Leadership risk register as at 31 October 2014 *(covers rolling 12 months)*

Owner: David McNulty

Ref	Dir. RRef.	Description of the risk	Inherent risk level (no controls)	Processes in place *(ie the 'how' risks are being mitigated)*	Controls *(i.e. decisions needed)*	Risk owners	Residual risk level (after existing controls)
L1	ASC2, 29 BUS9 CAC8, 19 CSF4,1 6,22 EAI1	**Medium Term Financial Plan (MTFP) 2014-19** Failure to achieve the MTFP which could be as a result of: • not achieving savings • additional service demand and/or • over optimistic funding levels. As a consequence, lowers the council's financial resilience and could lead to adverse long term consequences for services if Members fail to take necessary decisions.	High	• Monthly reporting to Continuous Improvement and Productivity Board and Cabinet on the forecast outturn position is clear about the impacts on future years and enables prompt management action (that will be discussed informally with Cabinet • Budget Support meetings (Chief Executive and Director of Finance) continue to review and challenge the robustness of MTFP delivery plans and report back to Cabinet as necessary • Clear management action reported promptly detailing alternative savings / income if original plans become non deliverable or funding levels alter in year • Monthly formal budget reports focus on funding levels comparing actual spend to forecasts. • Budget planning discussions with Cabinet and Select Committee	- Prompt management action taken by Strategic Directors / Leadership Teams to identify correcting actions. (Evidenced by robust action plans) - Members (Council, Cabinet, Select Committee) make the necessary decisions to implement action plans in a timely manner	Director of Finance	High
L2	ASC24, 29CSF4 ,16	**Central Government policy development** Central Government policy changes, in particular the Care Act, may put additional pressure on demand for all public services leading to an erosion of financial resilience and ability to deliver statutory and essential services.	High	• Effective horizon scanning to ensure thorough understanding of intended policy changes • Implementation of a welfare reform programme including districts and boroughs covering: - Advice and information - Financial resilience - Emergency assistance - Localisation of council tax support - Housing and homelessness - Employment training and support	- Working in partnership with Clinical Commissioning Groups (CCG's) to maximise opportunities for communities - Members take the opportunities and make the necessary decisions to influence central government	Strategic Directors for Adult Social Care and Children, Schools & Families	High

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				• Taking opportunities to influence central government e.g. via the Local Government Association. • 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. • ASC reviewing roles and structure to realign service to meet requirements of welfare reform, working closely with internal and external partners.	- Care Act Implementation Board in place and project programme set up to support ongoing discussion. Through Association of Directors of Adult Social Services (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 Act.		
L38	BUS12 EAI2	**Waste** Failure e to deliver the key elements of the waste strategy lead to negative financial and reputational impact. .	**High**	• Implementation monitored by the Waste Programme Delivery Board with strategic overview provided by the Strategic Waste Board • All major decisions are reported to Cabinet on a frequent basis • Cabinet paper in November outlines a strategy to implement a single waste authority • Joint strategic partnership reinforces collaboration and will, if successful, strengthen the ability to deliver the key elements of the waste strategy	- Strong resourcing and project management regime in place to ensure prompt resolution of any issues that may hinder progress. - Collaborative work with Districts and Boroughs is delivered through the Surrey Waste Partnership with close involvement of all Surrey Chief Executives - The Waste Programme Delivery Board comprises senior managers from the service together with Procurement and Finance and is chaired by the Assistant Director Environment facilitating prompt decision making.	Director of Environment	**High**

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L4	ASC9 BUS22, 23, 24 CEO13 CSF8, 20,23 EAI3	**Integration of health and social care** 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 a failure to achieve the optimal outcome for residents in relation to health and social care. Failure to achieve efficiency targets for reductions in health and social care due to inability to work together with partners.	High	Governance arrangements: • robust partnership governance arrangements are in place through the Better Care Board , Public Sector Transformation programme and Surrey's Heath and Wellbeing Board • regular monitoring of progress and risks against key H&SC integration workstreams and agreed financial framework (incl. the Better Care Fund) • prioritisation of resources and clear senior leadership across Council directorates to support the development of H&SC workstreams, and • Continued focus on building and maintaining strong relationship with partners through regular formal and informal dialogue. • Support and implementation of the Central Government framework working together to approve and sign up to the Surrey Better Care Fund plan.	- Completion and national approval of Surrey's Better Care Fund plan (which includes agreed financial plans, metrics to measure progress and risk sharing arrangements). - Progress discussions with Clinical Commissioning Groups in Surrey about plans for integration beyond the Better Care Fund. - Members continue to endorse approaches to integration across the County.	Strategic Directors for Adult Social Care and Children, Schools & Families, Assistant Chief Executive/	High
New L7		**Comprehensive Spending Review (CSR) 2015** Risk that CSR 2015: • reduces further the total public sector funding available, and • introduces a revised distribution mechanism which lowers the councils financial resilience.	High	• 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.	- Cabinet fully consider the implications of CSR in budget planning and agree an MTFP that reflects likely impacts.	Cabinet Director of Finance	High

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L6	ASC31, 32 CSF4, 6,16	**Safeguarding** Avoidable failure or abusive actions in Children's Services and/or Adults Social Care lead to serious harm, death or a major impact on individual well being.	High	• Working within the frameworks established by the Surrey Safeguarding Adults Board and the Children's Safeguarding Board ensures the council's policies and procedures are up to date and based on good practice. • ASC is reviewing its safeguarding structure, framework and model following a Peer Review and the implications of the Care Act 2014. • ASC and CSF are working as key stakeholders in the further development of the Multi-Agency Safeguarding Hub at Guildford Police Station. • Close involvement by Associate Cabinet Member for Adult Social Care in safeguarding functions.	- Timely interventions by well recruited, trained, supervised and managed professionals ensures appropriate actions are taken to safeguard and promote the well being of children and adults in Surrey. - Robust quality assurance and management systems in place to identify and implement any key areas of learning so safeguarding practice can be improved. - The Surrey Safeguarding Adults Board (chaired by an independent person) and the Children's Safeguarding board (chaired by an independent person) comprises senior managers from the service facilitating prompt decision making and ensuring best practice	Strategic Director for Adult Social Care and Asst Strategic Director for Children's Services,	**Medium**

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L7	ASC2 BUS17, 21, 22,23 CAC1 CSF4,1 6,20, 22 EAI1,13	**Future Funding** 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.	**High**	• Structured approach to ensuring Government understands the council's Council Tax strategy and high dependence • Targeted focus with 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 significant risk of Central Government policy changes /austerity measures impacting on the council's long term financial resilience.	- 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.	Cabinet	**Medium**

New L8		**Reputation** A significant failure to deliver within the organisation (caused by an event or individual), could lead to a loss of trust and confidence in the organisation by external stakeholders (e.g. residents, Government, Partners) affecting our ability to deliver services effectively and harming our freedoms and flexibilities from Government controls.	**High**	• Processes in place that minimise the likelihood of organisational failure include:
				  - Active learning by senior leaders from experiences / incidents outside the council inform continual improvement within the council
				  - Strong corporate values
				  - Robust Governance framework (including codes of conduct, health & safety policies, complaints tracking).
					- Regular monitoring of effectiveness of processes is in place and improvements continually made as a result of learning.	Chief Executive Officer	**Medium**

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L9	ASC9, BUS2 CEO8 CSF4, 20 EAI2,3, 10	**Staff resilience to change and demand pressure** Low morale leading to loss in productivity, increased sickness and staff turnover.	**High**	• Communication, consultation and engagement is a priority for the council with an emphasis placed on thoroughly addressing the concerns of staff and their representatives • 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. • Comprehensive range of surveys and focus groups provide a measure of the staff satisfaction with the council and its management of 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 (e.g. employee assistance). • Staff are encouraged to get involved in finding innovative solutions to redesign services. • Better Place to Work outcomes are implemented • Training of managers in effective engagement of their staff to roll out over 2015.	- Approval of pay and reward system - Decision to undertake better place to work programme - Decision by members on pay and reward system taken in timely manner - Decision to implement networked leadership model	Strategic Director Business Services	**Medium**

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L10	CAC8,19, 22 CEO3 EAI4,5, 7	**Business Continuity, Emergency Planning** Failure to respond effectively to a known event or major incident results in an inability to deliver key services.	**High**	• The Council Risk and Resilience Forum reviews, moderates, implements and tests operational plans. • Close working between key services and the Emergency Management Team to update plans and share learning • Continued consultation with Unions and regular communication to staff. • External risks are assessed through the Local Resilience Forum. • Combined Environment & Infrastructure and Communities Select Committees Task Group agreed to identify improvement and best practices during the recent flooding.	- Business Continuity Plans are in place and signed off (by Local Resilience Board) in timely manner	Assistant Chief Executive	**Medium**
L11	ASC12, 30, 33 BUS26 CEO7 CSF18	**Information Governance** Loss of protected data by the council leads to financial penalties, safeguarding issues and erosion of public trust.	**Medium**	• Encrypted laptops – 100% coverage for our 5,500 Laptop estate • Secure environment through the Egress encrypted email system • Internal Audit Management Action Plans in place that are monitored by Audit & Governance Committee and Select Committees • Twice-yearly communications campaign linked to known peaks for breaches, and a refreshed and re-launched information security e-learning package. • SCC has received GCSx accreditation certificate • Introduction of the Information Governance Board and the launch of the data	Information governance controls work effectively overseen by IG and Caldecott boards and audited annually Cabinet have reviewed IT security policy and as result the security policy, Code of conduct and social media policies are being updated to reflect changes agreed	Strategic Director Business Services	**Medium**

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				classification project, both of which commenced in the first quarter of 2014/15, and will help to manage this risk. • Continuation of training for staff to improve awareness and ensure adherence to procedures • Implement learning from feedback where breaches occur. • Directorates and Digital Delivery Team to engage with partners to deliver a platform that will enable appropriate sharing of information between agencies. Despite the actions above, there is a continued risk of human error that is out of the council's control.			
L12	ASC21 BUS27	**Supply chain / contractor resilience** Supply chain failure, lack of business continuity arrangements in place leading to increased costs, time delays or reputational damage and failure to promote service delivery.	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. • Mitigating actions are less effective for small/medium suppliers due to reduced business continuity	- Supplier selection policy decision made to include financial resilience and business continuity arrangements	Strategic Director Business Services	Medium

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Movement of risks

Ref	Risk	Date added	Inherent risk level when added	Movement		Current residual risk level
L1	Medium Term Financial Plan	Aug 12	High	-	-	High
L2	Central Government policy development	Feb 13	High	-		High
L3	Waste	May 10	High	-		High
L4	Integration of health & social care	June 13	High	-		High
L5	Comprehensive Spending Review 2015	Sep 14	High			High
L6	Safeguarding	May 10	High	-		Medium
L7	Future funding	Aug 12	High	-		Medium
L8	Reputation	Oct 14	High			Medium
L9	Staff resilience to change and demand pressures	May 10	High			Medium
L10	Business Continuity, Emergency Planning	May 10	High			Medium
L11	Information governance	Dec 10	Medium	-		Medium
L12	Supply chain / contractor resilience	Jan 14	High	-		Medium
Risk removed from the register:						
	IT risk	May 10		Oct 14	*	
	Resource Allocation System in adults personalisation	*May 10*	-	*Aug 12*	*	-
	Integrated Childrens System	*May 10*	-	*Feb 11*	*	-
	NHS reorganisation	*Sep 10*	*High*	*May 13*	*	-
	2012 project management	*Sep 10*	-	*Aug 12*	*	-
	LLDD budget transfer	*May 11*	-	*Mar 12*	*	-
	2012 command, control, coordination and communication	*Dec 11*	-	*Sep 12*	*	-

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Movement of risks

<u>Leadership level risk assessment criteria</u>

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
	(% of council budget)	*(Stakeholder interest)*	*(Impact on priorities)*	
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

10

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