<u>Strategic Risk Summary – Changes in Net Scores Q2 2023/24</u>
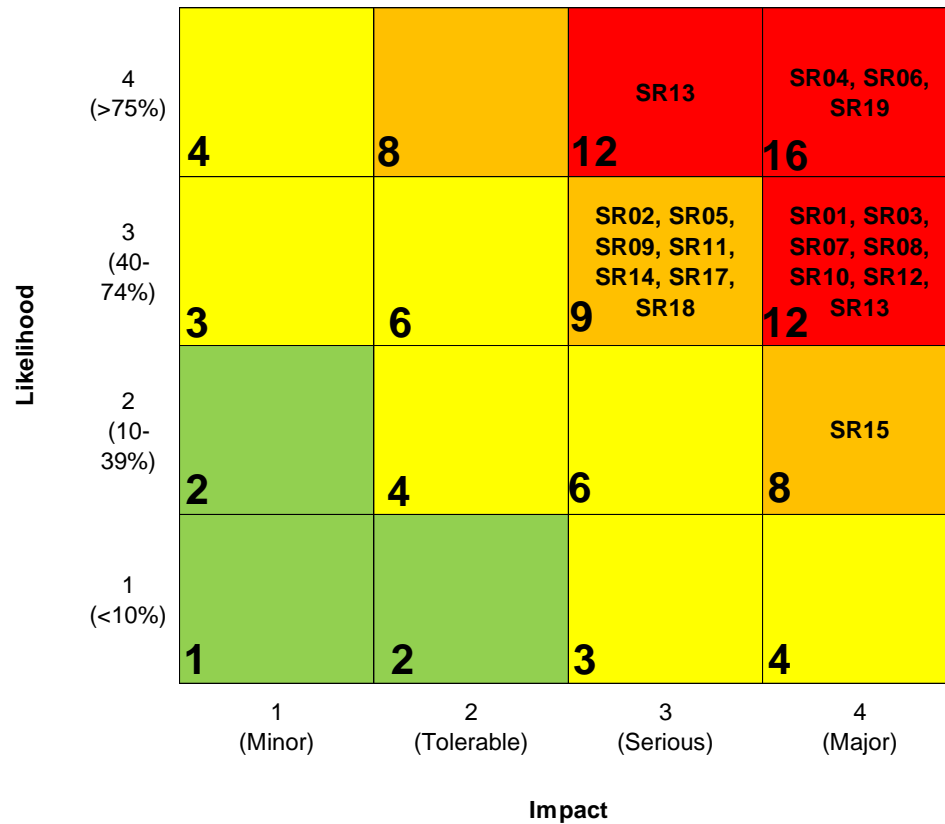
Ref	Risk	Q1 Net	Q2 Net	Travel	Target
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Complexity and Demand for Children's Services	16	12	↓	12
SR04	Dedicated School Grant Deficit	-	16	NEW	12
SR05	Delivery of the JTAI improvement plan	12	9	↓	6
N/A*	Insufficient and Non-Compliance with Financial Processes	-	8	NEW	8
SR06	Failure to Achieve the MTFS	12	16	↑	9
SR07	Leadership Capacity	-	12	NEW	8
SR08	Ability to Achieve Organisation Change	-	12	NEW	8
SR09**	Recruitment & Retention	12	9	↓	9
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	↔	8
SR11	Failure to Adhere to Agreed Governance Processes	9	9	↔	6
SR12	Stakeholder Expectation & Communication	12	12	↔	9
SR13	Information Security and Cyber Threat	12	12	↔	12
SR14	Business Continuity	9	9	↔	6
SR15	Capital Projects - Place	8	8	↔	8
SR16	Failure of the Local Economy	12	12	↔	12
SR17	Climate Change (CEC Carbon Neutral Status 2025)	9	9	↔	6
SR18	Local Planning Authority Modernisation Plan	9	9	↔	6
SR19	HS2 Infrastructure Investment	9	16	↑	N/A

* Risk only included for context of the risk refresh, not to be reported on going forwards
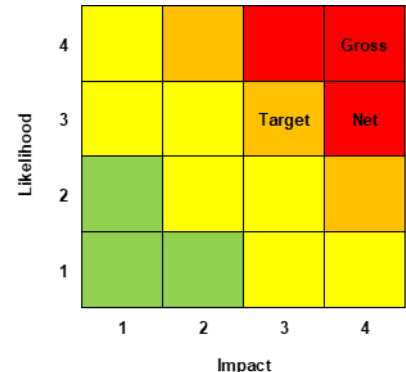
** Previous called Organisation Capacity & Demand

Strategic Risks Heat Map

Likelihood				
4 **(>75%)**	**4**	**8**	SR13 **12**	SR04, SR06, SR19 **16**
3 **(40-74%)**	**3**	**6**	SR02, SR05, SR09, SR11, SR14, SR17, SR18 **9**	SR01, SR03, SR07, SR08, SR10, SR12, SR13 **12**
2 **(10-39%)**	**2**	**4**	**6**	SR15 **8**
1 **(<10%)**	**1**	**2**	**3**	**4**
	1 (Minor)	2 (Tolerable)	3 (Serious)	4 (Major)

Impact

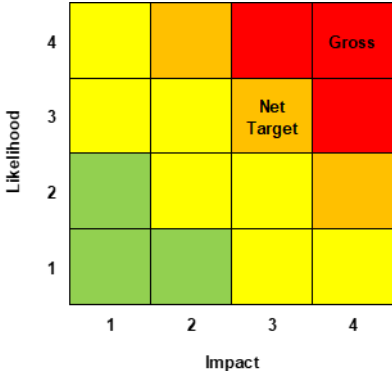|	
12 - 16	Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring
8 - 9	Material Risks - Areas of concern, but due to capacity and or uncontrollable external factors, these can be accepted. Expectation is that these must be actively managed with on-going monitoring to ensure they don't escalate
3 - 6	Moderate Risks - Acceptable level of risk only requiring on-going monitoring to ensure they don't develop into something more serious
1 - 2	Negligible Risks - Lowest level of risk, only kept in the register for completeness and to ensure there are no unexpected changes in the profile

Individual Risk Details – Q2 2023/24

Risk Name: Increased Demand for Adult Services		Risk Owner: Executive Director of Adults, Health, and Integration
Risk Ref: SR01	**Date updated:** 8th December 2023	**Risk Manager:** Director of Adult Social Care Operations

Risk Description: An increase in demand for adult social services that cannot be met within the existing budget. There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing and other socio-economic factors. Detailed consequences; a failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector. Detailed causes; due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff.	
Interdependencies (risks): Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand	**Lead Service Committee:** Adults and Health Committee

Key Mitigating Controls (Existing):
- Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme.
- Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners a delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commissioning to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes.
- Monthly quality monitoring partnership forum that reports to relevant DMTs and the Safeguarding Board. Attendees include the Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner.
- People Helping People programme, working collaboratively with partners and local volunteers to channel community-based support, reducing demand on adult social care. The sourcing/brokerage team support the co-ordination of these services, helping vulnerable people to access non-council support where appropriate.
- Direct payment scheme, allowing users identify and manage their own care support.
- The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence.
- Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends.
- Regular service/team meetings to disseminate information and discuss operational issues.

- Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.
- Collaborative working with other services, such Public Health, where objectives align and communication is required to delivery value for money. Utilisation of Public Health JSNA and wider regional data sets inform future planning. The joint commissioning management monthly working group seeks to ensure ASC is working effectively and efficiently with other Children and Family services.
- Engagement with the Integrated Care Partnership, including health partners.
- Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand.
- Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings.
- Business continuity assessments and resiliency preparation, both internally and with key partners.
- Joint working with Impower to identify efficiencies in the services.
- All care plans presented to Senior Leasers board for authorisation of spend.
- Tighter controls on hospital discharge will impact relationship with CB colleagues.

Actions (Monitoring):	Target Date for Completion:
Impower Consulting review (Weekly CEBERT meetings)	Q4 2023/24

Comments this quarter: The outcomes from the work commissioned with Impower is being actioned via High Level Business Cases; we are monitoring all support and care plans and calls for services on a 3x per week basis. The Director is monitoring approximately 150 cases per week.

Demand is constant especially for those who are 90+yrs, and for those with dementia.

Cost of individual care packages remains very high with an increasing number c£2000 per week.
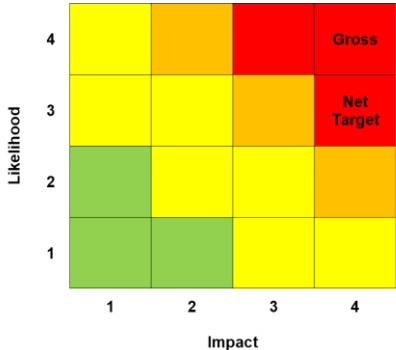
Timescale for managing risk to an acceptable level: The outcomes from the work commissioned with Impower is being actioned via HLBC, we are monitoring all support and care plans and calls for services on a 3x per week basis, Director is monitoring approx150 cases per week. Demand is constant especially for those who are 90+yrs, and for those with dementia. Cost of individual care packages remains very high with an increasing number£2000 per week.

Risk Name: Fragility and Failure in the Social Care Market		**Risk Owner:** Executive Director of Adults, Health and Integration
Risk Ref: SR02	**Date updated:** 15th December 2023	**Risk Manager:** Director of Adult Social Care, Director of Commissioning

Risk Description: A failure of the local social care market. Increases in the volume and complexity in demand and financial pressures have caused weaknesses in the national social care market which have yet to be resolved. Detailed consequences; the council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer. Detailed causes; the major risk going forward is the financial impacts on providers resulting from the 9.7% uplift in National Living Wage from April 2023, high rates of inflation and increased energy costs (some providers have seen a 400% increase on renewal of their energy contracts). While there is proposed growth within the MTFS for Adult Social Care this will not be sufficient to offer fee uplifts for all providers as well as funding growth in demand and complexity of need. It is likely that this will impact on the sustainability of some care providers and result in some packages of care being handed back to the Council or notices served on care home residents. It will also bring challenges in managing budgets in 2023/24.	*(Risk matrix showing Likelihood vs Impact; Gross at Impact 4 / Likelihood 4 (red); Net Target at Impact 3 / Likelihood 3)*

Interdependencies (risks): Failure to Achieve the MTFS, Business Continuity, Failure of the Local Economy	**Lead Service Committee:** Adults and Health Committee

Key Mitigating Controls:
- Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners a delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commissioning to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes.
- Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme.
- The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence.
- Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market, and other socio-economic trends. Development and publication of the Market Sustainability Plan. Completion and submission of the Cheshire East Market Availability and Capacity Plan to DHSC.
- Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.
- Worked with former Cheshire CCG into the development of ICS and ICP plans. Engagement with the Integrated Care Partnership, including health partners. The Quality Monitoring Partnership Forum and Care at Home Commissioning meeting, both meet once a month.
- Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand.
- Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings.
- Business continuity assessments and resiliency preparation, both internally and with key partners.

- The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. Providers have access to recruiting staff from abroad if there isn't a sufficient supply available locally. Domiciliary care provider's fees are reviewed and adjusted to try and maximise value for money, while also trying to keep the sector attractive to potential staff.
- Investigation and investment into new health and care technologies. Use of new technologies to be driven by considering performance, capacity, and value for more against more traditional methods.
- A Joint CEC/ICB Market Oversight Group meets daily to ensure that the Council is obtaining best value for care home placements and making best use of block booked care home beds.
- A Transfer of Care Hub has been set up in both hospitals with key staff from CEC and Hospital Trusts co-located to improve joint working and ease pressures on hospital discharge.
- Commissioners undertake Market Engagement activities with Care at home Providers to Coproduce new models of care. Joint working with 'Skills for Care' to encourage individuals to take up employment within the care sector. 'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system.
- Low level support for the British Red Cross who respond to crisis situations in the community.

Actions (Monitoring):	Target Date for Completion:
Develop engagement with community groups and 3rd sector (VCFSE Project Group, monthly and Commissioning SMT, weekly)	December 2023
Commissioning of Care Cubes (SMT and DMT, monthly)	December 2023

Comments this quarter: Cheshire East has invested in the care at home which stabilised the market, reduced waiting list for care at home, and enabled the shift from non-commissioned providers which increased during Covid. However, inflation is impacting care market capacity. Some of this is driven by recruitment and retention of staff, which has also meant that some providers have opted to undertake international recruitment activities. Inflation for council services is running higher than normal inflation, and Cheshire East is worse than other areas. Mitigating action:
- The implementation of Care Cubed, and targeted negotiations with Care providers. Disrupting the market for example the use of block contracts.
- Working with the Home Office and ADASS in terms of managing provider risk in relation to international recruitment.
- The development of a Workforce Strategy (internal and external).

Timescale for managing risk to an acceptable level: N/A (Net score is equal to target). To a certain extent the risk is outside the Council's control as there is a reduced pool of people who wish to work in Social Care. However the Government has just announced additional funding for recruitment and retention in the care sector and it is hoped that this could mitigate the likelihood and impact of the risk. It is anticipated that this would be by end of Q4.
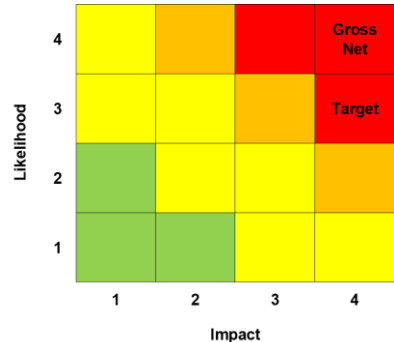
Risk Name: Complexity and Demand for Children's Services		Risk Owner: Executive Director of Children's Services
Risk Ref: SR03	Date updated: Q2 2023/24	Risk Manager: Children's Services Directorate Leadership Team
Risk Description: That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level and/or complexity of need and demand for children's services, which the council cannot meet effectively. This risk would mean that we would not achieve the council's desired outcomes for children and young people as set out in the council's Corporate Plan. The service has received growth through the MTFS to help address the pressures but the challenge to deliver to budget will remain present in 2023/24. Significant action is still required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.		
Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy		Lead Service Committee: Children and Families Committee

Key Mitigating Controls:

- The service has received growth through the MTFS to help address the pressures. This includes growth for children's social care in response to the demand.
- Extensive activity is taking place to manage and reduce costs. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy.
- We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery. Performance is monitored on a monthly basis by services.
- We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention.
- Our approach is to ensure only the right children come into care; this is right for children and young people and will also reduce demand to Children's Social Care services, however this is a challenging landscape. Increased demand for placements since the pandemic has increased placement costs which is impacting on the budget. We will continue to review our approach, and look to identify options for children to live within their family networks as we believe this is the best outcome for them. We have been successful in gaining DfE funding for innovation and supporting family networks which will increase opportunities for children to remain living in their families.
- We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. Vouchers worth £4m were distributed on behalf of the Department of Work and Pensions over 2022/23 to support the most vulnerable households across the county with food, utilities, housing costs, and other essentials.
- A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families.

Actions (Monitoring):	Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy (Progress will be monitored through the MTFS arrangements)	March 2027

Expanding our in-house residential provision to offer more local and cost-effective homes for children and young people (Children's social care senior leadership team to monitor progress)	February 2024
Implement Family Hubs – improving access and reach of services, supporting earlier intervention, and improving partnership working (Family Hub Steering group)	March 2024
Comments this quarter: The risk relating to the pressures on the Dedicated School Grant has been removed from this risk into a separate standalone risk, and therefore the net risk score for this risk has reduced to 12, which was the target score. A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families. Local support for families has been strengthened through the development of family hubs across the borough. Family hubs bring council, health and community services together to create a whole-family approach and will improve the access and reach of services, supporting earlier intervention, and improve partnership working. We are developing an internal residential offer, mobilising our first children's home in January 2024, with a further two homes operational from Spring 2024. This will provide our cared for children with more opportunities to remain close to their communities and will provide better value for money against rising placement costs.	
Timescale for managing risk to an acceptable level: March 2026. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy with aim to be at a low level of risk by 2026.	

Risk Name: Dedicated School Grant Deficit		Risk Owner: Executive Director of Children's Services
Risk Ref: SR04	Date updated: Q2 2023/24	Risk Manager: Children's Services Directorate Leadership Team

Risk Description: That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable.

The council's outturn for 2022/23 reflects a deficit of £46.9m held in the dedicated schools grant (DSG) reserve. The DSG reserve deficit is forecast to be one and a half times the annual allocation at the end of 2023/24, £91.2m based on a grant of £56.1m. This is a result of the growth in the number of pupils with an education, health and care plan greatly exceeding the funding and insufficient local placement options. This is a national issue and local authorities are allowed to hold a negative reserve for this purpose until March 2026, however this position is unaffordable and unsustainable. The arrangements beyond March 2026 are not confirmed by the Department for Levelling Up, Housing and Communities (DLUHC). This risk continues to be a feature of ongoing liaison with the Department for Education and the DLUHC.

The Children and Families Committee approved the council's DSG management plan for 2023/24 to 2027/28 in September 2023. It highlighted that without significant changes to funding the DSG reserve deficit is not recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.

Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy	Lead Service Committee: Children and Families Committee

Key Mitigating Controls:
- On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing and we are continuing to develop our plans ready to submit this to government in January 2024, with any agreement published on their website in March 2024.
- The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. Despite this work and the associated plans there is no prospect currently for spend to be aligned with budget and the resultant deficit to manage statutory demand, continues to increase.
- The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed alongside the DSG management plan for 2023/24 to 2027/28 by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the DSG management plan.
- The service has received growth through the MTFS to help address the pressures. This includes growth for school transport, Educational Psychology and SEND services in response to the demand in these areas.
- There is significant investment in local SEND provision to meets children's needs more locally but also reduce dependency on high-cost independent school placements.
- We participated in the DfE's delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. This identified two priority areas of cultural change that will make the biggest difference on managing demand – inclusive practice and transition. Cheshire East has been awarded £1 million to support the delivery of this transformational change. These areas have been incorporated within our SEND Strategy.

- A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy.
- We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention.

Actions (Monitoring):	Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. (Progress will be monitored through the MTFS arrangements)	March 2027
Delivery of the delivering better value implementation plan (Children's services senior leadership team)	March 2025
Continue to increase SEND provision in Cheshire East (Reviewed quarterly)	September 2024
Develop a Safety Valve plan and submit this to the DfE	January 2024

Comments this quarter: On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing and we are continuing to develop our plans ready to submit this to government in January 2024, with any agreement published on their website in March 2024.

The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed alongside the DSG management plan for 2023/24 to 2027/28 by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the DSG management plan.

Timescale for managing risk to an acceptable level: March 2025. We aim to see an incremental reduction in the risk as we implement our plan. By the end of March 2025, we aim for the risk to be reduced to a score of 12, then to see this continue to reduce over the following years with aim to be at an acceptable level of risk by 2026.
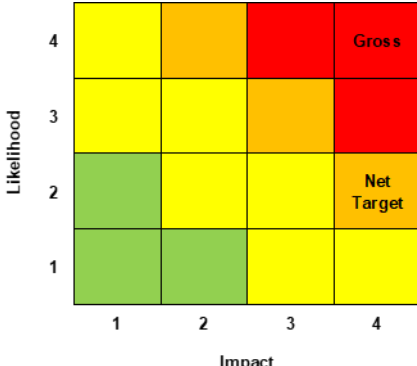
Risk Name: Delivery of the JTAI Improvement Plan		Risk Owner: Executive Director of Children's Services
Risk Ref: SR05	Date updated: Q2 2023/24	Risk Manager: Improvement Board

Risk Description: That as a safeguarding children's partnership, Cheshire East Council's children's services, health, and police, do not achieve the improvements needed at the necessary pace to address the recommendations from the joint targeted area inspection (JTAI) of child exploitation, including child sexual exploitation. This would mean that we would not achieve the council's desired outcomes for children and young people at risk of exploitation. There is also a reputational risk of not delivering the required improvements, as this could result in an inadequate rating by Ofsted. An inadequate rating by Ofsted would have a significant impact on the council's reputation, ability to recruit and retain staff, and would increase costs in order to deliver improvement activity. Significant work is required to deliver these improvements which requires sufficient capacity and resources.	
Interdependencies (risks): Increased Demand for Adult Services, Complexity and Demand for Children's Services	Lead Service Committee: Children and Families Committee

Key Mitigating Controls:
- We have a comprehensive partnership improvement plan in place to address the recommendations from the JTAI inspection.
- An independent scrutineer has provided scrutiny to the partnership. The scrutineer has completed an in-depth review to inform how the partnership is structured and manages its business, including how it evaluates impact. The partnership has agreed the changes that will be made to the Safeguarding Children's Partnership in response to these findings.
- Meetings of the Executive Group of the Safeguarding Children's Partnership have been increased to bi-monthly from quarterly to support increased pace of change.
- An Executive Board is in place which consists of the Chief Executive of the council, Chief Constable and Chief Nurse, which scrutinises partnership progress against the improvement plan.
- An Improvement Board is in place with an independent chair – our DfE Improvement Advisor, for additional scrutiny and challenge of the improvement plan.
- A strategic improvement group is in place which is focused on delivery of the improvement plan. DfE Improvement Advisor meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE.
- External support and challenge is in place from the DfE Improvement Advisor, who meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE.
- On 3 May 2023, the JTAI Improvement Board agreed that the priority action around the front door had been addressed and the immediate action taken during the inspection had been embedded within practice. This was a significant milestone.
- Significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation Conference with national keynote speaker, and training sessions delivered over a partnership learning week in January 2023.
- We have launched an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation.
- There is a shared understanding of the children and young people who are at risk of exploitation across the partnership.
- There has been a multi agency audit of practice are completed for children at risk of exploitation to evaluate the impact of changes on quality of practice.
- New multi agency safeguarding arrangements have been approved at Committee level. The new arrangements and the terms of references have been discussed at length at the Bi – Monthly Executive Board.

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- Quarterly reports are developed through the Learning and Improvement subgroup and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members.
- Voice of the child continues to be heard at every Executive Board and Improvement Board.

Actions (Monitoring):	Target Date for Completion
Deliver the improvement plan and scrutinise impact on outcomes for children and young people at risk of exploitation (Bi-Monthly by the Improvement Executive Board)	November 2023
Complete an audit of children at risk of exploitation to evaluate the impact of changes on quality of practice (Safeguarding Children's Partnership Executive to ensure achieved by the completion date)	July 2023
Implement new Multi Agency Safeguarding Arrangements in line with the Independent Review (Bimonthly by the Improvement Executive Board)	January 2024
11 month review of the JTAI Improvement plan (Bimonthly by the Improvement Executive Board)	December 2023

Comments this quarter: The net score was reduced this quarter from 12 to 9. Implementation of the plan progressed well during the period. The multi-agency audit has been completed and shows evidence of improvements in practice for children who are at risk of exploitation. There is a multi-agency quality assurance forward plan being developed which will feature audits of cases where children are at risk of exploitation. There is an 11-month JTAI Improvement plan review scheduled for December 2023 with the DfE.

Timescale for managing risk to an acceptable level: January 2024 This risk can be managed to an acceptable level if our improvement plan achieves the impact on practice that we are anticipating.

Risk Name: Insufficient and Non-Compliance with Financial Processes		Risk Owner: Director of Finance and Customer Services (s151 Officer)
Risk Ref: N/A	Date updated: 1st December 2023	Risk Manager: Head of Finance

Risk Description: The risk relating to the effective planning, recording, allocation, review and transacting of income and expenditure, relative to approved budgets. Consequences: Poor management and/ or misuse of public funds and a failure to ensure good value for money would result in poorer services for residents and local infrastructure; ultimately reducing the health and prosperity of the borough and its residents; and leading to financial difficulties for the Council regarding sufficiency of reserves, and a reduced ability to effectively plan, manage and deliver robust, balanced and sustainable budgeting in the future. Poor management of specific grant funding can also result in the Council having to repay those monies. Causes: This risk is particularly operational in nature; failure to develop and follow comprehensive and effective internal controls and sound budget management practices would result in the risk materialising.	

Interdependencies (risks): Organisational Capacity and Demand, Reputation, Failure to Achieve the MTFS, Capital Projects – Place, Failure of the Local Economy	Lead Service Committee: Corporate Policy Committee

Key Mitigating Controls:
- Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances. Unit4 ERP, and other integrated systems, have access controls and training material; and internal training has been delivered within the Finance Team.
- Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers. Decision making report templates. Finance and Legal business partner sign-off. DMT/CLT report clearance.
- Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution. Current CEC Constitution, as approved by Council, is on website, along with previous versions.
- Sources of specialist advice and guidance. Specialist finance and accountancy support allocated to each Directorate, along with dedicated capital and project finance expertise. External advisors used for specific treasury, audit and tax matters.
- Treasury Management Strategy to manage the Council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges. Treasury Management Strategy within MTFS.
- A Capital Strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken. Capital Strategy within MTFS.
- Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules. Via Committee Work Programmes.

Actions (Monitoring):	Target Date for Completion
N/A	N/A

Comments this quarter: This is a newly defined risk, focussing on the consequences of poor compliance with financial processes, and the quality of associated decision making.

Timescale for managing risk to an acceptable level: N/A

Risk Name: Failure to Achieve the MTFS		**Risk Owner:** Director of Finance and Customer Services (s151 Officer)
Risk Ref: SR06	**Date updated:** 1st December 2023	**Risk Manager:** Head of Finance

Risk Description: Failure to achieve approved changes and manage net spending within the MTFS agreed by Council within the expected timescales will undermine the Council's ability to manage its budget effectively in the current and future years. Potential impacts: Failure to achieve the agreed annual budget will reduce the Councils reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents, due to having to issue a Section 114 Notice. Poor management of specific grant funding can also result in the Council having to repay those monies. Drivers of likelihood: Key drivers of this risk are a lack of effective strategic and/ or operational management, and a lack of ability and/ or authority to implement change, along with global and national events adversely affecting levels of inflation and prices.	
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Insufficient and Non-Compliance with Financial Processes, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks, Capital Projects – Place, Failure of the Local Economy	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice. Finance Team structure and qualifications. Lead Finance Partners attend DMTs, and CFO is part of CLT. Committee reports allow Member engagement and scrutiny.
- Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances.Unit4 ERP, and other integrated systems, have access controls and training material; and internal training has been delivered within the Finance Team.
- Balanced budget to put into effect the Council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves. Budget agreed by Council annually, including report of CFO (under s.25).
- MTFS sets out how the Council will deliver the Council's Corporate Plan. Published MTFS aligns proposals to Corporate Plan.
- Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers. Decision making report templates. Finance and Legal business partner sign-off. DMT/CLT report clearance.
- Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution. Current CEC Constitution, as approved by Council, is on website, along with previous versions.
- Sources of specialist advice and guidance. Specialist finance and accountancy support allocated to each Directorate, along with dedicated capital and project finance expertise. External advisors used for specific treasury, audit and tax matters.
- Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and presented to service committees, in the form of forward-looking forecast outturn reports (committee reports).
- Outturn reporting and audit of statements supports in-year monitoring and future year planning. Outturn reporting via Committees, Statement of Accounts reported to A&G Committee.
- Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period. Reserves Strategy is part of MTFS. CFO report (under s.25) highlights approach and professional opinion.
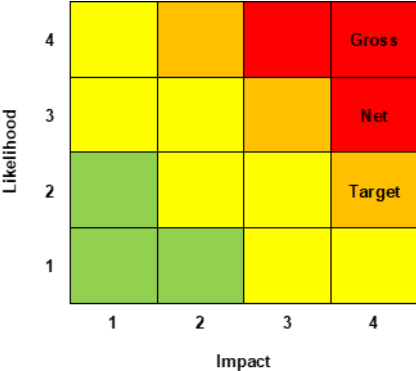
- Where a residual deficit is forecast in a financial year (current balanced MTFS reflected prevailing pressures as recognised in February 2023), a number of actions will be explored including:
  - use of any service or non-specific underspend to offset pressures elsewhere within the budget
  - accessing external funding, ensuring compliance with any funding conditions
  - use of reserves
  - use of general balances
- Treasury Management Strategy to manage the Council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges. Treasury Management Strategy within MTFS.
- A Capital Strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken. Capital Strategy within MTFS.
- Engagement with government departments related to financial models and consultation via Committee Work Programmes
- Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules. Via Committee Work Programmes
- Reporting of status and action plan on CIPFA FM Code, reports to Finance Sub-Committee.
- Budget management regime implemented early in 2023/24 to track activities relating to delivery of approved budget changes. Tracking of delivery activities, and frequent reporting to CLT, to facilitate 'early warning system' ahead of formal financial reporting, enabling greater service business management control.
- Spending management regime implemented in October 2023, to control and reduce spending on staffing and supplies and services; review fees and charges to customers; and approaches to charging costs to capital projects and using capital receipts. Cheshire East Budget Emergency Response Team (CEBERT) formed by CLT; weekly meetings of Cells and CEBERT to track progress on spending controls and reductions.

Actions (Monitoring):	Target Date for Completion:
On-going reporting of spending management effectiveness and latest forecasts to CEBERT (Weekly reporting and review by CEBERT/ CLT)	March 2024
Directly or via professional or political networks, liaise with Government departments on the severity of the many financial issues (Reporting to CLT, and to Members in the MTFS update)	February 2024
Preparation and reporting of Third Financial Review (Cleared by CLT for formal reporting to Committees in January 2024, as foundation for MTFS update)	December 2023

Comments this quarter: The third financial review of 2023/24 is forecasting a pressure of £13m by 31 March 2024. The Council's General Fund balance is £14.1m (a relatively low level when compared to other councils) and earmarked revenue reserves are also limited in scale and scope, as regards their ability to offer 'one-off' options to support in-year spending levels.

Going beyond the budget monitoring arrangements effected early in the financial year, the spending management regime instigated at the start of Q3 is aimed at ensuring that all possible options are explored to control net spending in line with approved budget by the end of the financial year.

The High Needs/ Special Educational Needs cumulative deficit was reported as £47m at March 2023, and is set to rise to £85.8m by March 2024 and to £243.5m by 2027. The Council has now begun conversations on entry to the DfE's Safety Valve Scheme. Solutions need to be delivered to ensure long-term sustainability of SEN services and alleviate the financial costs and risks to the General Fund (currently estimated at some £3m in interest charges).

Timescale for managing risk to an acceptable level: March 2024

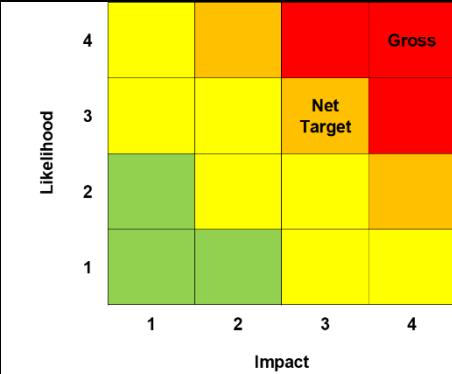| **Risk Name:** Leadership Capacity – DRAFT		**Risk Owner:** Chief Executive
Risk Ref: SR07	**Date updated:** Identified December 2023	**Risk Manager:** Chief Executive

Risk Description: The risk that the council's leadership team in not operating effectively enough and does not have the capacity to manage the full breadth of its responsibilities to an acceptable level. Due to the nature of the ownership and management of this risk must sit with the Chief Executive. A level of resource stretch can be maintained for a period, however ultimately resource and workload must be balanced otherwise structural weaknesses will develop into operational failures. Potential impacts: Without effective leadership areas or all of the council's operational could become inefficient, exceed annual budgets, fail to meet agreed performance targets or regulatory obligations. Drivers of likelihood: Currently the leadership team is going through a period of change, carrying a number of temporary appointments and individuals covering multiple roles as part of acting up.	

Interdependencies (risks): All other strategic and operational risks.	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- Council Constitution and decision-making structure, including the Committee system and defined terms of reference.
- Corporate Plan and Annual Service Plans.
- Support from Governance functions.
- Leadership team recruitment processes, including skills and experience requirements.
- Leadership team performance management processes.
- Organisation structure and internal reporting.

Actions (Monitoring):	**Target Date for Completion:**
TBC	TBC

Comments this quarter: Risk identified in December 2023, a full assessment will be completed to identify additional controls, actions and a timescale for managing the risk to an acceptable level.

Timescale for managing risk to an acceptable level: TBC

Risk Name: Ability to Achieve Organisation Change – DRAFT		Risk Owner: Director of Policy and Change
Risk Ref: SR08	Date updated: Identified December 2023	Risk Manager: Director of Policy and Change

| Risk Description: The risk that the council is unable to achieve organisational change due to a lack of resources and capacity to focus on transformation as people focus on the delivery of business as usual. Recently received advice from government commissioners advised that organisational change capacity is a key ingredient to support the council in delivering transformation to achieve medium to long term change that will support achievement of savings and also, in the event of a section 114 notice being issued, organisational change capacity is also essential to deliver necessary actions arising from interventions.

Potential impacts:
The council is required to deliver transformation activity at pace in order to balance the budget and avoid section 114. If a section 114 notice is issued and commissioners intervene, the council bears their costs. These costs are estimated at up to £200K per commissioner and there are usually 2-6 commissioners, for a period of up to 5 years. Therefore it is more prudent to ensure that there is capacity for organisational transformation to avoid more significant costs and reputational damage.

Drivers of likelihood:
A focus on delivery of frontline and statutory services and a de-prioritisation of corporate, enabling functions. A lack of clear governance and oversight of delivery of transformation. No clearly identified medium- and long-term transformation programme. Failure to recruit and retain individuals for senior management positions. Failure to identify and implement required change initiatives effectively and in a timely fashion. Failure to oversee efficient and effective operations, including dealing with poor performing individuals and to communicate and motivate the wider workforce. | |

Interdependencies (risks): Recruitment and Retention, Failure to Achieve the MTFS	Lead Service Committee: Corporate Policy Committee

Key Mitigating Controls:
- A "doing things differently" initial list of change proposals has been collated and is being discussed with members.
- A weekly CEBERT meeting is in place with Senior Level Membership to review the activities required to meet budget savings targets.
- A Bright Ideas scheme is in operation to enable the workforce to contribute their ideas for transformation.
- A new Corporate Plan has been consulted on to clarify the vision and priorities for Cheshire East.

Actions (Monitoring):	Target Date for Completion:
Strategic CLT discussion planned on structure necessary to achieve transformation.	TBC
Planned to replace Director of Policy and Change, potentially with a Transformation Director.	TBC
Medium to Long Term Transformation Plan to be developed.	TBC

Comments this quarter: Risk identified in December 2023, a full assessment will be completed to identify additional controls, actions and a timescale for managing the risk to an acceptable level. Ownership of the risk going forwards needs to be agreed due to the Director of Policy and Change leaving the Council.

Renewed focus on delivery of organisational change through the weekly CEBERT meetings. However the pace and resource to achieve the necessary changes is not yet as it should be. New Chief Executive to review the organisation's change management structure.

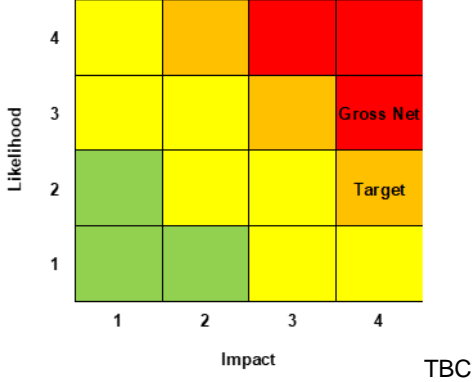**Timescale for managing risk to an acceptable level:** TBC

Risk Name: Recruitment and Retention		Risk Owner: Director of Finance & Customer Services
Risk Ref: SR09	Date updated: Risk Refreshed in December 2023	Risk Manager: Head of HR

Risk Description: Recruitment and retention of skilled and motivated staff is required to allow the organisation to deliver its Corporate Plan. Achievement of the plan requires operational changes which allow the council to adapt and improve. Impact of the risk occurring: High staff turnover and, or skills shortages, insufficient capacity within services. Failure to achieve annual budget and a detrimental impact upon the physical, emotional, and mental wellbeing of staff. Drivers of failure: National and local demographics alongside external factors led to increasing and changing demands on services. Increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand.	(Likelihood/Impact risk matrix: Gross at Likelihood 4 / Impact 4; Net Target at Likelihood 3 / Impact 3)

Interdependencies (risks): Business Continuity, Pandemic Virus, Increased demand for Adults Services, Increased demand for Children's Services	Lead Service Committee: Corporate Policy Committee

Key Mitigating Controls:
- To address demand, workforce planning is in place via the Council's Workforce Strategy. This is a 4-year strategy with ongoing review. Service Workforce Plans are also undertaken on a bi-annual basis to review and support workforce planning on a service-by-service level.
- Benchmarking exercises and workforce metrics are used to identify potential issues and service workforce plans developed as above to mitigate. Work on the refinement of a workforce assessment for the Council is ongoing. Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas.
- In addition, a recruitment and retention programme has also delivered attendance at a programme of local and regional recruitment fairs, an end to end review of the recruitment process, improved recruitment advertising, an employee offer brochure, a review of additional employee benefits, a social work academy in Children's Services and the development of additional career pathways. The introduction of employee profile videos on social media and on Cheshire East Council's website to enhance the Council's profile have also been introduced.
- A review of the provision of agency staff, including an audit of spending, to reduce reliance and transition to a more stable permanent workforce base with reduced costs has also been undertaken, alongside the Government's consultation on capping the pay rates for agency social workers.
- Additional wellbeing and engagement support, including delivery of EAP services, the introduction of 'In the Know' sessions for all staff, a revitalised recognition scheme, monthly organisation wide wellbeing update for all staff, promotion of the government funded initiative Able Futures.
- Support is in place for senior managers in the redesign and restructure of services to meet MTFS targets, including MARS to minimise the impact on the workforce.
- An improved employee benefits offer including agreement to introduce a green car scheme, a white goods salary sacrifice scheme and an expanded flexi time scheme.

Actions (Monitoring):	Target Date for Completion:
Development of toolkits to support workforce planning (Quarterly review by HRMT)	January 2024
Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff (Exit interview data reviewed quarterly by HRMT and the relevant BR Business Partner)	October 2023
Continued work on the implementation of social work academies across Children's Services and Adults, Health & Integration (Quarterly review by HRMT)	March 2024

Support colleagues in Adults, Health & Integration with a bespoke Workforce Strategy (Review with HC-M)	December 2023
Continued use of a programme of local and national recruitment fairs (Quarterly review by HRMT)	January 2024
Explore the introduction of 'stay interviews' to support the retention of staff (Pilot to be considered)	October 2023
Comments this quarter: Risk refreshed in December 2023, much of the actions and controls remain the same as the Organisational Capacity and Demand risk. After refinement of this risk's scope and the creation of the Leadership Capacity and Ability to Achieve Organisation Change risks, the net score was reduced from 12 to 9. The impact of those other issues having previously being somewhat factored into this original risk. Net score equal to target at this time.	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Failure to manage the Consequences of Policy Uncertainty and National Policy Frameworks		Risk Owner: Director of Governance & Compliance (Monitoring Officer)
Risk Ref: SR10	**Date updated:** Risk Refreshed in December 2023	**Risk Manager:** Director of Governance and Compliance (Monitoring Officer)

Risk Description: The risk that the council cannot adequately understand and react to national policy changes or effectively implement them. The scope of the risk covers all central and local government decisions which relate to the operations of local government. The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' policy outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.	 TBC

Interdependencies (risks): Stakeholder Expectations and Communications, Failure to Achieve the MTFS, Failure to Adhere to Agreed Governance Processes	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- Engagement with national government, consultations and requests for feedback
- Application for and funding agreement processes, governance process for ad hoc grants
- Engagement with political administration of CEBC
- Engagement with group leaders of CEBC parties
- Induction, on-going training and committee briefings for CEBC members
- Service Committee support and briefings for members and senior officers
- Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning
- Preparation for elections and promoting engagement in democracy.
- Forward planning for each committee's policy development and areas of political sensitivity
- The development and delivery of the Corporate Plan
- New member induction & training programme

Actions (Monitoring):	**Target Date for Completion**
A review of the Committee briefing process against recognised best practice to identify any potential improvements that may be required	2023/2024

Comments this quarter: The "Political Uncertainty" risk has been adjusted to include an inward view as well as looking at the frequency and impact of external changes. Now described as "Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks", it considers the council's ability to manage uncertainty and changing policy frameworks. After the change in scope, there is no alteration to the net score, it remains at a 12.
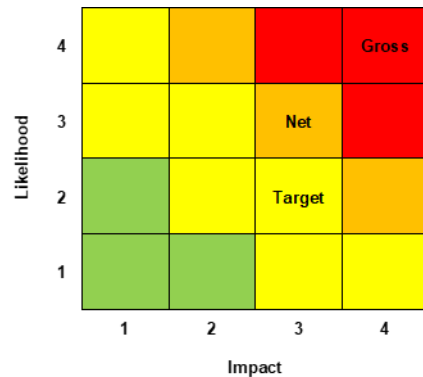
The cancelling of the Crewe part of HS2 shows that central government decisions can quickly undo years of work and necessitate a fundamental shift in operations and fiscal planning. The council recognises the fast-moving pace of national politics and the high level of pressure on local government to maintain services while managing real-term funding cuts.

The risk had previously reflected uncertainty around the outcome of the May 2023 local elections. While that uncertainty has passed there does remain a level of inconsistency in local decision-making regarding the agreement and implementation of the MTFS. On a national basis, the timing of a general election in 2024 remains uncertain.

Timescale for managing risk to an acceptable level: Controls that mitigate this risk are based on the current landscape and timetable for local and national elections. The ability to manage this risk is not completely within the council's gift.
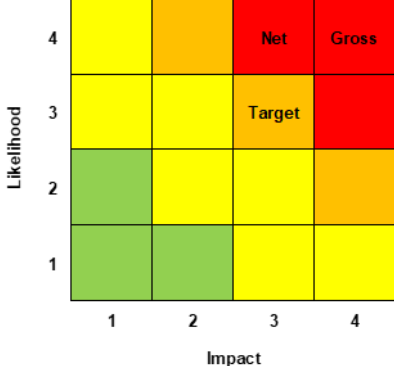
Risk Name: Failure to Adhere to Agreed Governance Processes		**Risk Owner:** Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR11	**Date updated:** Risk Refreshed in December 2023	**Risk Manager:** Director of Governance and Compliance (Monitoring Officer)

Risk Description: Failure to develop a robust corporate governance infrastructure and ensure aligned decision-making throughout the organisation. The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, its goals for the borough are identified within its Corporate Plan. Formal reporting and decision-making within the council is, to a degree, prescribed by local authority regulation. The decision-making process at all levels, must comply with regulatory requirements while also delivering those stated goals.

Detailed consequences: The failure of governance and decision-making may result in stated goals may not be met and, or public funds wasted. Ultimately these can result in a reduction of living standards and physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents at an appropriate cost, or to follow legal decision-making protocols, can result in increased regulatory scrutiny and reputational damage. Possible outcomes of which may be, public censure, financial penalties or direct central government intervention.

Detailed causes: The volume and complexity of the council's services and objectives, coupled with finite resources and differing stakeholder views, make the application of the Corporate Plan into 'good' decision-making, a challenge. Interpretation of 'good' decision-making may be inconsistent throughout the organisation without a holistic approach to guidance, reporting, oversight and challenge. Without comprehensive vertical reporting and challenge, senior management cannot effectively implement a robust level of accountability and drive positive change in their areas of responsibility.

Interdependencies (risks): Failure to Achieve the MTFS, Stakeholder Expectation & Communication, Leadership Capacity, Ability to Achieve Organisation Change, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks

Lead Service Committee: Corporate Policy Committee

Key Mitigating Controls:
Council's Constitution covers decision making processes, including finance and contract procedure rules. Following the change to Committee system, mechanisms are in place to capture learning form the use of the committee system from Members (Constitution Working Group).

Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Director of Governance and Compliance (also the Monitoring Officer) in response to regulatory changes and Full Council decisions.

Administration of local, regional and national elections and monitoring of behaviour in the period of heightened sensitivity beforehand. During which time, appropriate adjustments are made to the publishing or reporting of controversial issues or anything that seeks to influence voters.

Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting. All decisions are formally recorded in meeting minutes and administrated in line with delegated authorities as per the constitution.

Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required and minimise the risk of inappropriate management override.

Assurance mechanisms on the organisations' compliance with it's decision-making processes are provided through the external audit (Statement of Accounts) and the work of the internal audit team. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this I not usually the primary focus.

The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified.

Actions (Monitoring):	Target Date for Completion
Review of shared service governance arrangements with specific actions to be identified	2023/24
Implementation of CIPFA recommendations for the Audit & Governance Committee (Annually by Audit and Governance Committee)	December 2023
Operational changes implemented based on systemic improvements and decision-making (Corporate services and statuary officers)	March 2024 approval by full council

Comments this quarter: The "Governance and decision making" risk has also been rephrased to make consistent with the "insufficient and noncompliance with financial processes" risk. The "Failure to Adhere to Agreed Governance Processes" risk does not see a change in it net score, it remains at a 9.

The risk seeks to take a view on all areas of council activity and if that activity is in line with our agreed processes. Answering the questions, are decisions being made in the correct manner, is appropriate evidence being captured and do individuals making those decisions have the authority? During the process to update the risks there was discussion upon compliance with regulatory requirements. It is acknowledged that the benchmarks are inherently considered in individual risks. For example, the "Complexity and Demand for Children's Services" would consider those any obligations when assessing the level of service the council is able to deliver.

Timescale for managing risk to an acceptable level: March 2024

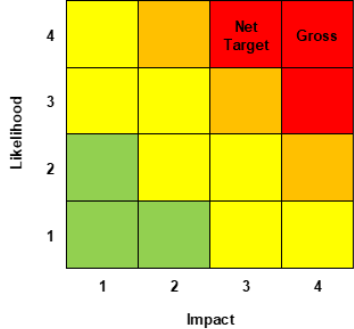| Risk Name: Stakeholder Expectations and Communication – Draft		Risk Owner: Director of Policy & Change
Risk Ref: SR12	Date updated: Risk Refreshed in December 2023	Risk Manager: Head of Communications, Head of Business Change

Risk Description: The risk that the council does not understand the expectations of its stakeholders and that its communication with those stakeholders does not result in their understanding of the council's actions. The council has an obligation to provide as high a level of service to its residents as its funding will allow. This requires not only considering both the short and long-term but also the expectations of all of its stakeholders. Potential impacts: A lack of understand and poor communication will cause damage to the council's reputation, if this is severe enough it may result in poor performance, increase complaints, regulatory inspection, challenge from central government, low moral, increase staff turnover and make the borough less desirable to live and work in. Potential drivers: To a certain degree the council cannot fully control the view that its stakeholders form. At times it will have to make decisions that are unpopular, this can be due to the context of these decisions not being communicated, understood or just being disregarded. Management of this risk should be considered on the basis of the objective regard for the council (measured via surveys, etc.) and an assessment of the quality of its engagement (both listening and telling).	

Interdependencies: Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS	Lead Service Committee: Corporate Policy Committee

Key Mitigating Controls:

Communication & Media
- Effective monitoring and reporting of organisational reputation and sentiment.
- Weekly reputation reporting to senior managers.
- Monitoring of social and traditional media.
- Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning.
- Providing a 24/7 emergency communications on call function.
- Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers.
- Positive proactive communication across multiple channels to celebrate the council's successes and achievements, building positive reputation.
- Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually), including review of council service plans, consultation and engagement programs.
- Review communications business continuity, priorities and emergency / crisis comms protocols and plans.
- Media relations protocol and approvals process.
- Media training programme for key spokespersons.
- Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence.
- Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives.
- Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences.
- Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage.
- Development and delivery of communication strategies to influence public awareness of and informedness about key universal services, inc: planning, highways, waste and recycling.

- Communications handling requirement for each service committee meeting agreed with lead officer(s).
- Quarterly 'Conversation with the Leader and Deputy Leader' videos.
- Regular internal communications to members and officers.
- Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage.
- Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 42,000 subscribers for 'push' notifications across a range of topics.

Consultation
- Ensure that consultation is undertaken when proposals are still at a formative stage.
- Design consultation which gives sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options.
- Consultation and engagement activity will be used as evidence when making decisions and adequate time will be given between the end of a consultation and a decision is made, to allow for consideration of and where required, a response to, the output of a consultation or engagement.
- Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are signed off before any consultation can begin.
- Make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision.
- Use the equality impact assessment toolkit, guidance, and template to provide clarity around what the equality impact assessment is and how it should be used.

Actions (Monitoring):	Target Date for Completion
Communication & Media	
Ensure alignment of annual communications programme and consultation and engagement programme (Quarterly)	Q1 2023/24
Review annual business plans for communication requirements (Annually)	Q1 2023/24
Delivery of the Communications Strategy for Residents 2022-25 priorities (Six monthly updates to CPC)	Through 2023/24
Provide communications support for implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy. (Annually)	Through 2023/24
Consultation	
Delivery of Equality Impact assessment training to Equality champions	Q2 2023/24
Undertake a residents survey linked to the Corporate Plan refresh	Q3 2023/24
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team	Q3 2023/24

Comments this quarter: There was discussion on the nature of the existing "Reputation" risk, it was acknowledged that not everything the council does will be popular or is its role to be so. At times the council does have to make difficult and unpopular decisions, it must it ensure it does this not only fairly but also communicate those decisions clearly and within their true context.   The discussions identified three question which were used to help shape and assess the risk:
1. Reputation of the Council with whom/which audience;
2. Impact of poor reputation with that audience; and
3. Metrics we used to measure/actions we can take to improve.

It was acknowledged that the council has multiple stakeholders with residents being the most important group. It was also identified that understanding stakeholder expectations was key to not only good decision-making but also to effective communication. The updated risk was agreed as "Stakeholder Expectations and Communication", the Customer Services element has been removed from the risk as it doesn't naturally fir within the new scope. Additionally reporting lines do not support its inclusion.

Timescale for managing risk to an acceptable level: N/A

Risk Name: Information Security and Cyber Threat		**Risk Owner:** Head of Information Communication Technology and CIO
Risk Ref: SR13	**Date Updated:** 5th October 2023	**Risk Manager:** ICT Programme Manager

Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.	
Interdependencies: This risk has interdependencies with corporate risk SR5 Business Continuity and SR13 Reputation. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk.
- The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types
- Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the Virtual IGG Task and Finish Group.
- The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by IGG to ensure that the breaches are minimised, and future breaches are reduced.
- The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned.
- The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal.
- There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way.
- Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information.
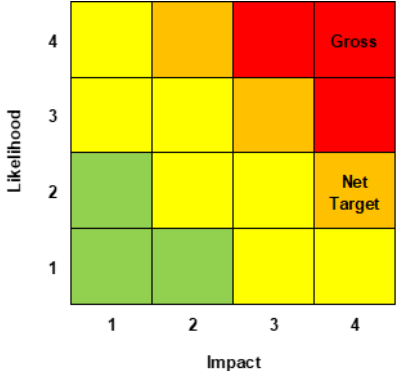
- The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. This includes several modules of Data handling, Cyber Security, and Information Assurance. There are also several best practice guides on the Councils Lighthouse on the best ways to use technology and to protect information. These modules and best practice guides are updated regularly to reflect changes in working practices and as a response to additional threats.
- Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going.
- The Council has a Data Protection Officer who assists in ensuring compliance with GDPR and to specify the procedures to be adopted.
- The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. To support the strategic direction and architecture principles all technical solutions are reviewed at the Technical Design Authority to ensure correct alignment.
- In addition, the Council is looking to move to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC.
- In support of this a high-level business case for Infrastructure Investment of which Security & Compliance is an element was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation.

Actions (Monitoring):	Target Date for Completion:
Identity Management (Information Security Steering Committee (ISSC), Information Assurance and Data Management (IADM))	March 2024
Application Management (Information Security Steering Committee (ISSC))	March 2024
Data Security (Information Security Steering Committee (ISSC))	March 2024
Data Quality (Information Assurance and Data Management (IADM))	March 2024
Information Management (Information Assurance and Data Management (IADM))	March 2024

Comments this quarter: Identity Management – several projects to ensure that identities are protected, and appropriate controls are put in place to ensure that those identities are protected.

Application Management – consolidation of access controls across systems that can adopt this technology with the development of a framework to progress for legacy applications.

Data Security – enhancement of the existing security controls to ensure that the latest threats are mitigated and protected. Development of a process to ensure that vulnerabilities are proactively monitored and addressed.

Data Quality – Continuation of the MDM projects to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems.

Information Management – a collection of projects to improve the maturity of information both through its storage and use of information. This will enable both greater protection for that information but also enable efficiencies through accurate management information and improved compliance through controlled retention and ease and speed of access to critical information.

PSN accreditation has been achieved for 23/24.

Timescale for managing risk to an acceptable level: N/A

Risk Name: Business Continuity		**Risk Owner:** Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR14	**Date updated:** Q2 2023/24	**Risk Manager:** Head of Audit & Risk

Risk Description: Failure to maintain business continuity after an unusual or unexpected, disruptive event or events. The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.

Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.

Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.

Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives.
- BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans.
- High level course on Business Continuity Management has been added to the Council's Learning Lounge
- ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery
- Ongoing liaison with Emergency Planning Shared Service

Actions (Monitoring):	Target Date for Completion:
Review and refresh of the Business Continuity Framework (2-year review cycle)	May 2024
Development of SharePoint BC system (one off project)	Begins January 2024
Rollout and training for the SharePoint BC system (2-year review cycle)	Post SharePoint system development
Work with Emergency Planning on scenario exercises	Began March 2023 - ongoing

Comments this quarter: There is no change to the gross or net rating at this time. Existing policy has been reviewed and will be subject to further review, as we progress through the development of a SharePoint based system for Business Continuity Planning. This begins in January 2024 with support from ICT Business Analysts. Prioritisation will be given to the system development ahead of further policy/guidance review at this stage. More detailed guidance and support will be developed ahead of the move of BC plans into this format. Participation in Emergency Planning exercises continues; this provides valuable experience and knowledge for the further development of both BC plans, and the organisation's role in emergency response situations. If the SharePoint system develops as plans, the target risk should be achieved by end of Q4 23/24, at which point the recommendation would be for this risk to be removed from the Strategic Risk Register.

Timescale for managing risk to an acceptable level: Q4 2023/24

Risk Name: Capital Projects - Place		**Risk Owner:** Executive Director of Place
Risk Ref: SR15	**Date updated:** Q2 2023/24	**Risk Manager:** Place Directors and Business Managers as relevant to

Risk Description: Failure to deliver major capital projects. The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The range of projects includes transport infrastructure, town centre regeneration, refurbishment and improvement of existing council assets such as schools and leisure centres, and renewable energy generation. Impact: Without a robust system for managing the capital programme and individual projects, the stated objectives may not be delivered. Projects could also fail to deliver to the time, cost and quality parameters set out in business cases. This could have significant financial and reputational implications for the Council. Due to the nature of the projects and their large cost, delays can materially impact the ability to deliver future projects, thus negatively impacting the borough. Likelihood: The scale and complexity of the overall capital programme is challenging. Appropriate governance and controls are important to ensure resources and funding are prioritized effectively, and where required agree adjustments to the time, cost and quality parameters set out in the business case. Where appropriate, members are updated on significant changes to agreed objectives through briefings to the relevant committee. The broad range of partners and stakeholders for individual projects and interdependencies between projects are also significant challenges that require effective management.	
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding	**Lead Service Committee:** Economy and Growth, Environment and Communities, Highways and Transport

Key Mitigating Controls:
- The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council.
- New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules
- The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development.
- The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt.
- Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board. This governance considers and makes practical decisions on the prioritisation of resources and funding including, where appropriate adjustments to agreed time, cost and quality parameters.
- The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including HS2 and strategic housing sites, to ensure individual projects are fully aligned to the overarching vision and delivery plan for each town.
- Financial monitoring undertaken quarterly, with summary data reported to Finance Sub-Committee and appropriate service committee.
- High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis.
- Regular 121s between Executive Director and Directors which includes updates on key capital projects

Actions (Monitoring):	**Target Date for Completion:**

A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend	Revenue module now in operation, capital module deployment ongoing – date TBC
Comments this quarter: While the risk remains unchanged in Q2 looking forwards to Q3 there will be a review of the Council's capital schemes.	
Timescale for managing risk to an acceptable level: N/A (Net score is equal to target) - Major capital projects by their nature are high risk. The controls are designed to proactively manage risks and mitigate their impact if a risk is realised. It is not realistic to expect the risk to be managed any lower.	

Risk Name: Failure of the Local Economy		**Risk Owner:** Executive Director of Place
Risk Ref: SR16	**Date updated:** Q2 2023/24	**Risk Manager:** Director of Growth and Enterprise

Risk Description: Failure of the local economy

The risk that the local economy does not realise the expected level of growth due to an inability to attract, grow and retain commercial enterprises, residents and visitors. The borough has a strong local economy, an above average Gross Value Added (GVA), some areas of deprivation and is reliant on a number of different industries.

Consequences: The failure of enterprises reduces the local money supply, reducing the standard of living for residents and council income. Secondary effects can include a reduction in public health and the loss of highly trained or skilled individuals. Consequences and causes, over the medium to long-term can have a symbiotic relationship, creating either an upward or downwards spiral. An example of this is shops closing in a town centre, then reduced footfall resulting in further closures.

Causes: The local economy is significantly driven by changes in the national economy, taxation and other government policies. However the failure to maintain parity, or offer benefits above other boroughs, can lead to a relatively larger economic downturn. As noted above poverty and deprivation, like other issues, can be both a consequence and cause causing a snowball effect.

Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change	**Lead Service Committee:** Economy and Growth

Key Mitigating Controls:
- Cheshire East Business support hub has been launched.
- Business forum to engage and plan future support.
- Investment plans to support regeneration and development.
- Place marketing and inward investment.

Actions (Monitoring):	**Target Date for Completion:**
Launch of business support grants: (Quarterly returns to government) • Repurposing our high street grants from Crewe town centre • Decarbonisation grants for business • New employment space grant	March 2025

Comments this quarter: The national economic situation continues to be monitored by the Economic Development Service. UK gross domestic product (GDP) is estimated to have shown no growth in Quarter 2 (July to Sept) 2023.

The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Rate at 5.25%.

Timescale for managing risk to an acceptable level: N/A, net score is equal to target score.

Risk Name: Climate Change (CEC Carbon Neutral Status 2025)		**Risk Owner:** Executive Director of Place
Risk Ref: SR17	**Date updated:** Q2 2023/24	**Risk Manager:** Head of Environmental Services
Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2025 milestone target as a result of ineffective planning and delivery of actions. Likelihood is based on a number of external factors, partnerships and key outcomes being delivered in a timely manner. Impact will result in non-delivery of a key priority in the Council's Corporate Plan. It will also contribute to climate change temperature rise and severe weather events which could have an impact on public health and safety. It could also have financial implications with increased need for adaptation of key infrastructure for severe weather events across the borough.		
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects		**Lead Service Committee:** Environment and Communities
Key Mitigating Controls: • Risk is reviewed as part of the Brighter Futures Transformation Projects Board, operational board and member steering group • Carbon Neutral Program established with Program Board reviewing progress and risks monthly • Member Advisory group overseeing its delivery • Annual update on progress reported to relevant committee • Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy • Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area		

Actions (Monitoring):	**Target Date for Completion:**
Secure planning permission for second solar farm (Delegated Authority granted at March 2023 Economy & Growth Committee. Action will be reviewed monthly at Carbon board chaired by Head of Environmental Services)	March 2024
Transition of Electric Fleet project, failing to meet targets (New Capital funding secured though 2023 MTFS Action for fleet transition and tree planting progress, will be reviewed monthly at Carbon Board chaired by Head of Environmental Services)	March 2024
Progress of Natural Offset planting failing to meet targets (In response to capacity issues at Mersey forest, more of the project work to be delivered by CE for Oct – May planting season)	1st October 2023

Comments this quarter: The Council is on track to be carbon neutral as an organisation by 2025, however, there remains significant time risks to achieving the target within 2025.

Work continues on Council buildings with seventeen solar installations having been completed, providing approximately 1GWh per year. The Council has also put in place a programme of replacing gas boilers with air source heat pumps with 15 installations underway. We continue to replace petrol and diesel vehicles with electric across our services and we have installed 26 new or upgraded electric vehicle charge points with more planned for the second half of this year.

Of the three key risks identified this year at Q2:

1. Fleet: the transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities is under way with procurement imminent.
2. Solar: to progress the second solar farm to submit a planning application by September 2023 with decision needed by April 2024. A change in approach following advice will see the authority procure a design and build contact with planning part of the contract. This means planning will now be delayed until Q4. This remains the most significant risk to the time element of the project in achieving the 2025 target.
3. Natural Offset: the planting of the next two key large woodlands this planting season Oct 2023 - May 2024. The authority has only been able to progress one of the two sites identified for this year which is now out to procurement. The increased risk associated with this element pushing the need for a greater degree of planting to the final planting season in 2024-25.

Timescale for managing risk to an acceptable level: Delivery milestone – Q4 2025/26

Risk Name: Local Planning Authority Modernisation Plan		Risk Owner: Executive Director of Place
Risk Ref: SR18	**Date updated:** Q2 /2023/24	**Risk Manager:** Interim Director of Planning, Head of Planning

Risk Description:

Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment & Communities Committee on 31 October 2022 a Modernisation Plan has been developed to achieve the transformation of the service. This Plan will carry forward the recommendations made, document actions and monitor progress. The recommendations are many and varied but failure to complete the actions of the Modernisation Plan will undermine the planned transformation of the service, perpetuating and potentially extending the issues identified and undermining the reputation of the organisation.

Detailed consequences: Failure to achieve completion of the Modernisation Plan will undermine the performance of the Council in its Local Planning Authority role, result in non-compliance with statutory processes, and reputational damage to the Council. By not achieving the Modernisation Plan within agreed timescales, the potential for additional budget pressure increases.

Detailed causes: Insufficient resource to ensure completion of priority actions in the required timescales (staff and skills) while also 'doing the day job', Interim Service Review Lead/Planning Director limited contract duration, supplier resource to deliver new ICT system, failure to engage with internal and external stakeholders to affect necessary changes, lack of oversight from the Planning Transformation Board/Steering Group.

Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,	Lead Service Committee: Environment and Communities

Key Mitigating Controls:
- Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernisation Plan.
- Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Committee.
- Regular meetings of Interim Director of Planning and Head of Planning and team managers to review action logs and progress on key priorities. Steering Group established to review workstream and focus priorities feeding into Transformation Board.
- Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group.
- IT System Project has its own Project Board attended by supplier.
- Weekly monitoring of resources / recruitment during manager's meetings.

Actions (Monitoring):	Target Date for Completion
IT System Project escalation with the supplier, IDOX continues (Weekly team and fortnightly Project Board meetings)	Q4 2023/24
Staffing Restructure – discussion with HR re JDQs evaluations (Regular meetings and updates)	Q3 2023/24
External support from Capita retained to assist with backlog. Bid for 'backlog funding' from DLUHC submitted (Continued monthly reporting on application backlog)	Q4 2023/24
Continued monitoring of resources – recruitment to critical posts ahead of restructure (Weekly manager meetings)	Q4 2023/24

Comments this quarter: The key priorities identified below continue but with the addition of the s106 Audit and actions required to complete recommendations - which are already being addressed. Key priorities:

1. Legal discussions with IT supplier continue with a revised contract being drafted to ensure compensation / penalties for failure to meet revised project plan. Change in personnel from supplier does give some encouragement for positive progress on key issues of data migration and resolution of functional issues. This risk remains high (9) with estimated go live date toward end of Q4 23/24.
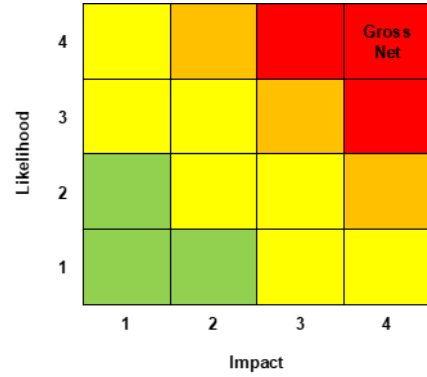
2. Application backlog has reduced further due to fast-track days, with a focus on older applications. Support from Capita continues, albeit at a reduced level. Continuation dependent on Backlog funding bid.
3. Draft structure completed and awaiting engagement with HR/Job evaluation team. Corporate financial pressures threaten ability to press on with restructure as originally highlighted within Planning Review given growth that is required to meet needs.
4. Customer service actions continue to be instigated as and when possible - depending on resources. Validation Checklist work and meetings with other Services/Consultee groups have progressed well during this period.

Notwithstanding the clear commitment from the Service to deliver progress, all the above remains at risk due to dependency on the Service and key personnel within it, to deliver outcomes while undertaking the day-to-day duties of a busy high-profile service.

Timescale for managing risk to an acceptable level: 3-12 months (depending on priority)

Risk Name: HS2 Infrastructure Investment		**Risk Owner:** Executive Director of Place
Risk Ref: SR19	**Date updated:** Q2 202324	**Risk Manager:** HS2 Programme Director

Risk Description: HS2 is a government led scheme, impacting Cheshire East Borough. HS2 services will call at Crewe station when Phase 2a opens between 2032 and 2036 with 2 HS2 trains per hour. Plans for Phase 2b include the Crewe North Connection that could enable up to 5/7 HS2 trains per hour calling at Crewe, in each direction. However, the business case for Phase 2b does not include any additional services, from the 2 HS2 trains per hour, calling at Crewe when Phase 2b opens between 2035 and 2040.

Government's proposals for Crewe hub station fall far below those of other HS2 hubs and don't reflect its role as a rail super-hub and the first HS2 hub in the North. Current proposals are unlikely to unlock the regeneration, growth and levelling up potential for Crewe from the investment in HS2. Securing the required investment for the Crewe station is critical to the Council in delivering its Crewe hub vision, maximise cost and programme efficiencies and minimise disruption to rail passengers and local communities.

The government is in control of the HS2 programme and its delivery timescales. Delays to the scheme were announced as part of the Integrated Rail Plan, published in November 2021. In March 2023, Government announced a further 2-year delay to the delivery of HS2 Phase 2a, between the West Midlands and Crewe, as a way to manage the affordability pressures resulting from the construction inflation pressures. Such delays, and the risk of further delays to HS2 Phase 2b, leads to uncertainty on the delivery and viability of the Council's wider ambitions for the Crewe hub. However, Government has reiterated its ambition to deliver the full western leg of HS2, including Phase 2a to Crewe and 2b on to Manchester.

The Council has been developing its vision and plans for the Crewe hub alongside partners for several years, at significant cost to the Council, lack of firm commitments about timing, infrastructure and HS2 train services means there are uncertainties on the programme delivery and scope puts increasing risk on these costs being abortive.

On 4th October 2023, the Prime Minister announced that HS2, north of Birmingham would be scrapped. Therefore, HS2 Phases 2a and 2b would not be progressing and there will no longer be a Crewe HS2 hub. Consequently, the above risk is no longer applicable.

Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects	**Lead Service Committee:** Highways and Transport, Environment and Communities, Economy and Growth

Key Mitigating Controls:
- The Council secured the following commitments from Government through its petition against the Phase 2b hybrid bill:
  - To fund and commission a study to identify the interventions needed at Crewe station to support future passenger demand and unlock regeneration opportunities and to fund the necessary design work of such interventions which is due to be completed by the end of summer 2023, and
  - to establish a Crewe Hub Taskforce, made up of senior officials from the Council and from across central government departments, focused on maximising the regeneration opportunities from HS2 for Crewe. The taskforce will be governed under a more robust governance arrangement that the prior arrangements to drive forward the regeneration potential for Crewe.
- There have been no control failures to date. In fact, the controls in place today are probably stronger than at any point in achieving the objective with Government now actively and publicly supporting our ambitions to deliver the Crewe Hub Vision.
- Following this report, Government will fund the design work for the recommended solution.

- Furthermore, Government has now commenced a deep dive for the Crewe Hub. This is a joint DfT/DLUHC initiative that will identify ways in which central government can better support CEC to unlock the opportunities for Crewe.
- The Council is also looking at opportunities to bring forward key investments in advance of HS2 to seek to accelerate the benefits and reduce the overall risk further.
- HS2 to Cheshire East has been cancelled and this risk is no longer applicable. Therefore no controls are required moving forward.

Actions (Monitoring):	Target Date for Completion
Negotiations with Government re. compensation	On-going

Comments this quarter: It is proposed that this risk is removed at Q2 review.

Timescale for managing risk to an acceptable level: N/A