Strategic Risk Register – Q2 2024/25

Ref	Strategic Risks	Risk Control / Response and Post Mitigation RAG score	RAG
5	**RECONCILING POLICY, PERFORMANCE & RESOURCE** There is ongoing uncertainty in relation to future funding levels, the longer-term local government funding regime and the impact of national reforms, particularly across Children's Social Care and Adult Social Care. The impact of a period of high inflation/cost of living are leading to higher demand for Council services and have increased 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. Our revenue budget for 2024/25 includes a draw from the Financial Management Reserve to provide a balanced budget. Additionally, 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 and set a balanced budget. Funding uncertainty (including capital grants, receipts and developer contributions), inflation, supply chain issues and high interest rates could all constrain our ability to implement our Capital Strategy and increase the pressure on the revenue budget via increased borrowing costs.	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. The Council reviews and updates its 20-year Capital Strategy annually as part of the 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. 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 persistent legacy of Covid, the increased cost of living and other national and international factors. 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. As part of this we will continue to take action wherever we can to mitigate financial and service delivery pressures – making best use of new technology, investing in our workforce, seeking efficiencies, and checking that our services are effective and provide value for money. We will look to develop and implement further measures to address the funding challenges we face. 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.	**Red**

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12	**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, particularly in light of current international unrest. Cyber-attacks are growing more frequent, sophisticated, and damaging when they succeed. With many additional functions now routinely carried out virtually and remotely, the change in working practice gives 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. 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.	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. The Council achieved Cyber Essentials Plus accreditation during 2022/23. Cyber Essentials Plus is the industry standard for the private and public sectors, underpinning safe sharing with partners and helping ensure sufficient controls are in place to minimise the risk of a cyber incident. 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 has been cascaded through Departmental Management Teams. Services hosted in ISO 27001 accredited Orbis Data Centres. As well as mitigations against attack, the following measures are currently in place to minimise the impact should there be a successful attack: • Behavioural analysis systems defend against hostile activity • Resilient systems enhanced with immutable backups enable quick recovery • Robust protocols for response escalation and communication	**Red**

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New	**DELIVERY OF ORACLE IMPLEMENTATION** There is a risk that the implementation of Oracle may not achieve the outcomes planned which results in: •higher delivery costs •longer timescales •a reduced quality of back office services from a substandard technical implementation •risk of not meeting statutory or contractual requirements such as payments of Pay as You Earn (PAYE) / National Insurance (NI), pensions, suppliers and employees •an inadequate control environment •lack of user buy-in and adoption due to a lack of organisational readiness impacting on core business processes •additional pressure on business as usual capacity from high resource demands during delivery •risk to employee wellbeing from high workloads and delivery timescale Failure to implement would result in the use of an unsupported and unlicenced system (or subject to ransom charges on some level of support) as the SAP system passes its expiry date and would miss out on efficiencies that can be gained through the new system.	Mitigations are in response to the four main elements of programme delivery: 1. **Effective governance and internal controls** The Oracle Programme Board continues to meet fortnightly to review all programme aspects to ensure delivery to plan, supported by regular audit reviews to ensure adequacy of the control environment. In addition, regular Oracle Sponsors meetings and Workstream Boards provide a greater level of scrutiny and input into the ongoing running of the programme. The Council's Chief Management Team (CMT) receive fortnightly exception reports to highlight areas on the critical path, which require urgent action to increase the ability to hit an April 2025 go-live for Phase 2. CMT are also a route of escalation should a material strategic decision be required to achieve the April date. Going live as soon as practically possible, as well as adopting the system rather than adapting it, represents the most cost-effective implementation route. In addition, a phased approach is being taken to reduce the complexity of the implementation. 2. **Technical delivery** The Oracle solution, both functional and data, is continually tested to a pre-defined and approved set of quality standards. The solution will not be released for organisational use unless it meets these standards and is approved by the Oracle Board. To go-live as soon as practically possible it is necessary to ensure that sufficient programme resource is in place to do the technical delivery, and this is therefore kept under constant review. In addition, a positive ongoing working relationship with our implementation partner, Infosys, needs to be in place. The project lead therefore has regular conversations with Infosys senior staff and escalates issues where necessary. 3. **Organisational readiness** To go-live successfully, it is necessary for the organisation to adopt the new system with the 'adopt not adapt' approach being the most cost-effective. There is therefore a substantial communication, engagement, change and training workstream in place to support the organisation to be ready for go-live. This will support the organisation to understand and adopt the necessary changes in working practices in areas such as hiring processes, budget processes, raising purchase orders or in using self-service for expenses, payslips, timesheet and absence. It is also necessary for the organisation to prioritise programme activity at key points in time and this is also therefore kept under constant review. 4. **Support model** To ensure confidence in the system and ongoing effective use post go-live it is essential to have a support model in place to respond to inevitable issues and queries, and for users to understand what the user experience will be in advance of that.	**Red**

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		To increase resilience and the ability to flex depending on the level of support required, a blend of internal and external resource is being used. A third party support provider has been secured and the internal team is currently being recruited to. A variety of other support tools are also being put in place such as a Helpdesk, Oracle Guided Learning, floor walkers and super users.	Red
15	**CLIMATE** 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.	**Climate change mitigation**: the science-based target is to reduce scope 1 and 2 carbon emissions by 50% every 5 years (equating to 13% per year). 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. **Climate change adaptation**: we work with partners on some aspects of adaptation, such as flood risk management and health impacts. <u>In Quarter 2 2024/25:</u> **A) Mitigation**: 1) **Carbon Reduction Target**: the target for 2024/25 is a 13% carbon reduction compared with 2023/24 and a cumulative reduction of 50% against the baseline year of 2019-20. Energy usage data for Q1 will be available in Q3. 2) **Carbon Reduction Schemes**: the target for 2024/25 is for the delivery of a further 23 capital schemes. A total of 9 schemes have been delivered in Q1 & 2 (5 solar PV, 2 LED lighting & 2 heat decarbonisation scheme). The estimated outturn is for 21 capital schemes to be completed this year, as new capital expenditure is currently on hold, pending the revue of Council budgets. **B) Adaptation**: 1) **Adaptation Plan**: A climate change vulnerability and risk assessment report has been completed by the consultants Arup and published on the Council's website ([Climate change adaptation	East Sussex County Council](#)). It will now be used to inform adaptation planning in relevant Council services.	**Red**

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20	**PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE IN OUR CARE** 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 and poorer outcomes for children/young people. The risk of the failure of one or more key providers in the independent sector is an increasing concern, set against necessary regulatory tightening of profit which might further impact the market.	Effective demand management, robust management of front door Delivery of early help services, implementation of Family Hub programme throughout 2023-24, and Level 2 Family Keyworkers Implementation, monitoring and evaluation of Edge of Care 'Connected Families', The Family Hubs programme has been implemented across E.Sussex delivering early intervention and support within communities, Connected Families (Connected Coaches and Intensive Practitioners), Foundations, SWIFT are delivering intensive evidence based interventions alongside Social Workers to maximise the opportunity for children to be cared for within their own family. There has been a 14% reduction in the number of children subject to child protection plans since February 2024, this is as a direct result of the launch of the Connected Families Intensive Practitioners (CFIP service). Further delivery of kinship/Special Guardianship Order placements. Capital bid for Sorrel Drive. In 2023/24 Children's Services worked with IMPOWER to enhance our approach to using data to shape placement sufficiency. We have developed trajectory planning, implemented the 'Valuing Care' approach to ensure children receiving the right care for their needs and value for money achieved, and improved support for in house foster carers, including an investment in allowances. An analysis of the children becoming Looked After during Q1 2024-2025, indicates that a high proportion (81%) are entering into foster care or kinship care provision rather than residential care. Fostering Recruitment & Retention Strategy completed. East Sussex County Council is part of the South East Sector Led Improvement Programme, Regional Fostering Strategy and piloting Mockingbird hub. 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. In Q3, the valuing care tools have been embedded into the business as usual with a strong focus on reunification. Fostering allowance uplift has been made part of the recruitment drive. Both elements are attempting to mitigate the increased costs due to the lack of placements for Looked After Children. Q1 has seen a significant rise in foster carer applications in this period. The new Duty and Commissioning team have added capacity to the service, and we are already seeing impact with placements and prices. Q2 has continued the trajectory above with tighter discussions and process, however the market continues to present a challenge.	**Red**

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19	**SCHOOLS AND INCLUSION, SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (ISEND)** 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.	Effective use of forecasting data to pre-empt issues. Work with statutory partners to develop contingency plans. Work with the market to increase provision where needed. Expanding internal interim offer for children.	**Red**
1	**ROADS** Extreme weather events over recent years, including the last winter, 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.	The changing climate is now influencing the rate of road deterioration, with more extreme events such as warmer wetter winters; and drier summers punctuated by unseasonal heavy downpours (drying and shrinking the substructure of roads). Additional funding over the last few years has helped maintain road condition, however, the latest condition and funding modelling showed the potential for deterioration over the next 10 years. Works from additional investment made in 2023 on patching, footway, signing and lining have provided greater network reliance. However, deterioration in road surfaces in 2024 has continued. Recognising this, Cabinet have approved a further £1m in July 2024 for a programme of targeted patching works to address the worst areas of road damage. Mitigations include encouraging road users to report potholes so we can intervene as soon as possible in accordance with our policies; closely managing the operational performance of the highway contractor; and lobbying Government for additional investment as, without it, it will be increasingly difficult to manage the risks of further decline. In conjunction with this, new technologies and materials are being trialled to introduce improvements to practices and ensure works are as efficient as possible. This includes introducing a new Asset Management system with enhanced capabilities for data management and funding modelling and introducing smart street lighting systems that allow greater control over levels of lighting, reducing energy consumption.	**Red**
9	**WORKFORCE** 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.	A number of strategies responding to the current significant recruitment and retention challenges have been put in place. Highlights include: - On-going attendance at events such as careers fairs to maximise our presence with job seekers. - On-going development of partnerships 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 e.g. over 50s, lone parents.	**Amber**

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		- Continued use of apprenticeships, traineeships, intern arrangements and more flexible work arrangements etc as a way of bringing in new talent to the Council.	
		- Continued delivery of our two leadership development programmes to support our talent management strategies: the 'Ladder to Leadership' programme and 'Head of Service Masterclasses'.	
		- Provision of 1-1 advice and guidance sessions to prospective candidates who require support around making an application, undertaking interviews etc	
		- Engagement with employees at ESCC, who are under 25, to get feedback on what attracted them to the Council as an employer; and to begin establishing a forum for young people in the new year to highlight any issues, and to attract candidates from a younger demographic to the Council.	
		Additional work undertaken in Q2 includes:	
		- information sessions provided to final year students at Bexhill VI Form college on apprenticeships with the Council	
		- exit interview proposals based on the pilot have now been agreed and will be implemented in Q3 following sign-off of the Data Protection Impact Assessment	
		- provision of a number of workshops for Managers of Administration Teams focusing on the redesign of recruitment processes to make recruitment more effective and efficient	
		- advice and support to managers on the new job description template	
18	**DATA BREACH** 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. Risks to individuals, reputational damage, fines from the Information Commissioner's Officer (ICO), compensation claims.	Policy and guidance procedures in place to support practice. Data Protection Officer (DPO), Caldicott Guardians and Information Governance Officers monitor breach reporting and put in place mechanisms to minimise recurrence. Staff training to develop awareness. E-learning and policy delivery mechanism expanded to enhance skills and increase awareness of responsibilities under General Data Protection Regulation legislation. Technical security measures operated by Information Technology and Digital (IT&D), including access control and segregation of duties.	**Amber**

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6	**LOCAL ECONOMIC GROWTH** The transfer of South East Local Enterprise Partnership (SELEP) responsibilities and functions to East Sussex County Council (ESCC) does not successfully integrate the development of economic strategic planning, business support, and management of capital funded programmes, into Council operations as required by Government policy. Possible consequences if the transfer is not managed successfully include: •Management, monitoring, and evaluation of the current capital programmes do not meet Government requirements, leading to potential clawback of £m funds; or an inability for ESCC to demonstrate it can manage funds successfully, affecting future allocations of growth funds. •Third parties with existing contracts may raise concerns if new / variation funding agreements are not put in place early from April 2024. •Loss of an effective 'business voice' through the current local economic growth board (Team East Sussex) and its various subgroups. •An inability to produce an agreed local economic strategy, which sets the ambitions, objectives, and key outcomes for East Sussex.	East Sussex County Council, working with partners, has successfully secured significant amounts of local growth funding totalling £127m since 2012 via the South East and Coast 2 Capital Local Enterprise Partnerships (LEPs), to deliver a wide range of infrastructure projects in East Sussex. In August 2023, Government formally announced that direct funding for LEPs will be removed from April 2024. Upper tier local authorities (UTLA's) will then be required to take on the current non-statutory LEP powers, responsibilities, and functions. These include strategy development, business support and oversight/management of capital programmes. We submitted our proposal to Government in November 2023 to become an UTLA as per the guidance issued. East Sussex has now been confirmed by Government as a 'functional economic area' to take on LEP responsibilities. The South East Local Enterprise Partnership (SELEP) and East Sussex County Council have produced integration plans to mitigate the transfer risks on current and future capital programmes; and the financial, legal, and reputational risks. SELEP and our own Corporate Management Team endorsed the integration plans in quarter 3 2023/24, and the plans were taken to Lead Member in January 2024 and approved by Cabinet in March 2024. Further Government guidance and an Assurance Framework were due to be released to set out transition arrangements but have been delayed due to the general election. Essex County Council (ESCC), as the Accountable body for SELEP, have issued on 30 August a Transition Agreement between all six of the upper tier local authorities (incl. ESCC) to hand over local accountable body responsibilities for the legacy capital programmes to UTLA's. A response has been provided by ESCC and subject to all parties agreeing, it is expected this will be signed in October/November. In the absence of this agreement, East Sussex has established clear governance, reporting and transparency arrangements to address the Government's responsibilities since April 2024 in overseeing the management of current LEP funded programmes/projects. Looking ahead, the lack of large-scale funding programmes to support economic growth across the county presents a big risk to us. Recent funds have been awarded directly to local Borough and District authorities (e.g., UK Shared Prosperity Fund, Levelling Up Funds and Long Term Plan for Towns) or funding has come from time-limited specific sources. East Sussex County Council (ESCC) and Team East Sussex (TES), the local economic growth board, are jointly committed to producing a longer-term East Sussex Economic Prosperity Strategy to 2050. The strategy will set out our collective approach to take advantage of future funding sources as they become available. TES endorsed the strategy at its meeting in September and ESCC full council will consider on 8 October 2024. The County Council is already in a good position to mitigate the risks on business support and ensuring business has a voice. We directly run the Business East Sussex Growth Hub services and Government have confirmed funding and signed grant letter for 2024/25. We will also ensure the business voice continues to be heard through Team East Sussex, our local strategic advisory economic growth board for the county, which continues to meet on a quarterly basis.	**Amber**

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4	**HEALTH** 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, as well as shared Integrated Care System objectives for jointly managing patient flow through our System. An increase in activity and complexity in the presentation of patients through our acute hospital sites, has resulted in an increase in the NCTR (No Criteria to Reside) numbers and presents a system risk in respect of adequate patient flow.	East Sussex was allocated £5,088m, as part of the national Government Discharge Fund Grant for 2024/25, to support local authorities to build additional adult social care and community-based reablement capacity to reduce hospital discharge delays by delivering sustainable improvements to services for individuals - focussed on improving discharge to home, alongside increased therapy and assessment provision and associated plans to reduce the use of bedded discharge pathways. Funding allocations have been agreed for Q1 2024/25 and rolled forward for the remainder of the financial year. The Integrated Care Board (ICB) has retained the £4m uplift, to be used as transformation monies to cover dual running costs/pump priming to affect the change and pace needed to avoid delays in hospital settings. Collaborative work continues with system partners on our Discharge Transformation work. 6 areas of work have been identified to address the increase in the number of patients who no longer meet the Criteria to Reside in an acute hospital bed. Demand and capacity modelling will also be undertaken to inform the capacity requirements for the system going forward and inform best use of discharge funding. The shared strategic development of Integrated Community Teams (ICT) across our health and care system, which align with borough and district boundaries, will be focussed on proactive care for the most complex and vulnerable patients, and population health improvement. Building on our progress with integrated care in East Sussex, these will also address local priorities based on intelligence and insight, and data packs have been produced for each area to help further understand and address local health and care needs and inequalities. We have mapped the assets, teams and services and brought leaders together in each of our 5 ICT footprints for development sessions and identified some potential tests of change of integrated working for each of our 5 ICT footprints and across East Sussex.	**Amber**
21	**Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments** Demand exceeding capacity for annual Care Act reviews and Deprivation of Liberty Safeguarding (DoLS) assessments	These are known issues for virtually all local authorities with social care responsibilities as this activity falls within our duties under the Care Act 2014 and Mental Capacity Act 2005. Performance is therefore tracked on a monthly basis by the Adult Social Care and Health (ASCH) Department and benchmarked wherever possible. For Care Act reviews, for example, our performance is 8th out of 16 South East authorities. Mitigations and actions: Additional resource has been deployed to undertake DoLS assessments (August '24) to ensure more timely response to requests. The impact of this is expected to be realised in Q4 2024/25. Care Act Reviews – ASCH completed 15,413 reviews in 2023/24. Our agreed target performance is 66.6% and the forecast outturn for 24/25 is 60.5%. A project manager has been in post since April and has already succeeded in significantly reducing the maximum waiting time for reviews. Young carers reviews are undertaken by Imago Community, ensuring a timely assessment and review for this cohort.	**Amber**