

Leadership risk register as at 1 Sept 2014 (covers rolling 12 months)

Owner: David McNulty

Ref	Dir. RRef.	Description of the risk	Inherent risk level (no controls)	Controls (i.e. decisions needed)	Processes in place (ie the 'how' risks are being mitigated)	Risk owners (combined officer and member)	Residual risk level (after existing controls)
L14	ASC5 BUS17 ,21, 22,23 CAC1 CSF4, 16,20, 22 EAI1,1 3	<b>Future Funding</b> The council is highly dependent on Council Tax for funding, and the ability to increase that in real terms is constrained (by current government policy). This could lead to a reduction in the council's financial resilience with the consequence that funding for key services will be seriously eroded.	<b>High</b>	Members make decisions to reduce spending and or generate alternative sources of funding, where necessary, in a timely manner  Officers unable to recommend MTFP unless a credible sustainable budget is proposed	Structured approach to lobbying government to relax its approach to CT referendum adopted  Targeted lobbying of government to secure a greater share of funding for specific demand led pressures (in particular School Basic Need)  - Continued horizon scanning of the financial implications of existing and future government policy changes. - Development of alternative / new sources of funding (e.g. bidding for grants). - Review how systems and processes can lead to greater efficiencies.  Notwithstanding actions above, there is a high risk of central government policy changes /austerity measures impacting on the council's long term financial resilience.	CLT / SL,  DH / Cab	<b>Medium</b>  (rating reflects level of confidence in controls and processes)
L18		<b>Comprehensive Spending Review (CSR) 2015</b> Risk that CSR 2015: <ul style="list-style-type: none"> <li>reduces further the total public sector funding available, and</li> <li>introduces a revised distribution mechanism which lowers the councils financial resilience</li> </ul>	<b>High</b>	Cabinet fully consider the implications of CSR in budget planning and agree an MTFP that reflects likely impacts.	- Focused contribution to Local Government Commission to review LG Funding throughout summer / autumn 2014 (Officer and Member level)  - Development of scenarios for budget planning process  - Officers (Finance and Policy in particular) to sustain pro-active horizon scanning for insight into potential funding change.	CLT/SL  Cab / DH	<b>High</b>



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L1	ASC2, 5, 29 BUS9 CAC8, 19 CSF4, 16,22 EAI1	<p><b>Medium Term Financial Plan (MTFP) 2014-19</b></p> <p>- Failure to achieve the MTFP which could be as a result of:</p> <ul style="list-style-type: none"> <li>not achieving savings</li> <li>additional service demand and/or</li> <li>over optimistic funding levels</li> </ul> <p>lowers the councils financial resilience and could lead to adverse long term consequences for services if Members fail to take necessary decisions.</p>	<b>High</b>	<p>Prompt management action taken by Strategic Directors / Leadership Teams to identify correcting actions. (Evidenced by robust action plans)</p> <p>Members make the necessary decisions to implement action plans in a timely manner</p>	<p>- Monthly reporting to Continual Improvement Board, and Cabinet on the forecast outturn position is clear on the impacts on future years and enable prompt management action (that will be discussed with informal Cabinet / CLT).</p> <p>- Budget Support meetings (CEO and DoF) continue to review and challenge the robustness of MTFP delivery plans and report back to Cabinet as necessary.</p> <p>- Clear management action reported promptly detailing alternative savings / income if original plans become non deliverable or funding levels alter in year</p> <p>- - - Monthly formal budget reports focus on funding levels comparing actuals to forecasts.</p>	SD's / SL  Cab / DH	<b>High</b> <i>(remains high if confidence in controls and processes not high!)</i>
L7	BUS12 EAI2	<p><b>Waste</b></p> <p>- Failure to deliver key waste targets (including key waste infrastructure) leads to increased cost to residents and tax payers and impacts on the environment.</p>	<b>High</b>		<p>- Strong resourcing and project implementation monitored by the Waste Programme Delivery Board with strategic overview provided by the Strategic Waste Board.</p> <p>- Further work with the Districts and Boroughs continue, to review waste plans to achieve the objectives.</p> <p>- Contract variation signed with SITA to deliver the Eco-park.</p>	Trevor Pugh Mike Goodman	<b>High</b>

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		<p><b>Waste (Continued)</b></p> <p>- Failure to deliver key waste targets (including key waste infrastructure) leads to increased cost to residents and tax payers and impacts on the environment.</p>			<p>- Notwithstanding the controls above, there is still a risk that delivery could be delayed by external challenge and levels of recycling are strongly influenced by district and borough collection arrangements which are not within SCC's direct control. Although the council continues to work in partnership to achieve the desired outcome.</p>		
L15	ASC5, 24 CSF4, 16	<p><b>Central Government policy development</b></p> <p>- Central government policy changes, including welfare reform and the Care Act, are expected to put additional pressure on demand for all public services leading to lack of financial resilience and failure to deliver statutory and essential services</p>	<b>High</b>		<p>- Effective horizon scanning to ensure thorough understanding of intended policy changes</p> <p>- Implementation of a welfare reform programme including districts and boroughs covering:</p> <ul style="list-style-type: none"> <li>• Advice and information</li> <li>• Financial resilience</li> <li>• Emergency assistance</li> <li>• Localisation of council tax support</li> <li>• Housing and homelessness</li> <li>• Employment training and support</li> </ul> <p>- Taking opportunities to influence central government e.g. via the Local Government Association.</p>	Nick Wilson and Dave Sargeant, Cab / MA / MF	<b>High</b>

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		<p><b>Central Government policy development (Continued)</b></p> <p>- Central government policy changes, including welfare reform and the Care Act, are expected to put additional pressure on demand for all public services leading to lack of financial resilience and failure to deliver statutory and essential services..</p>			<p>- Care Bill Implementation Board in place and project programme set up to support ongoing discussion. Through ADASS, SCC leading best practice model in relation to financial management and working closely with Department of Health in the development of regulations that underpin the Care Bill.</p> <p>- Implementation of the recommendations of the Welfare Reform Task Group, approved by the Cabinet in April 2014, to mitigate the impact of reforms on Surrey Residents.</p>		
Page 9 48	ASC9 BUS22 ,23, 24 CEO1 3 CSF8, 20,23 EAI3	<p><b>Integration of health and social care</b></p> <p>A breakdown in partnership working, or the failure of a key partner, results in our inability to co-ordinate and integrate health and social care services, reducing our collective impact on improving health outcomes, failing to develop a sustainable financial model across health and social care, and damaging the reputation of all partners.</p>	<b>High</b>	<p>Completion and national approval of Surrey's Better Care Fund plan (which includes agreed financial plans, metrics to measure progress and risk sharing arrangements).</p> <p>Progress discussions with Clinical Commissioning Groups in Surrey about plans for integration beyond the Better Care Fund.</p> <p>Members continue to endorse approaches to integration across the County.</p>	<p>Governance arrangements:</p> <ul style="list-style-type: none"> <li>- robust partnership governance arrangements are in place through the Better Care Board (which is co-chaired by the Asst. CEO &amp; SD ASC), Public Sector Transformation programme and Surrey's Health and Wellbeing Board;</li> <li>- regular monitoring of progress and risks against key H&amp;SC integration workstreams and agreed financial framework (incl. the Better Care Fund);</li> <li>- prioritisation of resources and clear senior leadership across Council directorates to support the development of H&amp;SC workstreams; and</li> <li>- continued focus on building and maintaining strong relationship with partners through regular formal and informal dialogue.</li> </ul>	<p>Dave Sargeant / Nick Wilson / Susie Kemp</p> <p>Mel Few / Mary Angell / Michael Gosling</p>	<b>High</b>

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L11	ASC12 BUS26 CEO7 CSF18	<p><b>Information Governance</b></p> <ul style="list-style-type: none"> <li>- Failure to effectively act upon and embed standards and procedures by the council leads to financial penalties, reputational damage and loss of public trust.</li> <li>- Cabinet Office zero tolerance policy in relation to accessing data, will impede progress towards smarter working across the organisation and may limit improvements to service delivery</li> </ul>	<b>High</b>		<ul style="list-style-type: none"> <li>- Encrypted laptops</li> <li>- Secure environment through the Egress encrypted email system</li> <li>- Internal Audit Management Action Plans in place that are monitored by Audit &amp; Governance Committee and Select Committees</li> <li>- Twice-yearly communications campaign linked to known peaks for breaches, and a refreshed and re-launched information security e-learning package.</li> <li>- SCC has received GCSx accreditation certificate</li> <li>- introduction of the Information Governance Board and the launch of the data classification project, both of which will start in the first quarter of 2014/15, will help to manage this risk.</li> </ul> <p>Despite the actions above, there is a continued risk of human error that is out of the council's control.</p>	<p>Corporate Leadership Team</p> <p>DLG</p>	<b>High</b>
L4	BUS20 ,26	<p><b>IT risk</b></p> <ul style="list-style-type: none"> <li>- Failure of IT systems due to:                             <ul style="list-style-type: none"> <li>• Deliberate and unauthorised breaches of security</li> <li>• Unintentional or accidental breaches of security and/or</li> <li>• Operational IT systems integrity</li> </ul> </li> </ul> <p>leads to financial loss, disruption or damage to reputation.</p>	<b>High</b>		<ul style="list-style-type: none"> <li>- Proactive and effective security controls in place</li> <li>- Robust IT incident response plan</li> <li>- Training and regular communication to staff via email and snet</li> <li>- IT system resilience provided through Primary and Secondary Data Centres</li> <li>- Ongoing shift to digital platform will enable and support the necessary culture change.</li> </ul>	<p>Julie Fisher</p> <p>DLG</p>	<b>High</b>

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L3	ASC18 CAC8, 18,19, 22 CEO3 EAI4,5 ,7	<b>Business Continuity, Emergency Planning</b> - Failure to plan, prepare and effectively respond to a known event or major incident results in an inability to deliver key services	<b>High</b>		<ul style="list-style-type: none"> <li>- The Council Risk and Resilience Forum reviews, moderates, implements and tests operational plans.</li> <li>- Close working between key services and the Emergency Management Team to update plans and share learning</li> <li>- Continued consultation with Unions and regular communication to staff.</li> <li>- External risks are assessed through the Local Resilience Forum.</li> <li>- Combined Environment &amp; Infrastructure and Communities Select Committees Task Group agreed to identify improvement and best practices during the recent flooding.</li> </ul>	<p>Corporate Leadership Team</p> <p>DLG / HC</p>	<b>Medium</b>
L2	ASC9, 20 BUS2 CEO8 CSF4, 20 EAI2,3 ,10	<b>Staff resilience to major change</b> Preparing for and managing the significant challenges faced over the next 4 years may result in change fatigue and lack of resilience for any future change.	<b>High</b>		<ul style="list-style-type: none"> <li>- Communication, consultation and engagement is a priority for the Council with an emphasis placed on thoroughly addressing the concerns of staff and their representatives</li> <li>- Currently eight training courses available that address various aspects of change. Trained coaches who are available in all services to support staff. New High Performance Development Programme to be commissioned for roll-out across the organisation.</li> <li>- Questions in the Staff Survey provide a measure of the staff satisfaction with the council and its management of change.</li> </ul>	<p>Corporate Leadership Team</p> <p>Cab</p>	<b>Medium</b>

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		<b>Staff resilience to major change (Continued)</b> Preparing for and managing the significant challenges faced over the next 4 years may result in change fatigue and lack of resilience for any future change.			- The smarter working framework and flexible working policy are in place to support managers and their teams to work differently. - Promotion of support mechanisms for staff (eg. employee assistance). - Staff are encouraged to get involved in finding innovative solutions to redesign services.		
L5	ASC18 CSF6, 16	<b>Safeguarding</b> - Avoidable failure in Children's and/or Adults care leads to serious harm or death	High		- Appropriate and timely interventions by well recruited, trained, supervised and managed professionals, with robust quality assurance and prompt action to address any identified failings.	Caroline Budden/ Dave Sargeant, MF/MA	Medium
L17	ASC28 BUS27	<b>Supply chain / contractor resilience</b> - Poor understanding, monitoring or management of the councils supply chain leads to service failure.	High		- Supply chain business continuity plans for strategic/critical contracts to meet required standards. - Consistent management of supply chain risks across all key suppliers through common reporting. - Regular supplier intelligence reporting in place to track industry and supplier news. - Risk management training provided to contract managers to enable a consistent approach.	Corporate Leadership Team Cab	Medium

Key to references:

ASC = Adult Social Care

BUS = Business Services

CAC = Customers and Communities

CEO = Chief Executive's Office

CSF = Children, Schools and Families

EAI = Environment and Infrastructure

## Movement of risks

Ref	Risk	Date added	Residual risk level when added	Movement		Current residual risk level
L1	Medium Term Financial Plan	Aug 12	High	-	-	High
L2	Staff resilience to major change	May 10	High	Jan 12	↓	Medium
L3	Business Continuity, Emergency Planning	May 10	Medium	Aug 12	↓	Medium
L4	IT risk	May 10	Medium	June 13	↑	High
L5	Safeguarding	May 10	Medium	-	-	Medium
L7	Waste	May 10	High	-	-	High
L11	Information governance	Dec 10	High	-	-	High
L14	Future funding	Aug 12	High	-	-	High
L15	Central Government policy development	Feb 13	High	-	-	High
L16	Partnership working	June 13	High	-	-	High
L17	Supply chain / contractor resilience	Jan 14	High	-	-	Medium
L18	Comprehensive Spending Review 2015	Sep 14	High			
Risk removed from the register:						
L6	<i>Resource Allocation System in adults personalisation</i>	<i>May 10</i>	-	<i>Aug 12</i>	*	-
L8	<i>Integrated Childrens System</i>	<i>May 10</i>	-	<i>Feb 11</i>	*	-
L9	<i>NHS reorganisation</i>	<i>Sep 10</i>	<i>High</i>	<i>May 13</i>	*	-
L10	<i>2012 project management</i>	<i>Sep 10</i>	-	<i>Aug 12</i>	*	-
L12	<i>LLDD budget transfer</i>	<i>May 11</i>	-	<i>Mar 12</i>	*	-
L13	<i>2012 command, control, coordination and communication</i>	<i>Dec 11</i>	-	<i>Sep 12</i>	*	-



## Movement of risks

### Leadership level risk assessment criteria

Due to their significance, the risks on the Leadership risk register are assessed on their residual risk level ie. the level of risk after existing controls have been taken into account, by high, medium or low.

Risk level	Financial impact	Reputational impact	Performance impact	Likelihood
	<i>(% of council budget)</i>	<i>(Stakeholder interest)</i>	<i>(Impact on priorities)</i>	
Low	< 1%	Loss of confidence and trust in the council felt by a small group or within a small geographical area	Minor impact or disruption to the achievement of one or more strategic / directorate priorities	Remote / low probability
Medium	1 – 10%	A sustained general loss of confidence and trust in the council within the local community	Moderate impact or disruption to the achievement of one or more strategic / directorate priorities	Possible / medium probability
High	10 – 20%	A major loss of confidence and trust in the council within the local community and wider with national interest	Major impact or disruption to the achievement of one or more strategic / directorate priorities	Almost certain / highly probable

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