

Strategic Risk Register - Q3 2018/19			
Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
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 (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 - 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'. Ongoing discussion and communication with the Info Sec industry to find the most suitable tools and systems to secure our infrastructure.</p> <p>Expanding Security Information and Event Management (SIEM) system capabilities to align with SCC and 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>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. 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>ESCC servers moved 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> <p>Disaster Recovery services now to similarly be relocated to a Tier 3 Data Centre environment (Orbis Secondary Data Centre in Guildford).</p>	R
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>Proposals for a new streamlined system of governance arrangements are being developed to work in partnership with the local NHS. With accountability to the Health and Wellbeing Board, this supports a transition to a proposed reset health and social care transformation programme to make further progress on integration, including community health and social care services, as well as strategically managing business as usual and financial recovery across our health and care system. The new arrangements will be formally proposed to Cabinet for decision on 5th March. NHS England has applied formal directions both to NHS Hastings and Rother CCG and NHS Eastbourne, Hailsham and Seaford CCG which require them to develop and implement a financial recovery plan that contributes to achieving financial balance across the whole East Sussex system and ensures services are clinically sustainable as well as financially so. Leadership capacity, governance and wider capacity and capability of the CCGs will also be reviewed. Financial recovery will therefore be the focus of CCG and partnership attention for the rest of the financial year. The ambition of East Sussex remains the same; however the pace of change will inevitably slow due to the need to achieve financial balance.</p>	R
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>	R

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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>	<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 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 DfES, 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> <li>• Review SLES activity in relation to our statutory responsibilities.</li> <li>• In 2019 the Department will be preparing a refreshed Excellence for All strategy for publication in September 2019. This will take account of the core offer proposals and the areas of work we plan to reduce subject to the outcome of the core offer consultation.</li> </ul>	R
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 gritted over 98,000 km 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> <p>Changes to the grass cutting policy could have an impact on the efficiency of the drainage system, with more material in the drains if it is not managed effectively.</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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New	<p><b>NO-DEAL BREXIT</b>                      The UK withdraws from the EU with no agreed deal, transition or implementation period leading to disruption in the county, failure to deliver Council services and/or increasing existing areas of risk.                      Key areas at risk of disruption:                      - Disruption at Newhaven port and across the ESCC road network;                      - Disruption to waste collection and disposal;                      - Disruption to fuel supply;                      - Disruption to service delivery due to staff availability;                      - Communication with staff, partners and public; and                      - Procurement and the effect on the supply chain.</p>	<p>Relevant Council teams are actively monitoring Brexit discussions and developments, considering potential implications/ disruption and developing contingency plans. This work takes place as part of business as usual activity to identify how the national and local context impacts on services. Many of the key areas at risk of disruption are already on the Strategic risk register (Workforce, Recruitment) or departmental risk registers and are subject to business as usual risk management.</p> <p>The Communities, Economy and Transport (CET) Department is leading the assessment of a no deal Brexit from an Emergency Planning and Resilience perspective.</p> <p>Chief Officers are involved in regional and national information and developments in relation to Brexit.</p> <p>To ensure a coordinated response, Brexit planning is a regular item at Corporate Management Team (CMT) meetings, and a short life Brexit Task Group has been set up to avoid unnecessary impact on the Council's usual business. The task group will share actions that are being taken; monitor progress on agreed actions; and identify any common ground to avoid duplication. The task group is comprised of a representative from each department and lead officers from HR, Procurement and Emergency Planning.</p>	A

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8	<p><b>CAPITAL PROGRAMME</b> 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. 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>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. A working group has been set up to develop the process for bidding for CIL and work continues with Districts and Boroughs to maximise the Council's receipt of this limited resource. There continues to be Finance representation at the cross departmental Local Growth Fund Oversight group.</p> <p>A review is underway to strengthen capital programme reporting and project profiling with a view to driving down the amount of slippage within the capital programme. Actions from this review will be implemented across Q2 and Q3.</p>	A
9	<p><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.</p>	<p>The 2018/19 Q1-3 sickness absence outturn for the whole authority (excluding schools) is 6.37 days lost per FTE, a decrease of 6.4% since the previous year.</p> <p>Although stress/mental health remains the primary reason for absence, time lost due to stress/mental health during this period fell by 8% compared to Q1-3 last year. Interestingly, during that period whilst days lost due to stress have fallen by 21.7%, Mental Health has increased by 26.4%</p> <p>A range of initiatives to address mental health absences have been implemented, including:</p> <ul style="list-style-type: none"> <li>• Training 80 Mental Health First Aiders across the organisation between March – April 2019</li> <li>• Launching an ESCC Mental Health Awareness Campaign</li> <li>• Managers 'Mental Health Awareness' workshops have now been introduced as part of the corporate training programme.</li> <li>• The Return to Work forms are being developed to include more guidance for managers on mental health conditions such as depression and bi-polar</li> </ul>	A
10	<p><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.</p>	<p>An analysis of our current workforce demographics and recruitment and retention 'hotspots' has been completed and has been considered by CMT. Two workstreams have been agreed of 'attracting and recruiting the future workforce' and 'leading the workforce'.</p> <p>A new e-Recruitment system is due to be implemented during 2019 and work to support this is currently on-going.</p>	A

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6	<p><b>LOCAL ECONOMIC GROWTH</b>                      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>The County Council is working with Wealden DC and developing a business case to secure Housing Infrastructure Funding (HIF) of approximately £30m. It will be submitted by March 2019. The aim is to accelerate housing development in Wealden, with the proposal if successful helping to unlock significant funding for county transport and school infrastructure improvements in one of our key Growth Corridors. The business case will also include an environmental mitigation package in recognition of the impact on the Ashdown Forest.</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> <p>Government has also instigated a review of LEPs across the country, and we have contributed to the SE LEP response to Government to ask that the current SE LEP geography be retained.</p>	G