

# Leadership risk register as at 31 March 2017 (covers rolling 12 months)

Owner: David McNulty

**Strategic risks** – have the potential to significantly disrupt or destroy the organisation

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L1	CSF7 EAI1 FN1 ORB10	<b>Financial outlook</b> Further reductions in funding, due to constraints in the ability to raise local funding and/or distribution of funding, results in significant adverse long term consequences for sustainability and service reductions leading to significant implications for residents.	<b>High</b>	<ul style="list-style-type: none"> <li>Structured approach to ensuring Government understands the council's Council Tax strategy and unsustainable impact of current funding mechanism.</li> <li>Targeted focus with Government to secure a greater share of funding for specific demand led pressures (in particular Adult Social Care).</li> <li>Proactive engagement with Government departments to influence Government policy changes (especially relative needs assessment, 100% business rate retention strategy, learning disabilities and Better Care Fund).</li> <li>Continued horizon scanning of the financial implications of existing and future Government policy changes.</li> <li>Development of alternative / new sources of funding (e.g. bidding for grants).</li> </ul> <p>Notwithstanding actions above, there is a significant risk of Central Government policy changes /austerity measures due to changes in ministerial responsibilities impacting on the council's long term financial sustainability.</p>	<ul style="list-style-type: none"> <li>Members make decisions to stop new spending, reduce spending and or generate alternative sources of funding, where necessary, in a timely manner.</li> <li>Officers unable to recommend MTFP unless a credible sustainable budget is proposed.</li> <li>Members proactively take the opportunities to influence central Government.</li> <li>Officers continue to analyse events and create budget scenarios.</li> <li>The organisation uses external expertise to confirm the facts relating to its sustainability.</li> <li>Applying to be a pilot authority from April 2018 for 100% Business Rates Retention Scheme leading to the ability to retain a greater proportion of business rates growth</li> </ul>	Director of Finance	<b>High</b>
L2	CSF3,4,9	<b>Safeguarding – Children's Services</b> Avoidable failure in Children's Services, through action or inaction, including child sexual exploitation, leads	<b>High</b>	<ul style="list-style-type: none"> <li>Working within the frameworks established by the Children's Safeguarding Board and the Social Care Services Board ensures the council's policies and procedures are up to date and based on good practice.</li> <li>The Adult Social Care and Children, Schools</li> </ul>	<ul style="list-style-type: none"> <li>Timely interventions by well recruited, trained, supervised and managed professionals ensures appropriate actions are taken to safeguard and promote the wellbeing of children in Surrey.</li> </ul>	Deputy Chief Executive and Strategic Director of	<b>High</b>

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		to serious harm, death or a major impact on well being.		<p>and Families Multi-Agency Safeguarding Hub went live on 5 October 2016 facilitating the sharing of good practice.</p> <ul style="list-style-type: none"> <li>The Children's Services Improvement Plan was refreshed in October 2016 and is being delivered to address the improvement notice dated 26 January 2016 and strengthen service and whole system capability and capacity. Ofsted visit on a quarterly basis to monitor progress.</li> <li>Assistant Director roles and responsibilities have been reshaped to strengthen leadership and governance. Appointees are now all in place.</li> </ul>	<ul style="list-style-type: none"> <li>Actively respond to feedback from regulators.</li> <li>Robust quality assurance and management systems in place to identify and implement any key areas of learning so safeguarding practice can be improved.</li> <li>The Children's Safeguarding board (chaired by an independent person) comprises senior managers from the County Council and other agencies facilitating prompt decision making and ensuring best practice.</li> <li>An Improvement Board (chaired by the Deputy Leader) oversees progress on the Improvement Plan and agrees areas of action as required.</li> </ul>	Children's Schools and Families	
L3	ASC6,7,13,14	<p><b>Safeguarding – Adult Social Care</b> Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing.</p>	<b>High</b>	<ul style="list-style-type: none"> <li>Working within the framework established by the Surrey Safeguarding Adults Board ensures that the council's policies and procedures are up to date and based on good practice.</li> <li>The Adult Social Care and Children, Schools and Families Multi Agency Safeguarding Hub went live on 5 October 2016 facilitating the sharing of good practice.</li> <li>Established a locality safeguarding advisor to assure quality control.</li> <li>Strong leadership, including close involvement by Associate Cabinet Member for Adult Social Care in safeguarding functions.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with the Independent Chair of the Surrey Safeguarding Adults Board to ensure feedback and recommendations from case reviews are used to inform learning and social work practice.</li> <li>Actively respond to feedback from regulators.</li> <li>One year on from the implementation of the Care Act, a new strategic plan for safeguarding within ASC will be implemented.</li> </ul>	Strategic Director of Adult Social Care & Public Health	<b>High</b>

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L4		<b>Strategic Infrastructure</b> Failure to achieve a coherent response to the strategic infrastructure challenges facing the county leaves the council at risk of infrastructure failing to be adequately provided.	<b>High</b>	<ul style="list-style-type: none"> <li>The Council is fully involved in the establishment of a shadow Sub National Transport Body to support the delivery of major strategic transport infrastructure.</li> <li>3SC internal governance arrangements agreed - including a Strategic Oversight Group which manages 3SC risks (and 3SC risk register developed/approved).</li> <li>Programme office and workstream sponsors and leads agreed with roles and responsibilities defined.</li> <li>Regular meetings of local authority Leaders and Chief Executives.</li> <li>Regular engagement with 3SC partners.</li> <li>Regular engagement with central government at both political and official level. Negotiation with Government underway – Heads of Terms sent to officials as basis for negotiations.</li> </ul>	<ul style="list-style-type: none"> <li>Keep all processes under active review.</li> <li>Strategic Oversight Group reviewing risk register quarterly.</li> <li>Next 3SC Leaders' Board in July 2017.</li> </ul>	Chief Executive	<b>High</b>

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**Cross cutting risks** – high level risks that can be mitigated more effectively through cross working.

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L5	ASC1,2,12,16,17 C&C4 CSF1,2,7 EAI1,3	<b>Medium Term Financial Plan (MFTP) 2017-20</b> Failure to achieve the MFTP, which could be a result of:	<b>High</b>	<ul style="list-style-type: none"> <li>Monthly reporting to Continuous Improvement and Productivity Network 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).</li> </ul>	<ul style="list-style-type: none"> <li>Prompt management action taken by Directors / Leadership Teams to identify correcting actions for any in year overspends or failure to deliver service reductions (evidenced</li> </ul>	Director of Finance	<b>High</b>

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	FN2 ORB01, 10	<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>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.</p>		<ul style="list-style-type: none"> <li>Weekly review of the in year financial position at Chief Executives Direct Reports meeting and strong focus on development of plans for delivery of the 2017/18 service efficiencies and reductions – to enable early management action as relevant.</li> <li>Budget planning discussions held with Cabinet and Scrutiny Boards.</li> <li>Early conversations are undertaken with all relevant stakeholders to ensure consultations about service changes are effective and completed in a timely manner (savings tracker developed for use during 2017/18 to identify necessary consultations, milestones, Equality Impact Assessments).</li> <li>Cross service networking and timely escalation of issues to ensure lawfulness and good governance.</li> <li>Increased challenge and rigour on cost control.</li> <li>Chief Executive's Direct Reports meeting agreement to focus capacity on three key priorities – information management in CSF, health and social care integration and assets.</li> <li>Member led Sustainability Review Board established from February 2017 to focus on ensuring options for further service reductions are clearly identified, planned and achievable during 2017/18.</li> </ul>	<p>by robust action plans).</p> <ul style="list-style-type: none"> <li>Members (Council, Cabinet, Scrutiny Boards) make the necessary decisions to implement action plans in a timely manner.</li> <li>Members have all the relevant information to make necessary decisions.</li> </ul>		
L6	ASC2, 16 CSF1,2, 5,6,8	<b>New ways of working</b> Failure to work effectively as part of a multi-agency system	<b>High</b>	<ul style="list-style-type: none"> <li>Shared and aligned strategies to ensure no unintended consequences.</li> <li>Robust governance arrangements (eg. Inter Authority Agreements, Health and Social</li> </ul>	<ul style="list-style-type: none"> <li>Leadership and managers recognise the importance of building and sustaining good working relationships with key</li> </ul>	Chief Executive	<b>Medium</b>

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	ORB01, 02,07, EMT3, 12, EA13	leads to severe service disruption and reputational damage.		<p>Care Integration Board, Health and Wellbeing Board, financial governance framework) in place with early warning mechanisms.</p> <ul style="list-style-type: none"> <li>Regular monitoring of progress and risks against transformation programmes within each transformation board.</li> <li>Effective transition arrangements with continuous stakeholder engagement.</li> <li>Continuous focus on building and maintaining strong relationships with partners through regular formal and informal dialogue.</li> <li>Close liaison and communication with customers.</li> </ul>	<p>stakeholders and having early discussions if these falter.</p> <ul style="list-style-type: none"> <li>Work with Clinical Commissioning Groups on models of integrated care.</li> <li>Members continue to endorse approaches to integration across the council.</li> </ul>		
L7	ASC4, 5,8 CSF5 EAI2, 3,4 ORB 02,03, 08 LD6 EMT1, 10,11	<p><b>Organisational resilience</b></p> <p>Failure to plan for and/or respond effectively to a significant event and or strains on workforce capacity or resilience, results in severe and prolonged service disruption and loss of trust in the organisation.</p>	<b>High</b>	<ul style="list-style-type: none"> <li>Developing an employment framework that supports flexibility in service delivery and organisational resilience.</li> <li>Robust governance framework (including codes of conduct, IT security policies, health and safety policies, complaints tracking).</li> <li>Information Governance Board monitors information governance requirements and changes and reviews information governance risks.</li> <li>Review of third party information governance risks.</li> <li>External risks are regularly assessed through the Local Resilience Forum and reviewed by the Statutory Responsibilities Network.</li> <li>Active learning by senior leaders from external experiences / incidents informs continual improvement within the council.</li> </ul>	<ul style="list-style-type: none"> <li>Regular monitoring of effectiveness of processes is in place and improvements continually made and communicated as a result of learning.</li> <li>Robust change management processes.</li> <li>Business continuity plans to be regularly reviewed, updated and tested to ensure the council maintains a robust response to any emergency situation, even where the impact of the event continues for a prolonged period of time.</li> </ul>	Chief Executive	<b>Medium</b>

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				<ul style="list-style-type: none"> <li>• Close working between key services and the Emergency Management Team to proactively update and communicate business continuity plans and share learning.</li> <li>• High Performance Development Programme in place to increase skills, resilience and effectiveness of leaders.</li> <li>• Career conversations built into appraisal process looking forward five years</li> <li>• Shaping leaders programme.</li> <li>• Ensure a clear Induction Programme is developed and delivered in a timely manner for new Members following local elections in May 2017 (to recognise that new members will have to learn quickly about the challenges facing the county and be in a position to make key decisions).</li> </ul>			
L8		<p><b>Senior Leadership Succession Planning</b> A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively resulting in a reduction in the ability to deliver services to the level required.</p>	<b>Medium</b>	<ul style="list-style-type: none"> <li>• Enhance distributed leadership by focus on organisational goals and scorecard for organisational performance.</li> <li>• Workforce planning linked to business continuity plans.</li> <li>• Senior leadership appraisal process incorporates feedback (shaping leaders) and succession planning into appraisal process.</li> </ul>	- Transparent and effective succession plans.	Chief Executive	<b>Medium</b>

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## Movement of risks

Ref	Risk	Date added	Inherent risk level when added	Movement in residual risk level		Current residual risk level
L1	Financial outlook	Aug 12	High	Jan 16	↑	High
L2	Safeguarding – Children's Services	May 10	High	Jan 15	↑	High
L3	Safeguarding – Adult Social Care	May 10	High	Jan 15	↑	High
L4	Devolution	Jan 16	High	Nov 16	↑	High
L5	Medium Term Financial Plan	Aug 12	High	-	-	High
L6	New ways of working	Jan 16	High	-	-	Medium
L7	Organisational resilience	May 10	High	Aug 12	↓	Medium
L8	Senior Leadership Succession Planning	Mar 15	High	Nov 16	↑	Medium

## Risks removed from the register in the last 12 months

Risk	Date added	Date removed
<i>National policy development</i>	<i>Feb 13</i>	<i>Jan 16</i>
<i>Waste</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Comprehensive Spending Review 2015</i>	<i>Sept 14</i>	<i>Jan 16</i>
<i>Reputation</i>	<i>Oct 14</i>	<i>Jan 16</i>
<i>Staff resilience</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Information governance</i>	<i>Dec 10</i>	<i>Jan 16</i>
<i>Supply chain / contractor resilience</i>	<i>Jan 14</i>	<i>Jan 16</i>

### Leadership level risk assessment criteria

Due to their significance, the risks on the Leadership risk register are assessed on their inherent risk level (no controls) and their residual risk level (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