareness as part of the corporate training programme, and</li> <li>- Consideration of introducing 'Mental Health First Aiders' into workplaces</li> </ul>	A
10	<p><b>RECRUITMENT</b></p> <p>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>The HR Organisational Development Team are working with the departmental Workforce Groups and the HR Management Board to look at specific recruitment and retention issues and identify appropriate solutions to these. This includes:</p> <ul style="list-style-type: none"> <li>- identifying relevant attraction and engagement channels;</li> <li>- a re-design of the Council's job pages to make them more engaging and accessible;</li> <li>- a review of the Council's market position in terms of salary levels;</li> <li>- as a second phase to this, consideration of the broader employee offer</li> <li>- re-procurement of the Council's benefits provision with contract award/s anticipated in summer 2018, and</li> <li>- a review of our recruitment incentive arrangements such as the Relocation Scheme, Market Supplements etc.</li> </ul>	A

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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 £110m, 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, LoCASE, SECCADS and inward investment services for the county.</p> <p>Government is working on a new Shared Prosperity Fund, which seeks to combine growth funding and outgoing EU funding into one, and as a consequence we are working with partners to develop a pipeline of projects to ensure we are well-placed to capitalise when the fund is released, and calls for projects are issued.</p>	A