

**SURREY COUNTY COUNCIL****CABINET****DATE: 31 JANUARY 2018****REPORT OF: MR TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES****LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE****SUBJECT: LEADERSHIP RISK REGISTER****SUMMARY OF ISSUE:**

The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 10 January 2018.

**RECOMMENDATIONS:**

It is recommended that the Cabinet note the content of the Surrey County Council Leadership risk register (Annex 1) and endorse the control actions put in place by the Statutory Responsibilities Network.

**REASON FOR RECOMMENDATIONS:**

To enable the Cabinet to keep Surrey County Council's strategic risks under review and to ensure that appropriate action is being taken to mitigate risks to a tolerable level in the most effective way.

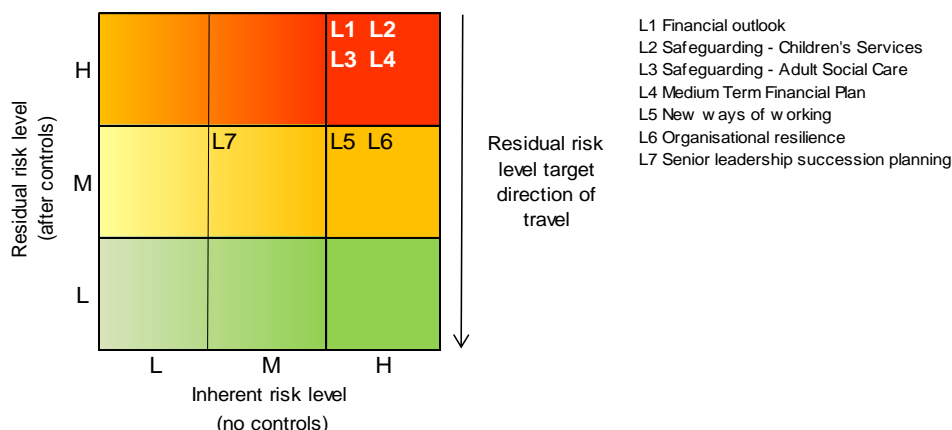
**LEADERSHIP RISK REGISTER:**

1. The Surrey County Council Leadership risk register (Annex 1) is owned by the Chief Executive and captures Surrey County Council's key strategic risks. The risk register focuses specifically on the strategic risks that have the potential to significantly destabilise the organisation.
2. The role of the Cabinet is to assure itself that Surrey County Council's strategic risks are captured on the risk register and that appropriate actions are being taken to effectively mitigate the risks to a tolerable level.
3. The Leadership risk register is reviewed monthly by the Statutory Responsibilities Network, bi-monthly by the Strategic Risk Forum and the Audit and Governance Committee at each meeting.
4. Since the Leadership risk register was last presented to Cabinet on 31 October 2017, updates have been made to the following risks:
  - **Risk L1 (Financial Outlook):** Deleted the reference to the use of external expertise.
  - **Risk L2 (Safeguarding – Children's Services):** Minor wording update relating to 'other' scrutiny functions and addition of practice leadership.

- **Risk L3 (Safeguarding – Adult Social Care):** Additional process bullet point relating to further scrutiny.
- **Risk L4 (Medium Term Financial Plan):** Removed the reference to CEDR focus on 3 main priorities, added reference to Members development programme and Chief Executive induction.
- **Risk L5 (New ways of working):** Removed reference to monitoring progress and risks against transformation programmes, added reference to nurturing strategic partnerships and close working with DfE and Ofsted.
- **Risk L6 (Organisational Resilience):** Added reference to robust management networks and mutual aid arrangements across SE7 in the event of an emergency situation.
- **Risk L7 (Senior Leadership succession planning) :** Deleted reference to Senior Leadership appraisal and some minor amendments to wording relating to the appointment of a new Chief Executive.
- **‘Movement of risk’ and ‘Risks recently removed from the register’ tables:** Relevant information will, in future, be included within the body of the covering report, facilitating greater detail. Therefore this information will no longer be displayed in table format at the foot of the Leadership risk register.

### Residual risk level

5. The Surrey County Council Leadership risk register includes both the inherent and residual risk levels for each risk. Inherent risk is the level of risk before any control activities are applied. The residual risk level takes into account the controls that are already in place or are being put in place, detailed on the risk register as both ‘processes in place’ and ‘controls.’
6. There are currently seven risks on the Leadership risk register, six of which have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, four risks continue to have a high residual risk level (L1,L2,L3,L4), three have a medium residual risk level (L5,L6,L7), showing the significant level of risk that the council is facing despite the processes and controls being put in place to manage the risks.



### **CONSULTATION:**

7. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups and the Audit and Governance Committee.

### **RISK MANAGEMENT AND IMPLICATIONS:**

8. Effective management of risks and financial controls supports the council to meet its objectives and enable value for money.

### **Financial and Value for Money Implications**

9. There are no direct financial implications relating to the Surrey County Council Leadership risk register.

### **Section 151 Officer Commentary**

10. The Section 151 Officer is well sighted of current and emerging risks through being chair of the Strategic Risk Forum, a member of the Statutory Responsibilities Network and a direct report to the Chief Executive. Her attendance at key strategic meetings provides further insight and ensures an integrated risk approach.

### **Legal Implications – Monitoring Officer**

11. There are no direct legal implications relating to the Surrey County Council Leadership risk register.

### **Equalities and Diversity**

12. There are no direct equalities implications but any actions taken need to be consistent with the council's policies and procedures.

### **WHAT HAPPENS NEXT:**

13. The Surrey County Council Leadership risk register is presented to the Cabinet on a quarterly basis.

**Contact Officer:**

Rawdon Phillips, Risk Manager

Tel: 01273 481593

**Consulted:**

Strategic Risk Forum, Statutory Responsibilities Network, Chief Executive and direct reports, Audit and Governance Committee, Cabinet

**Annexes:**

Annex 1 – Leadership risk register

**Sources/background papers:**

None

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