

Strategic Risk Register – Q1 2023/24

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
12	<p>CYBER ATTACK</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, particularly in light of the current Ukrainian situation.</p> <p>Cyber attacks are growing more frequent, sophisticated, and damaging when they succeed. The COVID-19 pandemic has increased the need to carry out many additional functions virtually and remotely. Changes in working practice give rise to more requests to relax security controls, with services more likely to take risks on the technology they procure and how they use it. Controls have been enhanced to manage these requests.</p> <p>The impacts of a cyber attack are far-reaching, and it is difficult to put a figure on the cost, but authorities that have been subject to major attacks have calculated the disruption to have cost between £10m and £12m.</p>	<p>Most attacks leverage software flaws and gaps in boundary defences. IT&D use modern security tools to assure our security posture: Monitoring network activity and identifying security threats; 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 against them; Ongoing communication with the Security industry to find the most suitable tools and systems to secure our infrastructure. IT&D continues to invest in new tools, which use pre-emptive technology to identify threats and patterns of abnormal behaviour.</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 General Data Protection Regulation (GDPR) training and workshops to cascade vital skills and increase awareness of responsibilities under GDPR legislation. Business Continuity Scenario testing is currently being cascaded through Departmental Management Teams.</p> <p>Services hosted in ISO 27001 accredited Orbis Data Centres.</p>	Red
5	<p>RECONCILING POLICY, PERFORMANCE & RESOURCE</p> <p>There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly to Adult Social Care. Rising inflation and cost of living are likely to lead to higher demand for Council services and increase the direct cost of providing services. Together these create a risk of insufficient resources being available to sustain service delivery at the agreed Core Offer level to meet the changing needs of the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning, which ensures a strategic corporate response to resource reductions, demographic change and regional and national economic challenges; and directs resources to priority areas. 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, making best use of our collective resources. 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.</p> <p>Our plans take account of known risks and pressures, including social, economic, policy and demographic changes and financial risks. However, we continue to operate in changing and uncertain contexts. Current and forecast economic conditions continue to shape a very challenging financial outlook both for the Council itself and many of the county's residents and businesses. Alongside this we continue to face ongoing challenges as a result of the conflict in Ukraine, national service reforms and the impact of the Coronavirus pandemic. We will continue to use the latest information available on these challenges to inform our business planning. We will also continually review our performance targets, priorities, service offers and financial plans, and will update these as required.</p> <p>We lobby, individually and in conjunction with our networks and partners, for a sustainable funding regime for local government in general and for children's social care and adult social care specifically, to meet the needs of the residents of East Sussex.</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
9	<p>WORKFORCE</p> <p>An inability to attract and retain the high calibre staff needed could lead to a reduction in the expertise and capacity required to deliver statutory services to our residents, including to prevent harm to children, young people and vulnerable adults at the required level and standards, impacting on the achievement of the Council's strategic objectives.</p>	<p>In September 2022 Cabinet agreed an investment of £270k across 2022/23 and 2023/24 to put in place a number of strategies to respond to the significant current recruitment and retention challenges. Current work includes:</p> <ul style="list-style-type: none"> - Further work on the development of an employer brand and updated recruitment materials, such as recruitment videos and social media advertising, to identify the Council as an employer of choice. - Streamlined recruitment processes for identified roles, e.g. removal of application form and replacement with CV and interview as soon as an application is received - Use of market supplements for specific posts. - On-going attendance at events such as careers fairs and shows to maximise our presence with job seekers. - Use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council. - Ensuring our workforce policies and approaches support individuals to remain in work, e.g. Wellbeing offer, occupational health, and absence management services. - Ensuring senior management oversight of caseloads, including mitigating actions to address high caseloads, along with the provision of high quality and regular managerial support and supervision of practitioners. - Completion of the workforce specific actions within the Corporate Equality action plan. - Implementation of mental health first aiders in the workplace. We now have a network of over 100 trained individuals. - Launch of a refreshed 'financial wellbeing' resource to support our staff, particularly given the rising cost of living pressures. - Clarity on professional development pathway for profession specific roles. - Pilot of equality and diversity pilot informing recruitment and retention policies tailored to increasing diversity of the workforce. <p>New approaches being developed include:</p> <ul style="list-style-type: none"> - Linking in with organisations that support people back into employment to extend our reach into sections of the labour market that are underrepresented or face significant barriers to employment. A new post of 'Pre-Employment Coordinator' has been established to lead on this work and will be recruited to early in the New Year. - Continued delivery of our two leadership development programmes to support our talent management strategies: the 'Ladder to Leadership' programme and 'Head of Service Masterclasses'. - Development of an 'aspiring leaders programme' aimed at our LMG2/3 and 4 managers. - Development of career pathways for 'hard to recruit' posts including greater use of apprenticeships. - Forecasting of workforce 'gaps' and future need to enable bespoke approaches to be designed, e.g. production of workforce development plan by CSD to support the Family Safeguarding initiative. 	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
15	<p>CLIMATE</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 mitigation: the science-based target is to reduce scope 1 and 2 carbon emissions by 50% every 5 years. The focus is on buildings, as they made up 79% of carbon emissions in 2020/21. Internal oversight of progress is by the corporate Climate Emergency Board.</p> <p>Climate change adaptation: we work with partners on flood risk management plans and deliver a Heat Alert service during the summer months.</p> <p>In Quarter 1 2023/24:</p> <p>A) Mitigation:</p> <p>1) Carbon Reduction Target: the carbon reduction target for 2022-23 is a 34% reduction compared with the baseline year of 2019-20. Provisional energy usage data for 2022-23 indicates that we may have achieved a 32% reduction against the baseline. Full data analysis will be completed in July and the final position reported to full Council in October.</p> <p>2) Carbon Reduction Schemes: the target for 2023-24 is for the delivery of a further 23 capital schemes. In Q1 a pipeline of 32 schemes was identified, 1 scheme was completed and 2 are nearing completion.</p> <p>B) Adaptation:</p> <p>1) Adaptation Plan: the target for 2023-24 is to produce a climate adaptation plan. An initial draft will be taken to the Climate Emergency Board for consideration in August.</p>	Red
20	<p>PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE IN OUR CARE</p> <p>Inability to secure sufficient high quality placements for children in our care, suitable accommodation for care experienced young people and respite provision, leading to significant financial pressure leading to significant financial pressure and poorer outcomes for children/young people.</p>	<p>Effective demand management, robust management of front door, delivery of early help services- implementation of Family Hub programme throughout 23-24, and Level 2 Family Keyworkers (Q3), implementation, monitoring and evaluation of Edge of Care 'Connected Families', Family Safeguarding programmes ('Connected Families in Partnership' launch planned for January 2024), enabling more children to live safely with their families.</p> <p>Further delivery of kinship/Special Guardianship Order placements</p> <p>Capital bid for Sorrel Drive</p> <p>Consultancy project-IMPOWER to determine forecast trajectory and development of evidence-based business case to further improve sufficiency of placements (completion July 23).</p> <p>Fostering Recruitment & Retention Strategy completed</p> <p>Uplift to fostering allowance (for in house carers, Special Guardianship Orders, Kinship carers) approved by the Chief Management Team to help secure sufficient supply of in house foster carers as an alternative to more expensive care packages</p>	Red

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
19	<p>SCHOOLS AND INCLUSION, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (ISEND)</p> <p>For Children with Special Educational Needs. Inability to secure statutory provision due to lack of availability of specialist placement within the county and increasing demand for placements in this sector. This would put the Council at risk of judicial review and/or negative Local Government Ombudsman judgements for failing to meet our duties within the Children and Families Act 2014, with associated financial penalties and reputational damage.</p>	<p>Effective use of forecasting data to pre-empt issues.</p> <p>Work with statutory partners to develop contingency plans.</p> <p>Work with the market to increase provision where needed.</p> <p>Expanding internal interim offer for children.</p>	Red
1	<p>ROADS</p> <p>Extreme weather events over recent years have 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 economic impacts of the pandemic and recent events in Ukraine have had some effects on service delivery during this year, particularly with increased costs and shortages of suitable contractors and materials.</p>	<p>While additional funding over the last few years has helped maintain road condition, the latest condition and funding modelling showed the potential for renewed deterioration over the next 10 years, if further investment was not introduced into road maintenance. This reflects the changing climate with more extreme events such as warmer wetter winters, drier summers (drying and shrinking the substructure of roads) punctuated by unseasonal heavy downpours, all now influencing the rate of road deterioration.</p> <p>The wettest November (2022) on record, followed by one of the coldest starts to December and then further heavy rain, have led to a significant increase in the number of potholes appearing on our roads. This has been reflected in a wider deterioration in road surfaces, which will manifest in our Road Condition Indicator (RCI) scores for this year, when survey works are undertaken later in the summer.</p> <p>However, through the Reconciling Policy, Performance and Resources process in 2022, the capital budget for road maintenance was increased by £3.1m per year and an additional one-off investment of £5.8m was agreed to be spent on highway maintenance; this has largely been spent now on carriageway patching and footway works, with lining and sign works ongoing. Additional investment was also approved by Cabinet in June for £15.7m to further improve the road condition. £5.6 million from reserves will pay for extra patching and drainage work, and the capital programme will be increased by £5.1 million, with an additional £5 million for the capital programme this year to help with early improvements to provide greater network reliance.</p>	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
18	<p>DATA BREACH</p> <p>A breach of security/confidentiality leading to destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. A personal data breach is a security incident that has affected the confidentiality, integrity or availability of personal data regardless of whether information has been accessed, altered or disclosed via electronic or manual means.</p> <p>Risks to individuals, reputational damage, fines from the Information Commissioner’s Officer (ICO), compensation claims.</p>	<p>Policy and guidance procedures in place to support practice.</p> <p>Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence.</p> <p>Staff training to develop awareness.</p> <p>Technical security measures operated by Information Technology and Digital (IT&D), including access control.</p>	Amber
8	<p>CAPITAL PROGRAMME</p> <p>There are risks and uncertainties regarding the capital programme over the current Medium Term Financial Plan period and beyond, which could impact on the ability to deliver the Council’s priorities.</p> <p>The volatile national economic situation has increased uncertainties within the construction industry around supply chain issues and high-cost inflation, which are likely to impact project deliverability and affordability. This has been exacerbated by the invasion of Ukraine by Russia and the resultant global sanctions imposed on Russia.</p> <p>Additionally, there is a risk that, due to the complexity of factors and uncertainties impacting them, the level of government grants and other sources of capital programme funding such as developer contributions could be significantly reduced.</p> <p>A combination of the above risks, alongside a volatile interest rate environment, could significantly increase the cost of borrowing to fund the capital programme, impacting affordability and increasing pressures on the Council’s revenue budget in the medium and long term.</p>	<p>The Council reviews and updates its 20-year Capital Strategy annually as part of the Reconciling Policy, Performance and Resources (RPPR) process, which sets the framework in which the capital programme is planned and allows the Council to prioritise investment to support its objectives. The development and delivery of the capital programme is overseen by a Capital Strategic Asset Board (CSAB), which is a cross departmental group, who also hear from Departmental Capital Board/Sub Boards who oversee priority areas.</p> <p>The capital programme includes an element of ‘normal’ level of inflation for ongoing target-based core programmes (as opposed to programmes that have cash limited envelopes). Additionally, a capital risk provision in the form of additional borrowing flexibility is in place to provide the ability to react to emerging risks such as supply chain issues and inflationary pressures. The level of provision is reviewed and approved on an annual basis as part of the RPPR process and is maintained by the CSAB in adherence to financial regulations.</p> <p>The CSAB have oversight of all sources of capital funding, including grants, capital receipts and developer contributions, to ensure that resources are used effectively and to minimise the need to borrow. Funding announcements are actively monitored, and funding targets reviewed to minimise the impact on delivery of the capital programme, ensuring that there is sufficient liquidity to meet funding requirements.</p> <p>The Council’s Treasury Management modelling takes a holistic approach considering a number of variable factors, including the capital programme requirement, availability of cash balances and interest rates impacting borrowing costs and return on investments. The Council’s approved Treasury Management Policy and Strategy has been prepared in the context of the current financial situation and seeks the utilisation of long term cash balances as effectively as possible by investing in longer term instruments and/or using to reduce borrowing costs.</p>	Amber

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
4	<p>HEALTH</p> <p>Failure to secure maximum value from partnership working with the National Health Service (NHS). If not achieved, there will be impact on social care, public health and health outcomes and increased social care operational and cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives, as well as shared system objectives in the context of our Integrated Care System across workforce and patients who are medically ready for discharge (MRD) from hospital or community beds.</p>	<p>The care market has been supported leading to increased availability in homecare to support discharge from hospital to people's own homes, although there are relatively high numbers of clients with complex and challenging needs. The Director Adult Social Care and Health (DASCH) participated in the Sussex Integrated Care (ICS) Board System Discharge Visit on 31 May, alongside Sussex ICS colleagues, as part of the national ICS Discharge Frontrunner programme. The visit took place in Eastbourne District General Hospital and involved representatives from NHS England and the Department of Health and Social Care. The available data for No Criteria to Reside (NCTR) in the acute hospital setting was explored, as one measure of the effectiveness of discharge pathways. A report and recommended actions from the visit are awaited.</p> <p>The draft joint 5-year Sussex Integrated Care Strategy Shared Delivery Plan (SDP) has been developed and was endorsed in June by the East Sussex County Council (ESCC) Leader, Lead Member for Strategic Management and Economic Development, and the Health and Wellbeing Board. The SDP contains milestones that support the delivery of the East Sussex Health and Wellbeing (HWB) Strategy priorities shared by ESCC and NHS for children and young people, mental health and integrated community health, and improvements in care, wellbeing and health outcomes. The SDP also contains milestones to support the pan-Sussex delivery of NHS Operational Plans for 2023/24, including access to primary care, recovery of elective and urgent care, hospital discharge, mental health and health inequalities. The finalised SDP will be presented to the NHS Sussex Integrated Care Board in July and launched as part of NHS 75th Anniversary Celebrations.</p>	Amber
6	<p>LOCAL ECONOMIC GROWTH</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>East Sussex County Council (ESCC), working with partners, has been successful in securing significant amounts of growth funding totalling £129m, 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 worked with partners on complementary economic development programmes supporting businesses to grow, providing skills, creating employment, and improving our places with funds secured from various Government departments including the Levelling Up Fund (LUF), UK Shared Prosperity Fund (UKSPF), UK Community Renewal Fund, Getting Building Fund, Bus Service Improvement Plan, Local Skills Improvement Plan, Active Travel, Stronger Towns Fund and Future High Street Fund etc.</p> <p>The impacts and effects of Covid 19 led ESCC to officially launch in September 2020 the East Sussex Economy Recovery Plan, called 'East Sussex Reset'. The plan identifies deliverable actions in the short term, alongside more aspirational asks, and has already aligned and secured new monies totalling £220m investment into East Sussex. The County Council is committed to now producing a longer term East Sussex Economic Growth Strategy and significant work will commence on this throughout 2023-24, with the plan to have the strategy approved in 2024.</p> <p>Specifically on the major LUF programme, ESCC submitted a transport package for Exceat Bridge of £8m, while four of the local Borough and District Councils (except Hastings) submitted in June 2021 major capital funding bids under this first round for town centre/regeneration and cultural investment. Outcomes were announced on 27 October 2021, with the following awarded monies: Exceat Bridge (£8m), Eastbourne (£19.8m) and Lewes (£12.6m) all to be delivered by March 2024. The other</p>	Green

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
		<p>Borough and Districts were unsuccessful but applied under Round 2 in July 2022, with Rother's £19.2m bid awarded in January 2023.</p> <p>The main prospectus for the UKSPF (the successor to the outgoing EU funding) was released in April 2022 with the award of allocations known to each Borough and District Authority, who are now the responsible accountable bodies for the delivery of the programme. Investment plans were submitted to Government by 1 August 2022. ESCC has made the case with regards to pan East Sussex projects, which can continue to deliver against the main themes of the programmes and the Council's priorities. All 5 bids for circa £1m each over the period April 2022 to March 2025 were approved and allocated their monies in December 2022. In addition, as part of the UKSPF, the Multiply programme was announced in late March 2022 to help adults to improve their numeracy skills up to Level 2. The responsibility for managing this programme from 2022-2025 has been awarded directly to ESCC, with up to £2.5m available. We prepared an investment plan working with partners and submitted this by 30 June 2022 to the Department for Education and our plan has been approved for the full allocation. Contracts have been awarded to providers and delivery is underway.</p> <p>The Government's recent Spring Budget announcements in March 2023 are in part intended to provide a stimulus to growing our businesses, increasing employment opportunities for our residents and improving our economy. The budget indicated the role of Local Enterprise Partnerships (LEP) is proposed to end by April 2024; and that subject to consultation will lead to current LEP powers, responsibilities and functions coming down to local authority level to elected members. At this stage no decision has been made on whether this will come down to County or District/Borough level or a combination of both, and what functions would be undertaken. We have responded to the consultation and will continue to work with SELEP and partners on this matter to make transitional arrangements as required. The Government also announced the rollout of new Levelling Up Partnerships to improve place-based regeneration and address the biggest barriers to levelling up in the 20 areas most in need over the period 2023-2025. This included Hastings and Rother, enabling these areas to bid for a share of the new £400m funds.</p>	