<u>Strategic Risk Summary – Changes in Net Scores Q3 2023/24</u>
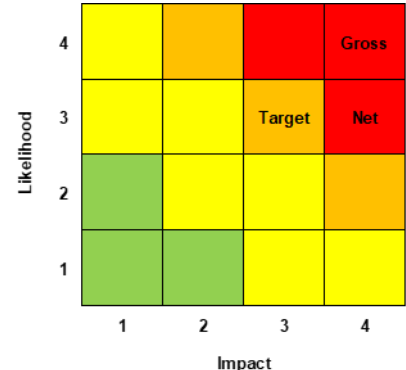
Ref	Risk	Q2 Net	Q3 Net	Travel	Target
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Complexity and Demand for Children's Services	12	12	↔	12
SR04	Dedicated School Grant Deficit	16	16	↔	12
SR05	Delivery of the JTAI improvement plan	9	6	↓	6
SR06	Failure to Achieve the MTFS	16	16	↔	9
SR07	Leadership Capacity	12	12	↔	8
SR08	Ability to Achieve Organisation Change	12	12	↔	8
SR09	Recruitment & Retention	9	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	12	↑	9
SR18	Local Planning Authority Modernisation Plan	9	9	↔	6

Strategic Risks Heat Map Q3 2023/24

Individual Risk Details – Q3 2023/24

Risk Name: Increased Demand for Adult Services		**Risk Owner:** Executive Director of Adults, Health, and Integration
Risk Ref: SR01	**Date updated:** 7th February 2024	**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 are 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 Commission 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.
- Implementing recommendations of independent review. All care plans presented to Senior Leasers board for authorisation of spend.
- Tighter controls on hospital discharge will impact relationship with CB colleagues.
- 3 times weekly Quality, Performance and Authorisation Board to review every request for care, since the start of this regime over 2000 cases have been reviewed to ensure that the package of care is effective and efficient.
- Weekly Extended leadership meeting to review budget, spend and activity.

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

Comments this quarter: The implementation of the Quality, Performance and Authorisation Board ensures that every request for care is reviewed by Director and Senior Managers together with commissioners and brokerage staff. This has ensured that all care requests are effective and as efficient as possible and has also highlighted where providers appear to be charging for services not delivered. During Q2 we have continued to see a high level of complexity, particularly for transition cases and mental health; we believe that this is due in part to the change in process from Health and the closure of Independent Hospitals. We are now providing care to a higher number of individuals who are in their late 90s and early 100's year old.

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.
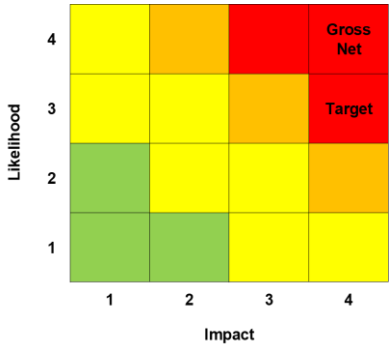
Risk Name: Fragility and Failure in the Social Care Market		**Risk Owner:** Executive Director of Adults, Health and Integration
Risk Ref: SR02	**Date updated:** 5th February 2024	**Risk Manager:** Director of Adult Social Care, Director of Commissioning

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 9.8% 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). The current financial position of the local authority precludes it from uplifting care fees for all care contracts in 2024/25. 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. This could lead to a need to increase the use of care providers who have not been through a formal tendering process which in some cases could result in higher costs and/or poorer quality. While due diligence is undertaken for these providers, some providers do not fully co-operate with this process. It will also bring challenges in managing budgets in 2024/25.

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.
- Increasing the robustness of due diligence on care providers who have not been through a formal tendering process.
- Comprehensive cost of care exercise to be undertaken with all care providers to ensure that care packages are sustainable and available resources are distributed fairly.
- 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.
- Update of the joint Market Position Statement with ICS to ensure that care providers receive timely information about commissioning intentions.
- 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. Development of a Workforce Strategy for the external care workforce.
- 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 (Monthly DMT)	March 2024

Comments this quarter: Capacity in the care market continues to be healthy, however, a major risk will be the planned 9.8% uplift in National Living Wage from April 24. This is leading to an increase in requests for fee uplifts from care providers on average around 10%. We are seeing some quality challenges and an increase in whistleblowing resulting from care workers being added to the Shortage Occupation list for international recruitment. We are also seeing some market disruption including a non-commissioned care provider that folded prior to Christmas and care businesses being sold to other providers. We are in the final stages of commissioning the Care Cubed tool which will enable us to undertake a comprehensive review of care fees.

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:** 1st February 2024	**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 received growth through the MTFS to help address the pressures but the challenge to deliver to budget remains 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 in 2023/24 to help address the pressures. This includes growth for children's social care in response to the demand. Additional growth to address budget pressures within services has been proposed in the MTFS consultation for 2024/25, including £10.8m to address placement costs for children.
- 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. At the end of Q3 we had successfully reduced the number of children in care by 9%, from 586 children in April 2023 to 533 in December 2023.
- 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
Build additional funding into the budget for 2023/24 to recognise current pressures (To be agreed by Full Council in February 2024)	February 2024

Comments this quarter: No change to the net rating, it remains 12, a material risk, equal to the target score. Additional growth to address budget pressures within services has been proposed in the MTFS consultation for 2024/25, including £10.8m to address placement costs for children.

Our first children's home is due to open in early February 2024 - the home is awaiting its registration visit from Ofsted. We have recruited a full staff team and have built all the new systems, processes and training to enable us to grow our homes at pace moving forward. 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. A new sufficiency strategy on how we will develop placement options for children and young people will be received by the Children and Families Committee in February 2024.

Our new family group conferencing service will launch in February 2024. This service supports families and their wider support networks to create and deliver plans to support children and keep them safe, and will support families to sustain changes long-term, preventing children from needing a service in future. Where children can't live with their parents, family group conferencing can support children to be cared for by a person they already know, which is better for children and young people, and avoids high cost placements.

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: 1st February 2024	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 over one and a half times the annual allocation at the end of 2023/24, £89.6m 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. We submitted detailed plans to the government in January 2024, negotiations with the Department for Education are ongoing. with any agreement published on their website in March 2024. The plan will be presented to the children and families committee in April 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.
- 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 in 2023/24 to help address the pressures. This includes growth for school transport, Educational Psychology and SEND services in response to the demand in these areas. Additional growth was proposed in the MTFS budget consultation for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts.
- 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.
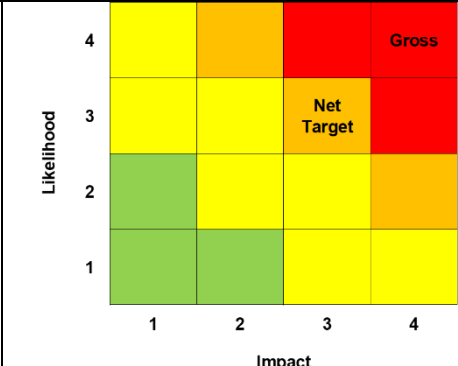
- A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy.
- We have a range of support available to families through early help and prevention services, 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
Implement the Safety Valve plan (Quarterly by the DfE if accepted onto the programme. If not accepted the plan will be monitored internally through a CEX lead board with member involvement).	March 2031

Comments this quarter: On 12 January 2024, we submitted detailed plans to Government, as part of the department for education's (DfE) Safety Valve programme. The plans set out how the council proposed to reform services for children and young people with special educational needs and disabilities (SEND) and achieve a balanced and sustainable dedicated schools grant budget. The Safety Valve programme is in place to provide additional support, including financial support, to councils as they work to reform support and services for children with SEND, to improve sustainability and affordability. Subject to DfE approval, the plan will be published on the DfE website in March.

Additional growth was proposed in the MTFS budget consultation for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts. Net risk remains at the highest rating possible.

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: 12th February 2024	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.	(Risk matrix graphic: Likelihood (vertical axis 1–4) vs Impact (horizontal axis 1–4). "Gross" marked at Likelihood 4, Impact 4 (red). "Net Target" marked at Likelihood 2, Impact 3 (orange).)

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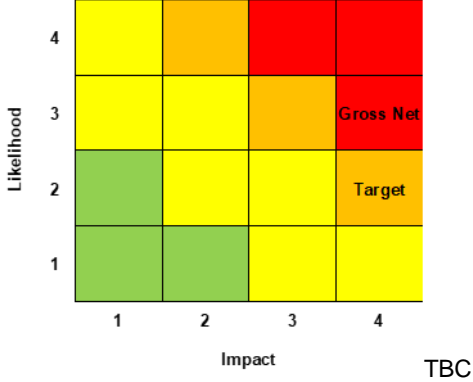
- Quarterly reports are developed through the Learning and Improvement subgroup and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members.
- Voice of the child continues to be heard at every Executive Board and Improvement Board.

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: There was an 11- month JTAI Improvement plan review on 18th December 2023 and the outcome letter detailed as follows:

"Overall, the Council has made positive progress in improving the quality of multi-agency safeguarding practices since June 2023. The transformation required is now well understood and leadership teams have implemented many necessary changes to strengthen culture and performance. Focus groups, at all levels, reported that a culture of high-support-high-challenge is now embedded into practice, which has created a range of benefits including improved timeliness in responding to the needs of vulnerable children, improved information sharing and greater accountability across agencies.

We were impressed with the strides that the Council and partners have made in implementing a child-centred approach to safeguarding vulnerable children. Staff spoke confidently about creating a safe environment for vulnerable children by prioritising activities to build a trusted relationship and by working creatively with other practitioners to provide a wrap-around service. For example, social workers are now acknowledging a child's friendship group and connecting with other relevant social workers to build a broader network of support for children.

The themes raised across all feedback groups were consistent and a sign of genuine change within Cheshire East's children's services. While it is recognised that there are still improvements to be made, the leadership team seem much clearer on the Council's and partnership's direction of travel than they were in the review in June 2023. Overall, we were presented with an improving picture of Cheshire East's multi agency response to the criminal exploitation of children. It is clear that the local authority has, along with partners, undertaken a great deal of work to target those areas identified at the JTAI inspection and at the Department's six-month review. The Department is satisfied that systems and processes are in place to protect children who are at risk of, or are victims of, criminal and sexual exploitation and leaders are clear on their priorities to ensure the service continues to build on these foundations. As such, we are content to step down the specific JTAI related monitoring, provided that the Council maintain a tight grip on services and maintain the progress made so far."

Moving forward, we will be transferring to a more general risk of protecting vulnerable children. The scrutiny and monitoring will continue through the new partnership arrangements.

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: Leadership Capacity		Risk Owner: Chief Executive
Risk Ref: SR07	Date updated: 16th February 2024	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: no change to the risk rating at this time. Recruitment processes for the appointment of a new Chief Executive were undertaken in the quarter – with the new Chief Executive being appointed at Full Council on 13th December. The Executive Director of Place resigned from the organisation in October 2023; interim arrangements whereby the Director of Growth and Enterprise is also acting up to the Executive Director Place role continue. Corporate Leadership capacity is recognised as a significant governance issue in the 2022/23 draft Annual Governance Statement.

Timescale for managing risk to an acceptable level: TBC

Risk Name: Ability to Achieve Organisation Change		**Risk Owner:** Director of Policy and Change
Risk Ref: SR08	**Date updated:** 16th February 2024	**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: No change to the risk rating at this time. Corporate Plan engagement and development activity continued in the quarter, concluding in December 2023. The new Chief Executive has been recruited and appointed at Council in December 2023. The Director of Policy and Change resigned during the quarter, so ownership of the risk has transferred to the incoming Chief Executive and will be subject to further development and review in Quarter 4.

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:** 23rd January 2024	**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.	

Interdependencies (risks): Business Continuity, Increased demand for Adults Services, Complexity and Demand for Children's Services	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:
- Workforce planning is in place via the Council's Workforce Strategy. This is a 4-year strategy with on-going 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 has been completed and a monthly workforce dashboard available to identify potential issues. Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas. This is supported by the introduction of a manager dashboard on Learning Lounge that will help the identification of training and skills gaps.
- HR Dashboards are provided to managers which offer up to date information on key HR Metrics so that managers can monitor performance.
- 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, and the planned implementation 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. Further work will be undertaken to streamline the recruitment process to ensure improved efficiency and a better user experience.
- 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. The Council will implement the provisions of the Government proposal on capping the pay rates for agency social workers and have also engaged with the proposals for capping agency pay rates for Children's Social Workers as part of the Greater Manchester Pledge.
- Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff.
- 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 updates for all staff, and the promotion of the government funded initiative Able Futures.
- Senior manager support in the redesign and restructure of services to meet MTFS targets, including MARS to minimise the impact on the workforce.

Actions (Monitoring):	**Target Date for Completion:**
Development of toolkits to support workforce planning (Quarterly review by HRMT)	March 2024

Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT/Ongoing briefing to CLT on progress and implementation).	June 2024
Continued work on the implementation of social work academies across Children's Services and Adults, Health & Integration (Quarterly review by HRMT/Review with Children's and Adults, Health and Integration).	March 2024
Use Pulse Survey results to gauge employee satisfaction (Reviewed by HRMT and shared with CLT).	June 2024

Comments this quarter: No change to the risk rating at this time. National labour market pressures still exist, particularly in the care, social work, planning and ICT sectors. Local authorities are competing for the same staff, with some offering higher salaries and other benefits not in place at Cheshire East Council. No change to the risk ratings at this time.

As outlined above, a comprehensive programme of work is in place to address these pressures. Much of this work is now 'business as usual' activity, but additional initiatives have also been introduced.

- Work has begun to implement a range of additional staff benefits will support the recruitment and retention of staff, and most of this work should be completed during Quarters 3 and 4.
- Work has continued on the promotion of the Employee Assistance Programme and usage continues to grow.
- A process of office rationalisation has been agreed and these changes are likely to embed and develop the Council's agile working approach, although it may also affect the retention of existing staff, if their work base changes.
- Ongoing work to improve the efficiency of the recruitment process is in place.
- The MARS scheme has been offered again and any staff leaving the organisation, will leave by the end of May 2024. This will enable the Council to re-design services and management structures to improve efficiency, create career development opportunities and reduce costs.

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
Delivery of DLUHC Productivity Plans (DLUHC)	TBC
Oflog reporting (Oflog)	TBC

Comments this quarter: No change to the net risk score at this time as 2024 is an election year for the Policy and Crime Commissioner and likely a general election, although no specific date has been set for the latter. Awareness and concern about the levels of local government funding has growing nationally, with authorities indicating that they will have to make significant reductions to services to deliver a balanced budget for 2024/25. Together, these factors create political uncertainty at both the local and national levels.

The Department for Levelling Up, Housing and Communities (DLUHC) has created the Office for Local Government (Oflog) to provide authoritative and accessible data and analysis about the performance of local government, and support its improvement. CEC expect to be providing performance data for key metrics to Oflog once those metrics are confirmed.

Communities secretary Michael Gove has announced that local authorities will need to set out how they will "improve service performance and reduce wasteful expenditure" in productivity plans as part of an additional £500m in funding for 2024-25 that social care authorities will share. The Department for Levelling Up, Housing & Communities will establish an "expert panel" involving the Office for Local Government and the Local Government Association to review the productivity plans which could inform funding settlements in the future.

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.
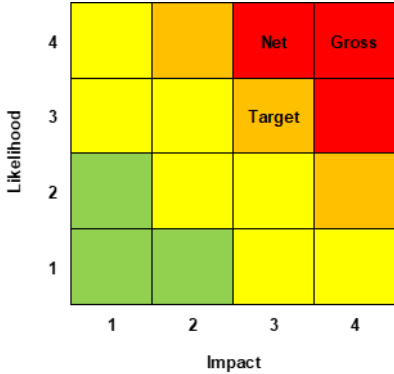
Risk Name: Failure to Adhere to Agreed Governance Processes		**Risk Owner:** Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR11	**Date updated:** 1st February 2024	**Risk Manager:** Director of Governance and Compliance (Monitoring Officer)

Risk Description: 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: Robust governance requires clear aims and policy objectives and identified and delivered. Governance processes should facilitate the lawful delivery of those objectives and prevent the misapplication of resources in achieving other goals. Ultimately this 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. Examples of governance failures are:
- Variations in interpretation and non-compliance with agreed process and internal controls.
- Deviation from core objectives as result of prioritising presenting issues.
- Failure to allocate limited resources in line with the requirements of agreed objectives.
- Inadequate internal controls across the organisation or vertically with a directorate.

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. The Constitution is reviewed and amended on an on-going basis to ensure legal compliance and operational continuity. Following the adoption of the Committee system, mechanisms were put in place to capture Member's feedback and are reported to the (Constitution Working Group). The number, nature and terms of references of the Committees are assessed on an on-going basis, with refinements being implemented via full council decision.

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. Internal Audit's assurance is achieved through the development and delivery of an annual plan and follow-up monitoring of agreed actions. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is 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	2024/25

Comments this quarter: The recruitment of a new Chief Executive took place during Q3 with the appointment being announced in the first days of the 2024. During the period here have been positive examples of cross committee working to ensuring audit recommendations are implemented, with oversight and assurance being provided to the Audit & Governance committee. The risk rating remains the same, supported by the fact that issues are being identified and resolved.

Timescale for managing risk to an acceptable level: March 2024

Risk Name: Stakeholder Expectations and Communication		**Risk Owner:** Chief Executive
Risk Ref: SR12	**Date updated:** 5th February 2024	**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 and engagement with those stakeholders does not result in their understanding of the council's actions, nor appropriate involvement and influence. 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 and/or failure to effectively engage with stakeholders will cause damage to the council's reputation, if this is severe enough it may result in poor performance, increased complaints, regulatory inspection, challenge from central government, low morale, increased staff turnover and make the borough a less desirable place 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 effectively communicated, understood or just being disregarded by stakeholders. Management of this risk should be considered on the basis of the objective regard for and interest in the council its policies and its services (measured via surveys, media coverage, customer relations activity, 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 54,000 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 and planning ahead for 2024/25
Review annual business plans for communication requirements (Annually)	Q1 2023/24 and planning ahead for 2024/25
Delivery of the Communications Strategy for Residents 2022-25 priorities. Review in the context of 2023/24 financial position and emerging position for 2024/5 and the new Cheshire East Plan, as It is being developed and once established. (Six monthly updates to CPC. however, the Communications Strategy for Residents will need to be reviewed and realigned to the new Cheshire East Plan, once that is approved and adopted.)	Through 2023/24 and planning ahead for 2024/25
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 and planning ahead for 2024/25
Review use of social platforms and other digital communications and engagement channels in the context of changing technologies and cultures on those platforms. (Quarterly)	Q1 2024/25
Consultation:	
Delivery of Equality Impact assessment training to Equality champions (Annually)	Q2 2023/24
Undertake a residents survey linked to the Corporate Plan refresh (Biannually)	Q3 2023/24
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team (TBC)	Q3 2023/24

Comments this quarter:

Communication & Media: No change to the risk ratings at this time. Coverage and public/media interest in the council through Q3 was dominated by the council's financial position and the potential impacts of the governments' announcement of cancellation of HS2 North of Birmingham. Q3 saw a significant escalation in public interest in pressures on council finances and the impacts on residents, local economy and environment. This is ongoing at a local and national scale and is reflected in national polling regarding resident satisfaction and perception of local councils. Interest in the council's financial position included in-year forecasting of budget gap, implementation of budget proposals from 2023/24 budget and looking ahead to future years.

Key proposals attracting most interest included parking review, garden waste subscription scheme, strategic leisure review and green spaces maintenance. These were (and continue to be) supported with comprehensive communications plans, aligned to consultation activity, project plans and key decision-making. Despite this, when proposing or making significant cuts or changes to valued services, residents and other stakeholders will be concerned and will voice opposition. We also saw developments and interest in flood mitigation plans for Poynton Pool, the ongoing planning issues relating to a housing development in Crewe, and concerns about review of household waste recycling centres. During this period the council also submitted plans to DfE as part of the safety valve programme, relating to high needs funding and SEND service reform. This is of key interest locally and nationally. Ensuring that the council's messages, information for residents and opportunities to influence decision-making (and understand the impact of that input), amid heightened interest from a range of voices and stakeholders, remains a significant challenge.

Consultation: The Equality Impact Assessment (EIA) training has now been approved and is available on learning lounge. Work is underway to explore if this package can be made mandatory for Head of Service as they have final approval and sign-off EIA prior to publication. This will ensure assessment is undertaken at the right level and that any impacts are understood and mitigated where possible.
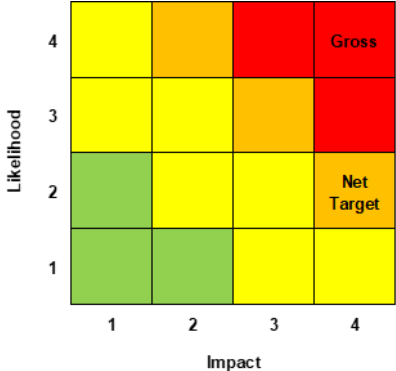
A residents' survey has been undertaken during the period. Results are being analysed and summary reports will be drafted ready for wider distribution. Discussions will be undertaken to assess the responses and work with services will be undertaken to address any areas identified where performance needs to be improved. A shift to digital has reduced costs. Issues around accessibility were addressed through targeted use of paper copies and responses rates have provided for a good level of confidence in the results at town and borough level. Many significant consultations have been undertaken during this period, with some timescales for reporting being short in some instances. Efforts are being made to ensure that the outcomes of these consultations are taken into account prior to any decisions being made.
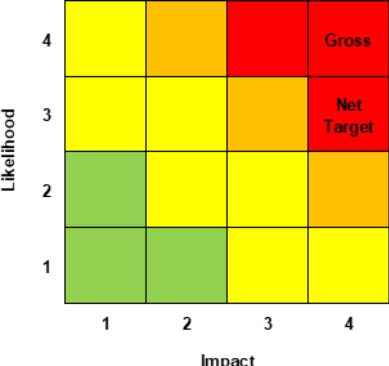
Timescale for managing risk to an acceptable level: N/A

Risk Name: Information Security and Cyber Threat		**Risk Owner:** Head of Information Communication Technology and CIO
Risk Ref: SR13	**Date Updated:** 24th January 2024	**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, and, or loss of information, 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 loss of information, 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 Business Continuity and Stakeholder Expectations and Communication. 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 IG Collaboration Group.
- The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by SIGG 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: No change to the risk rating at this time.

Identity Management – projects are continuing to ensure that identities are protected through increased monitoring and controls. These will ensure that correct level is applied to identities across the estate.

Application Management – review of current estate and alignment to the asset register.

Data Security – continued enhancement of the existing security controls to ensure that the latest threats are mitigated and protected. Development of a remediation plan to ensure that vulnerabilities are proactively monitored and addressed. Work is continuing to strengthen the resilience capabilities of data storage and protection. Work is progressing on a refreshed Cyber Incident Response Plan to ensure that the Council is best equipped should an incident occur.

Data Quality – Continuation of the MDM projects across several data fields to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems. This is a key area to support any future drive to AI.

Information Management – continuation of projects to deliver and 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. This is a key area to support any future drive to AI.

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:** 2nd February 2024	**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.	(risk matrix showing Likelihood vs Impact, with Net, Gross and Target positions)

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 – on-going

Comments this quarter: No material change to the risk, time with a system analyst has been booked in for January to develop the scope for the BCP SharePoint App. Emergency Planning exercise planned for February based around a cyber security breach, the learnings from which will feed into the app development and inform further development of the organisation's business continuity approach.

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: 31st January 2024	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.

Risk matrix (Likelihood vs Impact): Gross = Likelihood 4, Impact 4 (red); Net/Target = Likelihood 2, Impact 4 (orange).

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 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:

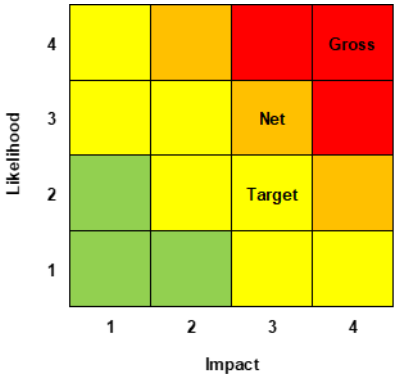| A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend	Revenue module now in operation, capital module deployment ongoing – date TBC
Comments this quarter: No change to the risk ratings this quarter, controls and action review, no material changes identified. The Middlewich eastern bypass full business case was submitted to the DfT for funding, with a decision anticipated in the spring. The effects of inflation continue to be felt across the wider programme of capital projects in Place, larger capital investments are continually assessed to understand whether they remain viable and will deliver the required benefits.	
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: 8th February 2024	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.
There is no change in the economic position, with the economy flatlining. Locally, the cancellation of HS2 has impacted confidence.

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:** 31st January 2024	**Risk Manager:** Head of Environmental Services

Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2025 milestone target due to requirement to secure statutory consents, seek viable and affordable solutions and other external market forces outside the Councils control.

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
Budget proposal to defer capital spend and target for Council to be Carbon neutral to 1st April 2027 (Decision at Full Council Q4 2023/34)	January 2024

Comments this quarter: The council has projects in progress to achieve the target it has set itself to be carbon neutral by 2025, however this is now unlikely to be achievable based on time constraints for the following reasons;
- Due to the complexity of the projects required and how their practical delivery has been influenced by external market forces. These external factors are issues such as securing off takers for solar energy and an ability to acquire the necessary volume of small fleet vehicles over a restricted time period;

- The budget proposal to be considered in Quarter 4 at Full Council on 27th February 2024 to defer capital expenditure on the second larger solar farm and transition to EV fleet. This is proposed on the basis of the Council's very challenging financial position and the need to defer spend, in this case the cost of prudential borrowing, to future years wherever practicable.

If agreed at Full Council in Q4, this would revise the 2025 target for the Council to be Carbon Neutral to 1st April 2027. Recognising the challenges described, the net score increased from 9 to 12, target score also increased from 6 to 9.

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

Risk Name: Local Planning Authority Modernisation Plan		**Risk Owner:** Executive Director of Place
Risk Ref: SR18	**Date updated:** 1st February 2024	**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.

Risk matrix: Likelihood (vertical, 1–4) vs Impact (horizontal, 1–4). Gross at Likelihood 4 / Impact 4 (red). Net at Likelihood 3 / Impact 3 (red). Target at Likelihood 2 / Impact 3 (amber).

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 due to breach of contract (Weekly team and fortnightly Project Board meetings or as needed)	Q1 2024/25
Staffing Restructure – JDQs awaiting evaluations (Regular meetings and updates)	Q1 2024/25
External support from Capita retained to assist with backlog. Backlog funding secured from DLUHC, intervention from senior officers on older applications (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: There is no change to the risk ratings at this time and the desired reduction in net risk score is not yet possible. This is due to several on-going issues; one of which is the delayed the delivery of the ICT system project for which we have no solid timescale for implementation from our external supplier. Engagement with the external supplier is on-going and current expectations are tentatively for a Q1 2024/25 delivery.

Restructuring the service has faced further delays due to job evaluation queries and HR resource. Further recruitment to key roles will be necessary before restructure is complete – which may now be pushed into Q1 24/25 and will also be impacted on by financial pressures.

Backlog of planning applications is reducing slowly but some sickness and further vacancies has impacted on progress. A backlog funding bid has been successful so additional Capita support should be secured for Q4.

Engagement with consultees on applications and s106 is largely complete. Validation checklist work to go to consultation and forward to adoption in Q4. S106 audit work progressing well with several recommendations completed and further work to be largely completed by end of Q4.

Further progression and timeframes on the remaining Modernisation Plan recommendations are dependent on resolution of priorities described above.

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