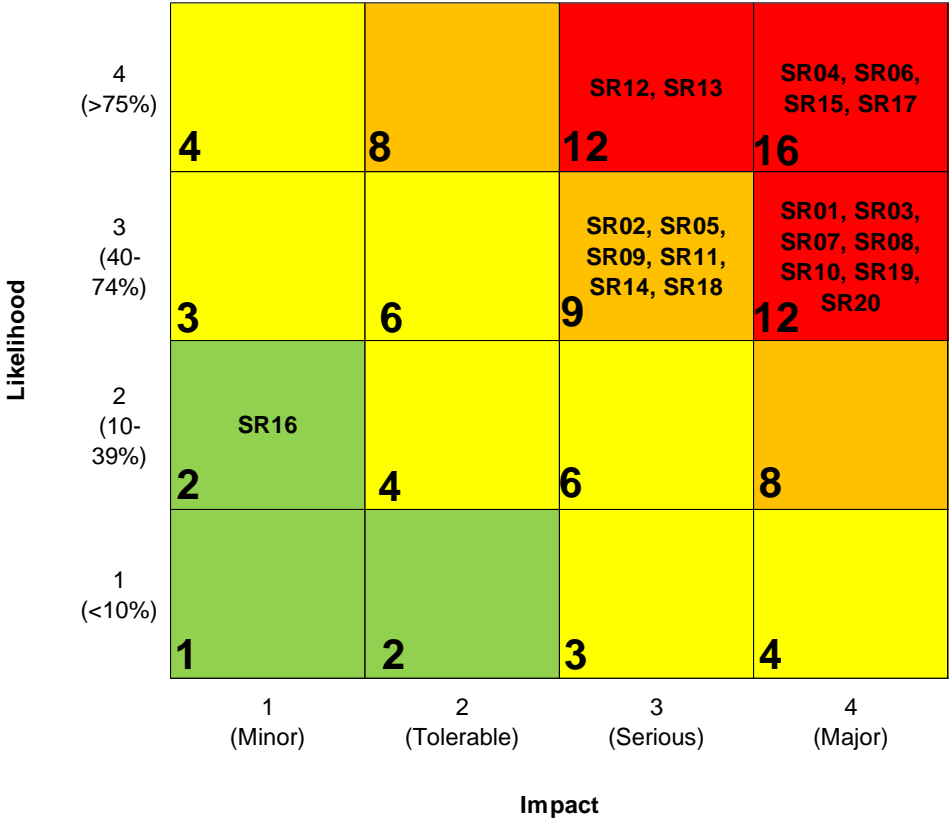


Strategic Risk Summary – Changes in Net Scores Q2 2024/25

Ref	Risk	Q1 Net	Q2 Net	Travel	Target
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Complexity and Demand for Children's Services	12	12	↔	12
SR04	Dedicated School Grant Deficit	16	16	↔	16
SR05	Failure to Protect Vulnerable Children	9	9	↔	6
SR06	Failure to Achieve the MTF5	16	16	↔	9
SR07	Leadership Capacity	12	12	↔	9
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	16	16	↔	12
SR16	Failure of the Local Economy	2	2	↔	2
SR17	CEC Carbon Neutral Status	16	16	↔	16
SR18	Local Planning Authority Modernisation Plan	9	9	↔	6
SR19	Delivery of the ILACS improvement plan	12	12	↔	12
SR20	SEND Inspection	12	12	↔	8

Strategic Risks Heat Map Q2 2024/25



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

Individual Risk Details – Q2 2024/25

Risk Name: Increased Demand for Adult Services		Risk Owner: Executive Director of Adults, Health, and Integration																														
Risk Ref: SR01	Date updated: 4 October 2024	Risk Manager: Director of Adult Social Care Operations																														
<p>Risk Description: An increase in demand for adult social services that cannot be met within the existing budget.</p> <p>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. There has been an increase in responsibility and duties being transferred to LA i.e. RCRP.</p> <p>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.</p> <p>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. The increase in demand and complexity for services has not been recognised with increased established staffing, resulting in use of Agency Staff to fill the void.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Red (Gross)</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange (Target)</td> <td>Red (Net)</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>	4	Yellow	Orange	Red	Red (Gross)	3	Yellow	Yellow	Orange (Target)	Red (Net)	2	Green	Yellow	Yellow	Orange	1	Green	Green	Yellow	Yellow		1	2	3	4		Impact			
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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																														
<p>Key Mitigating Controls (Existing):</p> <ul style="list-style-type: none"> • 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. 																																

<ul style="list-style-type: none"> • 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 ICB 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. • Inner Circle Transformation Partners working alongside ASC staff to transform services and reduce spend. 	
Actions (Monitoring):	Target Date for Completion:
Implementation of Impower Consulting review (Weekly CEBERT meetings)	Q4 2023/24
<p>Comments this quarter: As predicted the reduction of agency staff within the service has resulted in increased waiting times for assessments, this reduction has been seen in the services provided during quarter two. All waiting lists are monitored weekly to manage the risks. Providers of services continue to push for increased fees, however we have started to implement the care cubed model to scrutinise care costs, we are working through the analysis of the initial tranche of providers who have been through this process and will report in quarter three. We are seeing a rise in demand from self-funded residents where their funds have reduced to a level that makes them eligible for funded social care and this demand is expected to increase.</p> <p>Scrutiny of cases continues at 3 x weekly Quality, Performance and Authorisation Boards we are very aware of the risks of falling on the wrong side of the legislative framework where the council could be subject to legal challenge and therefore we review our decision making process to avoid this risk. The demand in terms of the numbers of residents requiring a service continues to be stable however the rise in the complexity of cases is seen in the scale of the assessment process and the financial costs of challenging cases. We continue to meet weekly to discuss risks and budget pressures. The deficit within the Cheshire and Mersey ICB will increase pressure on the council to pick up funding for previously funded health patients and this will require robust challenge and discussion.</p>	
<p>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.</p>	

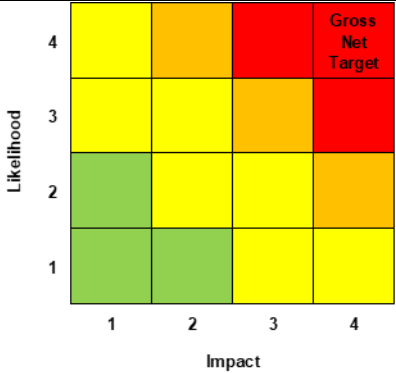
Risk Name: Fragility and Failure in the Social Care Market		Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR02	Date updated: 9 October 2024	Risk Manager: Director of Adult and Children’s Commissioning
<p>Risk Description: A failure of the local social care market. Increases 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.</p> <p>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. If the Council is unable to increase fees for providers it 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 resident’s placements. 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.</p> <p>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 2024 and high rates of inflation. The current financial position of the Local Authority precludes it from uplifting care fees for all care contracts in 2024/25.</p>		
Interdependencies (risks): Failure to Achieve the MTFs, Business Continuity, Failure of the Local Economy		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Contracts and Quality Monitoring Policy Framework, monitoring the people’s outcomes that partners are delivering. • Localised quality assurance risk management oversight tool embedded which provides pertinent intelligence that will identify any escalation of providers quality and safety of service delivery in an effort to reduce service disruption. This risk matrix connects to an overarching 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, undertaken capacity and demand modelling, 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 Northwest 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. • Update of the joint Market Position Statement with ICB to ensure that care providers receive timely information about commissioning intentions. 		

<ul style="list-style-type: none"> Regular ASC reporting to DLT, 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. Quality Performance Authorisation Board meets three times a week to ensure that the Council is obtaining value for care money for commissioned placements and making best use of all commissioned block booked assets across the Borough. 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 and ensure people are supported through the correct pathway at the point of 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. A tool called Care Cubed has been commissioned to assess the actual cost of delivering care for individual care providers and benchmark against market prices. On-going engagement and development with the community voluntary faith sector to enhance our offer and support to people. 	
Actions (Monitoring):	Target Date for Completion:
Care at home re-commissioning (SRO and Work Programme in place)	September 2025
Accommodation with care re-commission (SRO and Work Programme in place)	September 2025
<p>Comments this quarter: A revised Market Sustainability Delivery Plan for 2024/25 has been introduced which monitors the following domains:</p> <ul style="list-style-type: none"> A sufficient supply of services to ensure continuity of care with minimal disruption in the event of provider exit from the market. A range of high-quality services for people to choose from Sufficient investment in the workforce to attract and retain high-quality staff. Evidence of innovation and service diversity in order to evolve and meet changing user needs. Being attractive to new market entrants and able to manage the impact of future market changes. Regulatory Quality and Safety Oversight and compliance Provider emerging risks and trends across the provider market <p>There is currently only have 1 care home that has been rated as inadequate – Riseley House. They have 10 service users in the home and 4 are CEC funded. The Quality Assurance Team visit the home fortnightly to review the action plan and progress made. The home is discussed in Contract and Quality governance oversight meeting, so system partners are aware of any risks and issues. The quality assurance officers will check on residents and report any concerns to Social Care, safeguarding etc. The current care at home waiting list remains at 12 people which equates to 90 hours per week. Operational colleagues continue to RAG rate individuals placed on the waiting list for care at home. No further risks to note or escalate for Q2.</p>	
<p>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.</p>	

Risk Name: Complexity and Demand for Children’s Services		Risk Owner: Executive Director of Children’s Services																																
Risk Ref: SR03	Date updated: 21 st October 2024	Risk Manager: Children’s Services Directorate Leadership Team																																
<p>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.</p> <p>The service received growth through the MTFS to help address the pressures but the challenge to deliver to budget and achieve the required savings remains present. 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.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Red (Gross)</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> <td>Orange (Net Target)</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td></td> <td colspan="3" style="text-align: center;">Impact</td> </tr> </table>		4	Yellow	Orange	Red	Red (Gross)	3	Yellow	Yellow	Orange	Orange (Net Target)	2	Green	Yellow	Yellow	Orange	1	Green	Green	Yellow	Yellow			1	2	3	4			Impact		
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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																																
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Growth to address budget pressures within services was agreed in the MTFS for 2024/25, including £10.8m to address placement costs for children. • Extensive activity is taking place to manage and reduce costs. • 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. • 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. • We have implemented Family Hubs, bringing council, health and community services together – improving access and reach of services, supporting earlier intervention, and improving partnership working. Over the past 12 months the council has opened five family hubs across the borough, including a SEND Centre of Excellence, as well as a new digital offer so families can also access advice and information online. • 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. We will continue look to identify options for children to live within their family networks where this is the best outcome for them. • We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. 																																		
Actions (Monitoring):		Target Date for Completion:																																
Review and realign children’s services to deliver better outcomes for less (Children’s social care senior leadership team)		March 2027																																
Review and strengthen how we support children at child in need to prevent their needs from escalating (Children’s social care senior leadership team)		March 2027																																
Review entries to care to understand how we can strengthen our approach (Children’s social care senior leadership team)		December 2024																																
Expand 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)		Initial mobilisation to be complete by April 2025																																
Comments this quarter: No change to the net rating, it remains 12, a material risk, equal to the target score.																																		

A new Executive Director of Children's Services and Director of Improvement are now in post. These two post holders have an established track record of transforming services to deliver better outcomes for children and young people and also achieving savings. New arrangements have been put in place to strengthen the oversight of children's outcomes and to review opportunities for developing services to deliver better for less. This work will be aligned with the council's transformation programme.

Timescale for managing risk to an acceptable level: March 2026

Risk Name: Dedicated School Grant Deficit		Risk Owner: Executive Director of Children’s Services	
Risk Ref: SR04	Date updated: 30 th October 2024	Risk Manager: Children’s Services Directorate Leadership Team	
<p>Risk Description: That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable.</p> <p>The final outturn position for the financial year 2023-24 outlines a reduced deficit position of the DSG high needs budget of £79.5M compared to the forecast deficit of £89.6M resulting in a reduction of £10.1m. The mitigated cumulative forecast reserve deficit identified through the Safety Valve programme is £285m. This is in part as 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 required to hold a negative reserve for this purpose which is in place until March 2026. 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.</p> <p>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.</p>			
<p>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</p>		Lead Service Committee: Children and Families Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which would 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. In March 2024 Ministers advised that they are currently unable to enter into an agreement with Cheshire East as Cheshire East’s Safety Valve submission included an ask of the Department which is significantly above the level which the Department could reasonably afford in comparison to other agreements. Ministers recognise that the DSG deficit as forecasted poses a substantial risk to Cheshire East, and propose to work with us over the coming months, alongside colleagues from DLUHC, to seek an appropriate solution. 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. A revised DSG management plan for 2024/25 to 2030/31 was approved by the Children and Families Committee on 29 April 2024. The committee also received an update on the Safety Valve submission. The Children and Families Committee is receiving monthly updates on the DSG management plan. The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed 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 revisited DSG management plan 2024-2031. There is significant capital investment in local SEND provision to meets children’s needs more locally but also reduce dependency on high-cost independent school placements. As part of the Safety Valve programme we were invited to submit a Capital bid. The bid was successful and we have been awarded £16m to create more specialist provision. The capital grant will allow us to create the following <ul style="list-style-type: none"> 3 x special school satellite sites providing in total 140 additional places 1 x 14 place new SEN unit 			

<ul style="list-style-type: none"> ○ Generic funding to support the refurbishment/adaption of space within mainstream settings which could support the current demand by way of resource provisions and/or SEN units. • • We are embedding a graduated approach and inclusion across all schools and settings and strengthening SEN support. • 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
Embed the graduated approach and inclusion across all schools and settings and strengthen SEN support (Reviewed quarterly)	September 2025
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
<p>Comments this quarter: The in year forecast deficit is £42.9m, resulting a forecast cumulative deficit of £121.6m x 31 March 25. The DSG management plan has been reprofiled to take in to account of the reduced growth of EHCP numbers (13.5% EHCP growth - 5.5% lower than anticipated) and a considerably lower deficit position than forecast on 31 March 2024 (£10 million reduction in the deficit position – giving a position of £79 million).</p> <p>A report to demonstrate the impact of reprofiling the DSG management plan will be reported to Children and Families Committee on 11 November 2024. The unmitigated forecast deficit is £1.07 billion 2030/31 and the mitigated forecast deficit is £237 million, a reduction of £48 million.</p> <p>The overall strategy remains the same, of RIGHT SUPPORT, RIGHT PLACE, RIGHT TIME. Elements of the plan include increased specialist provision. The timely opening of the provisions is reliant on circumstances which maybe out of our control and therefore carry a risk, such as delivering by the Department of Education, planning approvals and public consultations. Increased specialist provision include: a new free special school, which will be delivered by the Department of Education (DfE), additional special school satellite sites and additional resource provisions/SEN units within mainstream schools. The newly created SEND Transformation Team, although not fully operational, is helping to drive forward key mitigations detailed in the DSG management plan.</p> <p>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.</p>	

Risk Name: Failure to Protect Vulnerable Children		Risk Owner: Executive Director of Children's Services	
Risk Ref: SR05	Date updated: 31 st October 2024	Risk Manager: Quality and Impact Board	
<p>Risk Description: The risk, that as a part of the local safeguarding children's partnership, Cheshire East Council's children's services are unable to fulfil their responsibilities relating to the protection of vulnerable children at risk of criminal exploitation and child sexual abuse. To do this Cheshire East seeks to be an effective and collaborative partner in the partnership. Ofsted are responsible for conducting inspections into the quality of children's social care provided by Cheshire East and as the local authority responsible Cheshire East is continually looking to meet those expectations in an ever-changing and challenging environment.</p>			
Interdependencies (risks): Increased Demand for Adult Services, Complexity and Demand for Children's Services		Lead Service Committee: Children and Families Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Quarterly Quality and Impact board has oversight of the Multi Agency Safeguarding Arrangements. There are 3 Statutory Partners; Health, Local Authority and Police. The Statutory Partners form the Cheshire East Safeguarding Children's Partnership. Working Together 2023 outlines the responsibility of the Statutory Partners to involve other agencies. A Children's Partnership 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. Ofsted regularly inspect the Local Authority and the partnership arrangements. The partnership ensures awareness within all agencies by providing regular training focused on exploitation. The training facilitates communication, increased knowledge and understanding and working together. We have 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. This requires updating before the end of January 2025 which will provide a clear oversight of governance and practice standards across the partnership. There is a shared understanding of the children and young people who are at risk of exploitation across the partnership. There are regular multi agency audit of practice are completed for children at risk of exploitation to evaluate the impact of changes on quality of practice. Committee will have oversight through the annual report and any inspection reports. Quarterly reports are developed through the Learning and Improvement sub group and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members. Voice of the child case study is presented at every Executive Board. This demonstrates the impact that services and intervention are making for the child. Improvement board following the recent Ofsted inspection and this has oversight of the ILACS Improvement plan, with independent scrutiny from the DfE. 			
Actions (Monitoring):		Target Date for Completion	
CS SOC Impact report to be presented to the Quality and Impact board (Quality and Impact Board)		Q3 2024	

Comments this quarter: A review and reflections session has taken place within the Strategic Contextual Safeguarding board and has evidenced that there are areas of practice, as recommended in the JTAI, that we are currently not meeting. There has been an increase in children being identified as high risk of exploitation and there are a number of the cohort who are not in education. This is a significant risk regarding safeguarding. We are not able to provide evidence or data to demonstrate if we have safely reduced the number of children coming into care as a result of exploitation.

The Contextual Safeguarding strategy ends in January 2025 and a number of changes are proposed to how this risk is managed and monitored and therefore there is a lack of clarity around the expectations of the partnership. There is currently a single Team Manager leading the Contextual Safeguarding operational work and this seems a significant risk that this is a single point of failure. An increase in the net score is not recommended at this time. Whilst the review and reflections findings evidenced some gaps, this is broadly in line with expectations. These will be addressed through the strategy being updated and providing clear oversight to the partnership of the practice standards. This shows the oversight of this cohort through the CS SOC Strategic Board and the Quality and Impact Executive Board is working as intended.

Timescale for managing risk to an acceptable level: December 2024

Risk Name: Failure to Achieve the MTFS		Risk Owner: Executive Director of Resources (S151 Officer)																													
Risk Ref: SR06	Date updated: 12 th November 2024	Risk Manager: Director of Finance (Deputy S151 Officer)																													
<p>Risk Description: Failure to achieve approved changes and manage net spending within the MTFS agreed by Council within the expected timescales will undermine the Council's ability to manage its budget effectively in the current and future years.</p> <p>Potential impacts: Failure to achieve the agreed annual budget will reduce the Council's reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents, due to having to issue a Section 114 Notice. Poor management of specific grant funding can also result in the Council having to repay those monies.</p> <p>Drivers of likelihood: Key drivers of this risk are a lack of effective strategic and/ or operational management, and a lack of ability and/ or authority to implement change, along with global and national events adversely affecting levels of inflation and prices.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red (Gross Net)</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Orange (Target)</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> </tr> <tr> <td></td> <td></td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td></td> <td colspan="2">Impact</td> </tr> </table>		4	Yellow	Orange	Red (Gross Net)	3	Yellow	Orange (Target)	Red	2	Green	Yellow	Orange	1	Green	Green	Yellow			1	2			3	4			Impact	
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Interdependencies (risks): all		Lead Service Committee: Corporate Policy Committee																													
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice. Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances Balanced budget to put into effect the Council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves MTFS sets out how the Council will deliver the Council's Corporate Plan Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers. Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution Sources of specialist advice and guidance Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and presented to service committees, in the form of forward-looking forecast outturn reports Outturn reporting and audit of statements supports in-year monitoring and future year planning Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period. Where a residual deficit is forecast in a financial year, a number of actions will be explored including:- <ul style="list-style-type: none"> use of any service or non-specific underspend to offset pressures elsewhere within the budget accessing external funding, ensuring compliance with any funding conditions use of reserves use of general balances 																															

<ul style="list-style-type: none"> • Treasury Management Strategy to manage the Council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges • A Capital Strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken • Engagement with government departments related to financial models and consultation • Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules • Reporting of status and action plan on CIPFA FM Code • Budget management regime implemented early in 2023/24 to track activities relating to delivery of approved budget changes • Spending management regime implemented in October 2023, to control and reduce spending on staffing and supplies and services; review fees and charges to customers; and approaches to charging costs to capital projects and using capital receipts • Strategic Financial Management Board, with a number of groups – Procurement; Strategic Assets; Workforce Oversight; Financial Management – each with terms of reference and various assigned tasks; and with a further link for all groups/ activities to the Transformation Programme. any Directorate forecasting spend >5% over approved budget is subject to focussed budget management, reporting progress to SFMB weekly 	
Actions (Monitoring):	Target Date for Completion:
Ongoing reporting of spending management effectiveness and latest forecasts to SFMB/CLT (Weekly reporting and review by SFMB/CLT)	March 2025
Directly or via professional or political networks, liaise with Government departments on the severity of the many financial issues (Reporting to CLT, and to Members in the MTFS update)	February 2025
Preparation and approval of the 2025/26 annual budget (Formal Financial Reviews to Committees; with progress on all change proposals reported to each committee cycle)	February 2025
<p>Comments this quarter: No change to the risk ratings. The Council's Second Financial Review (FR2) shows a forecast £20.1m overspend for the current financial year. This was reported to Finance Sub-Committee on 7 November and will also be reported to service committees through the November cycle of meetings.</p> <p>Whilst an improvement on the First Financial Review by £6.5m, the forecast overspend remains a significant financial challenge for the Council. After agreed movements, reserves are currently estimated to be £10m (£0.5m General Fund balance; £9.5m in earmarked reserves); clearly this is insufficient to cover the current forecast outturn and further action is required. The forecast does not assume use of the £17.6m Exceptional Financial Support (EFS). If spending cannot be brought back into line with budget, it will be necessary to take up the EFS and plan for its financing.</p> <p>The Council faces a significant four-year funding gap, with the shortfall in 2025/26 identified in February 2024 MTFS estimated at £41.9m. There is a risk that pressures leading to the latest FR2 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position. As noted in Q1, the Council's Transformation Programme is underway and its outcomes will help to shape the development of the Council's updated MTFS for 2025-29.</p>	
<p>Timescale for managing risk to an acceptable level: March 2025</p>	

Risk Name: Leadership Capacity		Risk Owner: Chief Executive																															
Risk Ref: SR07	Date updated: 15 th October 2024	Risk Manager: Head of HR																															
<p>Risk Description: There are a number of vacancies and temporary acting up arrangements in place across CEC’s leadership team are not functioning. These limit its capacity and prevents the team from operating as effectively as possible. Without the right capacity across the leadership team, the organisation is unable to flex and be respond to its challenges.</p> <p>Potential impacts: The impact may be a failure to achieve priorities, which is ever more critical in light of current financial challenges as well as the Council’s requirement to deliver a large-scale transformation programme. It could also be the case that priorities are delivered at higher cost than could otherwise be achieved. Without maintaining value for money throughout the organisation, overall amount of effectiveness is reduced.</p> <p>Drivers of likelihood: Reputational risk from Section 114 notice and impact on recruitment and retention. Failure to recruit and retain individuals for senior management positions. Failure to complete DMA exercise and implement a revised structure, Failure implement management development for the leadership team. Failure to communicate and motivate the wider workforce.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Gross</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> <td>Target</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>		4	Yellow	Orange	Red	Gross	3	Yellow	Yellow	Orange	Target	2	Green	Yellow	Yellow	Orange	1	Green	Green	Yellow	Yellow		1	2	3	4		Impact			
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Interdependencies (risks): All other strategic and operational risks.		Lead Service Committee: Corporate Policy Committee																															
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Council Constitution and decision-making structure, including the Committee system and defined terms of reference. • Corporate Plan and Annual Service Business Plans. • Support from Governance functions. • Leadership team recruitment processes, including skills and experience requirements. • Leadership team performance management processes. • Organisation structure and internal reporting. • Workforce Strategy 																																	
Actions (Monitoring):		Target Date for Completion:																															
Undertake Decision Making Accountability (DMA) exercise from Heads of Service level to develop a revised organisational structure and implement new structure (Introduction of new populated structure)		01/11/2024																															
Leadership development programme for CLT and WLC (Evaluation of programme once completed and sessions delivered)		31/12/2024																															
Interim arrangements for key posts (Interim recruitment exercise to a number of key posts)		31/05/2024																															
<p>Comments this quarter: A consultation process on a proposed new senior management structure has been conducted and the recruitment to the new senior management structure will increase leadership capacity across the organisation. The recruitment process will start in November.</p> <p>Recruitment has taken place to the Executive Director, Place. The postholder will commence with the Council in November 2024. Senior interim arrangements will remain in place until recruitment has taken place and postholders take up their new positions. An Interim Executive Director of Children’s Services and an interim Improvement Director joined CEC in September 2024.</p>																																	
Timescale for managing risk to an acceptable level: November 2024																																	

Risk Name: Ability to Achieve Organisation Change		Risk Owner: Assistant Chief Executive																														
Risk Ref: SR08	Date updated: November 2024	Risk Manager: Director of Transformation																														
<p>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.</p> <p>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.</p> <p>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.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Gross</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> <td>Net</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Target</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>	4	Yellow	Orange	Red	Gross	3	Yellow	Yellow	Orange	Net	2	Green	Yellow	Yellow	Target	1	Green	Green	Yellow	Yellow		1	2	3	4		Impact			
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Interdependencies (risks): Recruitment and Retention, Failure to Achieve the MTFS		Lead Service Committee: Corporate Policy Committee																														
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • A “doing things differently” initial list of change proposals has been collated and is being discussed with members. • A weekly Strategic Finance Management Board (SFMB) 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 • Appointment of a Delivery Partner to provide additional capacity and to produce the council transformation plan • Formation and weekly meetings of the transformation board • Establishment of a core project team to support the next phase of transformation 																																
Actions (Monitoring):		Target Date for Completion:																														
Strategic CLT discussion planned on structure necessary to achieve transformation.		January 2025																														
Medium to Long Term Transformation Plan to be developed linked to revised structure for phase 3 (March 25 onwards)		January 2025																														
<p>Comments this quarter: As Q1 there is no change to the overall risk rating, The Transformation Plan was submitted to MHCLG ahead of the required deadline and the council continues to be supported by its delivery partner- Inner Circle. A great deal of work to mobilise the programme has taken place including:</p> <ul style="list-style-type: none"> • Establishment of a Programme Management Office (PMO) • Standardised ways of working through programme and project delivery framework and associated tools • Establishment of formalised reporting and governance • Establishment of the six programme workstream and associated governance. • Workforce, Social Care, Place, Early Intervention and Prevention, Digital and Special Projects 																																

- Identification of CEC Sponsor, supported by Programme Directors from ICC

Further work to refine the more than 100 opportunities that were original identified is ongoing and will be concluded by early December, at which point the broad range of savings target (£59m £91m) will be refined in more detail. In addition to this the independent assurance Board has met twice and several staff engagement sessions have taken place with more planned in Q3 and Q4

Timescale for managing risk to an acceptable level: TBC

Risk Name: Recruitment and Retention		Risk Owner: Executive Director of Resources, Section 151 Officer	
Risk Ref: SR09	Date updated: 10 th October 2024	Risk Manager: Head of HR	
<p>Risk Description: Recruitment and retention of skilled and motivated staff is required to allow the organisation to deliver its Corporate Plan, LGA Corporate Peer Challenge Action Plan, Children’s Improvement Plan and its transformation programme. Achievement of the plan and programme requires operational changes which allow the council to adapt and improve.</p> <p>Impact of the risk occurring: High staff turnover and, or skills shortages, insufficient capacity within services. Failure to achieve annual budget and deliver the council’s transformation and improvement programme and a detrimental impact upon the physical, emotional, and mental wellbeing of staff.</p> <p>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. Outcome of Ofsted inspections as well as current financial challenges. WorkplaCE programme and the DMA review also impact.</p>			
Interdependencies (risks): Business Continuity, Increased demand for Adults Services, Complexity and Demand for Children’s Services		Lead Service Committee: Corporate Policy Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Workforce planning is in place via the Council’s Workforce Strategy 2021-2025. This is a 4-year strategy with ongoing review. Work is underway on the development of a new Workforce Strategy for 2025-2028. Service Workforce Plans are also undertaken on an annual basis as part of the wider business planning process 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 is available to identify potential issues. The workforce assessment is then updated twice a year, to ensure services have regular focused workforce data available. • 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 and director dashboard on Learning Lounge that will help the identification of training and skills gaps. • Recruitment and retention programme has 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 has implemented the provisions of the Government proposal on capping the pay rates for agency social workers and has 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. A workforce planning toolkit is now in place to support services in identifying skills gaps and identify actions to address any identified gaps. 			

Actions (Monitoring):	Target Date for Completion:
Recruitment to new senior management structure	April 2025
Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT/Ongoing briefing to CLT on progress and implementation).	September 2024
Use Pulse Survey and Exit Interview data results to gauge employee satisfaction (Reviewed by HRMT and shared with DMTs).	On-going
Completion of a transformation skills audit (Reviewed by HRMT monthly)	July 2024
<p>Comments this quarter: No change to the risk ratings at this time. A consultation process on a proposed new senior management structure has been conducted and the recruitment to the new senior management structure, once approved, will increase capacity across the organisation. The recruitment process will start in November.</p> <p>The new benefits platform has been launched and introduces to the organisation a series of additional benefits for all employees, improving the employee value proposition and bring CEC in line with its competitors. A transformation skills audit has been completed providing further insight into transformation skills across all directorates.</p> <p>A further review of the establishment in Children's Services has provided accurate data in relation to vacancies and the skills gap needed to be filled to support the improvement journey. An Interim Executive Director of Children's Services and an interim Improvement Director joined CEC in September. Cultural workshops have been held in Children's Services to support from an OD perspective the retention of employees.</p> <p>Recent Government announcements about the proposed reforms to the apprenticeship levy will need to be considered in more detail in quarter 3 once further information is available post the Budget on 30th October, 2024. These may impact on the Council's ability to use the apprenticeship levy as it has up until now to recruit and retain staff in hard to fill areas such as Social Work.</p>	
<p>Timescale for managing risk to an acceptable level: N/A</p>	

Risk Name: Failure to Adhere to Agreed Governance Processes		Risk Owner: Director of Governance, Compliance and Monitoring Officer																															
Risk Ref: SR11	Date updated: 10 th October 2024	Risk Manager: Governance, Compliance and Monitoring Officer																															
<p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. 		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Red (Gross)</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange (Net)</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow (Target)</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td></td> <td colspan="3" style="text-align: center;">Impact</td> </tr> </table>	4	Yellow	Orange	Red	Red (Gross)	3	Yellow	Yellow	Orange (Net)	Red	2	Green	Yellow	Yellow (Target)	Orange	1	Green	Green	Yellow	Yellow			1	2	3	4			Impact		
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<p>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</p> <p>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.</p> <p>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 Governance, Compliance and 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.</p> <p>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.</p>		Lead Service Committee: Corporate Policy Committee																															

<p>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.</p>	
Actions (Monitoring):	Target Date for Completion
Review of shared service governance arrangements with specific actions to be identified	2024/25
<p>Comments this quarter: There remains a high volume of change and decision making required during 2024/25 and ensuring our processes enable timely and lawful decision making, and there is compliance with them, is key to the future successful operations of the council and its ability to avoid a section 114 notice.</p> <p>Quarter 2 has seen a number of key reports and decisions made to ensure the Council sets out it's response to the Corporate Peer Challenge, and has the necessary arrangements in place to deliver these, and to provide oversight on the implementation of the action plan. Details of some of these are highlighted below.</p> <p>At the meeting of Council in July, the Cheshire East Plan 2024-25, as recommended by the Corporate Policy Committee in June was approved, as well as plans for the development of a new strategic plan. The adoption on the 24-25 plan provides a model for the development of the next strategic plan as well as a simpler view of the strategic vision, aims, priorities and associated actions of the Council, a key framework for decision-making, monitoring and performance and risk management.</p> <p>This Council meeting also considered the Corporate Peer Challenge report issued by the Local Government Association and a draft of the action plan developed in response to the recommendations. The final version was brought to Corporate Policy Committee in August for agreement. Council also approved the establishment of an Assurance Panel to support the Council with the changes recommended by the Peer Review.</p> <p>August's Corporate Policy Committee agenda included a number of key decisions to shape ongoing transformation and improvement, including the approval of the transformation plan, to ensure submission to central government by the deadline, the approval of the Corporate Peer Challenge action plan, again, to ensure compliance with the required timescale, and the approval of the Senior Management Structure following the Decision-Making Accountability (DMA) review.</p> <p>July's Audit and Governance Committee received the annual Head of Audit Opinion for 2023/24. As anticipated in a report to the Committee in May, whilst sufficient work had been undertaken to deliver the opinion, the Council's framework of risk management, governance, and internal control was assessed as "limited" for that period. In providing that opinion, it is recognised that the Council is in a period of significant financial pressure, and on a journey of transformation and change, and reports to the Committee on the 24/25 plan will provide an assessment of how the implementation of plans is delivering positive change to the framework.</p> <p>As part of the Q3 review of this risk, the Notice of Motion in relation to the Council's Governance Arrangements approved by the October Council meeting will be considered; this may change the scope and nature of the existing risk.</p>	
Timescale for managing risk to an acceptable level: TBC	

Risk Name: Stakeholder Expectations and Communication		Risk Owner: Assistant Chief Executive																																					
Risk Ref: SR12	Date updated: 16 th October 2024	Risk Manager: Head of Engagement & Communications																																					
<p>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.</p> <p>Potential impacts: A lack of understanding 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. Consultation fatigue will result in a poor experience, reduced engagement and a lack of clarity over the changes being proposed.</p> <p>Potential drivers: To a certain degree the council cannot fully control the views 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).</p>		<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="background-color: yellow;"></td> <td style="background-color: orange;"></td> <td style="background-color: red; text-align: center;">Net</td> <td style="background-color: red; text-align: center;">Gross</td> <td></td> </tr> <tr> <td style="text-align: center;">3</td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> <td style="background-color: orange; text-align: center;">Target</td> <td style="background-color: red;"></td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td style="background-color: lightgreen;"></td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> <td style="background-color: orange;"></td> <td></td> </tr> <tr> <td style="text-align: center;">1</td> <td style="background-color: lightgreen;"></td> <td style="background-color: lightgreen;"></td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> </table>				1	2	3	4	4			Net	Gross		3			Target			2						1								1	2	3	4
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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																																					
<p>Key Mitigating Controls:</p> <p>Communication & Media</p> <ul style="list-style-type: none"> • 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 • Communications strategies for key projects, issues, decisions and service changes developed agreed and reviewed with senior stakeholders and decision makers (internal and external communication) • Positive proactive communication across multiple channels to celebrate the council's successes and achievements. • Comms programme is planned and reviewed over the short-term (daily) and the long-term (monthly / annually), including review of committee forward plans, council service plans, consultation and engagement programmes. • Communications handling requirement for each service committee/full council meeting agreed with lead officer(s) • Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 56,426 subscribers for 'push' notifications across a range of topics • Regular internal communications to members and officers • Monitoring and reporting of organisational reputation and sentiment, (social and traditional media). This includes weekly analysis report for senior managers. • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage. • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning • Media training programme for key spokespersons • Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage. • Providing a 24/7 emergency communications on call function • Media relations protocol and approvals process – including protocol(s) for partnership communications where required. 																																							

<ul style="list-style-type: none"> Review communications business continuity, priorities and emergency / crisis comms protocols and plans Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence Flexible use of social media and digital communication platforms 	
Consultation	
<ul style="list-style-type: none"> Endeavor to undertaken consultation 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 approved by Head of Service 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. Equality champions to be supported by annual impact assessment training Resident surveys findings to be used to assess levels of resident satisfaction with the Council 	
Actions (Monitoring):	Target Date for Completion
Communication & Media	
Review communications and engagement strategy in the context of Corporate Peer Challenge Action plan, new Cheshire East plan, and wider transformation and improvement work (Provide progress reports to CPC every six months – once a revised communications and engagement strategy has been approved and adopted)	Q3/Q4 2024/25 (aligned to new Cheshire East plan development)
Provide communications support for transformation and improvement, financial management and implementation of MTFs proposals to ensure all stakeholders are well-informed about any changes to service and policy (Review annually)	March 2025
Consultation:	
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team	2024/25
Better align the relationship between communication, engagement and consultation functions (Review annually)	Q3 2024/25
Explore options to strengthen resident engagement to inform decision making e.g. citizen/resident panel (Review annually)	October 2024
Develop a consultation and engagement programme (Review annually)	October 2024
Ensure that officers undertake regular training aligned with roles and responsibilities (Review annually)	March 2025
Comments this quarter:	
<p>Communication & Media: There have been a number of significant developments that have impacted on stakeholder perception of the organisation in Q2. These have included:</p> <ul style="list-style-type: none"> Household Waste Recycling Centres review Parking review implementation Cllr Nick Mannion elected as Leader of the Council following Cllr Corcoran stepping down. Crewe Bus Station and town centre car park open Transformation Plan published Corporate Peer Challenge action plan published Senior management restructuring and staff changes 	

- Libraries strategy proposals and consultation
- Council funding pressures
- Crewe fire major incident
- Devolution – talks with Government
- Armed Forces Covenant Gold Award

This period saw a number of decisions being taken that had been delayed due to pre-election period. This condensed a period of decision-making and services changes, meaning that stakeholders had a lot of change to understand and respond and adapt to. This period also saw a change of national government – we continue to monitor the new Government's policy agenda to assess impact on local government.

Consultation: Consultation during the period has continued to focus upon significant and high interest activities, such as food waste collection, library strategy development. There have been over 28,000 responses to consultation undertaken this financial year, illustrating the levels of engagement during the period.

Capacity within the team is still a challenge and needs to be addressed. There are likely to be several demanding consultations being undertaken in the next period as the Council seeks to undertake the MTFS consultation, develop a new Cheshire East Plan and Equality, Diversity and Inclusion strategy and support the actions from the Corporate Peer Review and transformation activities.

The development of a forward plan for consultation activity and an analysis of the validity of the Digital Influence Panel will ensure that the workload of the team can be prioritised, and that the robustness of the Panel can be reinforced. Both activities supporting key actions highlighted in the Corporate Peer Review.

Timescale for managing risk to an acceptable level: Q4 2024/25

Risk Name: Information Security and Cyber Threat		Risk Owner: Executive Director of Resources, Section 151 Officer																																
Risk Ref: SR13	Date Updated: 9 th October	Risk Manager: ICT Programme Managers																																
<p>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.</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red (Net Target)</td> <td>Red (Gross)</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td></td> <td colspan="3" style="text-align: center;">Impact</td> </tr> </table>		4	Yellow	Orange	Red (Net Target)	Red (Gross)	3	Yellow	Yellow	Orange	Red	2	Green	Yellow	Yellow	Orange	1	Green	Green	Yellow	Yellow			1	2	3	4			Impact		
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<p>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.</p>		Lead Service Committee: Corporate Policy Committee																																
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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. 																																		

<ul style="list-style-type: none"> 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. In addition, proactive testing is carried out across the council to gauge the level of compliance and understanding of cyber best practice, this testing is followed up with additional support and training for those that need it. This process will raise the maturity and level of understanding to ensure that the Council has an adequate level of cyber readiness across its workforce. 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'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 moving 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 2025 (Multiyear project)
Application Management (Information Security Steering Committee (ISSC))	March 2025 (Multiyear project)
Data Security (Information Security Steering Committee (ISSC))	March 2025 (Multiyear project)
Data Quality (Information Assurance and Data Management (IADM))	March 2025 (Multiyear project)
Information Management (Information Assurance and Data Management (IADM))	March 2025 (Multiyear project)
<p>Comments this quarter: No change to the risk rating currently. There is continued heightened risk currently through state sponsored attacks and increased ransomware activity. There has been activity to minimise any increase in the risk rating such as.</p> <p>Several communications have been given to the organisation, its staff, and members to raise awareness on good security practises and techniques as well as assurance on how prepared the councils technologies and tools are.</p> <ul style="list-style-type: none"> Briefings and presentations were given to the Audit and Governance Committee on the Council's cyber initiatives and protections. Several articles on cyber have been produced by the communication team as part of 'cyber security awareness' month. A new Cyber learning experience (prepared by NCSC) has been made available on Learning Lounge <p>Work is progressing of requirements for a Security Operations Centre (SOC) that can provide round-the-clock monitoring and protection of the council's network and systems.</p> <p>Several sessions have been held to the wider leadership team as part of the Business Continuity Planning sessions, the sessions were scenario based with one of the themes being a cyber-attack. The scenario was preceded by a briefing describing similar attacks across the public and private sector. These sessions are invaluable to raise awareness and prepare services to reduce vulnerabilities.</p>	
<p>Timescale for managing risk to an acceptable level: N/A</p>	

Risk Name: Business Continuity		Risk Owner: Director of Governance, Compliance and Monitoring Officer																															
Risk Ref: SR14	Date updated: Q2 Update	Risk Manager: Head of Audit, Risk & Assurance																															
<p>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.</p> <p>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.</p> <p>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.</p>		<table border="1" style="display: inline-table; margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="background-color: yellow;"></td> <td style="background-color: orange;"></td> <td style="background-color: red;"></td> <td style="background-color: red;"></td> </tr> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> <td style="background-color: orange; text-align: center;">Net</td> <td style="background-color: red; text-align: center;">Gross</td> </tr> <tr> <td></td> <td style="background-color: lightgreen;"></td> <td style="background-color: yellow;"></td> <td style="background-color: yellow; text-align: center;">Target</td> <td style="background-color: orange;"></td> </tr> <tr> <td></td> <td style="background-color: lightgreen;"></td> <td style="background-color: lightgreen;"></td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>							Likelihood			Net	Gross				Target								1	2	3	4		Impact			
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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																															
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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, delayed start due to other work pressures, involvement of BC workshops, policy framework changes more broadly)		November 2024																															
Development of SharePoint BC system (Work to begin January 2024 - began, but paused for scoping/testing of ideas through BC workshops)		TBC																															
Rollout and training for the SharePoint BC system (2-year review cycle)		Post SharePoint system development																															
Work with Emergency Planning on scenario exercises (ad hoc pieces of work since March 2023 – and ongoing)		Began March 2023 – on-going																															
Comments this quarter: BC workshops have been scheduled in October – feedback from these sessions will be used to support the refresh of individual and organisational BC plans.																																	
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: 23 rd October 2024	Risk Manager: Place Directors and Business Managers																									
<p>Risk Description: Failure to deliver major capital projects. (particular focus on Middlewich Eastern Bypass)</p> <p>Impact: The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The delay to the DfT decision on the Middlewich Eastern Bypass and to the Council's Capital Programme Review has brought uncertainty to overall programme delivery. It is impacting the ability to deliver economic growth as published in the Local Plan Strategy.</p> <p>Continued delay, or ultimately cancellation of the MEB would have significant financial and reputational implications for the Council. Delays cause increased costs and affect affordability. The delivery uncertainty could lead to cancellation of major economic regeneration projects and would mean that the very significant costs (c£25m) expended to date would need to be charged to revenue budgets in the year of cancellation. These costs would significantly worsen the Council's current financial situation.</p> <p>Likelihood: Medium to High- there have already been significant delays to the DfT decision and the council's own review. Coupled with the recent exceptionally high inflation rates in construction, the uncertainty this leads to is very likely to lead to budgetary challenges...</p>		<table border="1"> <tr> <td>4</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> <td>Gross Net</td> </tr> <tr> <td>3</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> <td>Target</td> </tr> <tr> <td>2</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Orange</td> </tr> <tr> <td>1</td> <td>Green</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> </table> <p style="text-align: center;">Impact</p>	4	Yellow	Orange	Red	Gross Net	3	Yellow	Yellow	Orange	Target	2	Green	Yellow	Yellow	Orange	1	Green	Green	Yellow	Yellow		1	2	3	4
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Interdependencies (risks): Failure to Achieve the MTFS, CEC Carbon Neutral Status, Failure of the Local Economy		Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport																									
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Appropriate and proportionate governance has been established to oversee the MEB. • Internal governance is in place to monitor the impacts of delay and increased costs at a project level. These processes have been independently assessed as appropriate for a project of this size. • At a strategic level, internal decisions were taken to support the resubmission of the Full Business case to the department for Transport in September. • The overall Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy to show the MEB project alongside the rest of the capital programme. • A capital programme review has been underway for some time of all schemes included in the MTFS underway to consider affordability. The outcome is awaited. 																											
Actions (Monitoring):		Target Date for Completion:																									
Lobbying at a political level for a quick positive decision on the MEB to minimise uncertainty (By CLT – regular performance updates)		November 2024																									
Updating costs estimates and funding advanced works where possible to maintain the programme and current cost estimates so that construction can start asap after funding decision (MEB monthly project board)		November 2024																									
<p>Comments this quarter: The Full Business case for MEB is scheduled to go to the DfT investment committee on 26 November. It is hoped a positive decision should be made by DfT by Feb 2025 to allow a 2025 start. Further delays will lead to increased costs and affordability / cancellation impacts. The recent service of a blight notice by a landowner on the council now raises the risk of the council having to purchase the land required for the scheme, whether the scheme goes ahead or not, which would obviously increase the financial risk further and add to current financial issues.</p>																											

Timescale for managing risk to an acceptable level: 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: 30 th September 2024	Risk Manager: Head of Economic Development
<p>Risk Description: Failure of the local economy</p> <p>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.</p> <p>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.</p> <p>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.</p>		
Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change		Lead Service Committee: Economy and Growth
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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:
<p>Launch of business support grants: (Quarterly returns to government)</p> <ul style="list-style-type: none"> Repurposing our high street grants from Crewe town centre Decarbonisation grants for business New employment space grant 		March 2025
<p>Comments this quarter: No change, the net score is particularly low in comparison with the other strategic risks. Until June we were still seeing a weakness in the economy due to political uncertainty across all indicators. Since the general election, national commentators and indicators are demonstrating that UK economy is settling down and has adapted to these exogenous shocks:</p> <ul style="list-style-type: none"> The pound is increasing and is at highs compared to post Brexit periods FTSE performing strong Mortgages are being given out Nationwide for the first time is lending on 6 x income. Post general elections there seems to be political stability and faith from the markets <p>All this suggest that confidence in UK plc has returned. The markets are expecting that moral hazard is not an issue as the state has demonstrated twice this century it will step in to rescue the economy, (Financial Crash and COVID). Govt policy is about growth and investment not austerity:</p> <ul style="list-style-type: none"> Set 1.5m target for house building and is putting in place planning reforms to achieve this, plus joint ventures with the private sector It is talking about industrial strategies 		

- Devolution for areas that want it
- Rhetoric such as NHS is the HR dept of UK plc – again provides confidence is about getting people back to work

All the above should provide stable investment Which will provide multiplier effects on the national and local economies and reinforce confidence. We are expecting white papers and bills including devolution its doom and gloom in LAs but not elsewhere.

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

Risk Name: CEC Carbon Neutral Status		Risk Owner: Executive Director of Place	
Risk Ref: SR17		Date updated: 3 rd October 2024	
Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2027 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, Recruitment and Retention, Council funding, Capital Projects		Lead Service Committee: Environment and Communities	
Key Mitigating Controls: <ul style="list-style-type: none"> • 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:	
Cheshire East Capital Spend Review (Awaiting outcome of the corporate capital review, progress paused on 2nd Solar farm, next phase of EV and next tree planting program until the review is complete)		TBC	
Comments this quarter: The ongoing review of the Council’s capital programme which has halted further spend on carbon related projects now presents a significant risk to the ability to achieve the Council’s commitment to be a carbon neutral organisation by 2027. This pause on spend has prevented the ordering of the next phase of EV vehicles and progression of the Council’s second solar farm as the two key initiatives requiring delivery in order to meet the 2027 target. Net and target scores are therefore left at the highest possible rating as a result of this 6-month delay			
Timescale for managing risk to an acceptable level: TBC			

Risk Name: Local Planning Authority Modernisation Plan		Risk Owner: Executive Director of Place
Risk Ref: SR18	Date updated: 21 st October 2024	Risk Manager: Head of Planning
<p>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.</p> <p>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.</p> <p>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.</p>		
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,		Lead Service Committee: Environment and Communities
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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)		Q3 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)		Q2 2024/25
Continued monitoring of resources – recruitment to critical posts ahead of restructure (Weekly manager meetings)		Q4 2024/25
Modernisation Plan recast as Service Improvement Plan (Service Improvement Board reporting against workstreams)		Q4 2024/25
<p>Comments this quarter: Risk remains until IT system adoption but positive and tangible progress across many aspects of the Service Improvement Plan has been made.</p> <p>IT system further delayed until mid-October with Land Charges 4-6 weeks afterwards. Some system workarounds will be required until future development and additional software likely to be procured to fill gaps as not provided by supplier in accordance with original specification. Planning Restructure now confirmed and posts slotted where applicable. Recruitment to vacancies to commence asap.</p>		

Application backlog remains static at just above the normal level of live applications (albeit caseload per officer remains high). S106 systems and processes completed with adoption across Services – ongoing refinement of system data to continue into Q3, but Ward reports ready for October. Various other customer and communication improvements including website enhancements and briefings to staff and members.

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

Risk Name: Delivery of the ILACS Improvement Plan		Risk Owner: Executive Director of Children's Services	
Risk Ref: SR19	Date updated: 21 st October 2024	Risk Manager: Improvement and Impact Board	
<p>Risk Description: That children's services do not achieve the improvements needed at the necessary pace to address the findings from the Ofsted inspection in February and March 2024, where children's services received an overall judgement of inadequate. This would mean that vulnerable children and young people in need of a children's social care service would not receive consistently good quality support.</p> <p>There is a significant reputational and financial risk to not delivering improvements. If services remain inadequate at the next inspection, further intervention measures may need to be put in place, for example escalation to a Statutory Direction notice, or Direction that another person or organisation performs the functions on the local authority's behalf. These measures will have a significant cost to the council and mean that we are not meeting children and young people's needs effectively.</p>			
Interdependencies (risks): Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS		Lead Service Committee: Children and Families Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • A comprehensive improvement plan is in place to address the inspection findings. The plan has been scrutinised by the Safeguarding Children's Partnership, the council's leadership team, members of the two children's committees, and full Council. Advice from the LGA and Ofsted, along with good practice from other authorities, has been sought and incorporated into the plan. • Progress and impact against the improvement plan is monitored monthly through an independently chaired Improvement and Impact Board. This includes scrutiny of quality assurance and performance in relation to the plan. Independent improvement specialists from the DfE and LGA are members of the board. • Reports on progress against the plan are provided to every Children and Families Committee meeting for oversight and scrutiny. • Progress and impact will be externally evaluated through Ofsted monitoring visits and DfE reviews. 			
Actions (Monitoring):		Target Date for Completion:	
Monitor delivery and impact of the improvement plan (Improvement and Impact Board)		6 weekly until April 2025	
Report to the Children and Families Committee on progress against the improvement plan (At each Children and Families Committee Meeting)		Every committee meeting from September	
Adapt the improvement plan to respond to areas for improvement from Ofsted and DfE monitoring (Improvement and Impact Board and Children and Families Committee following monitoring activity)		January 2025	
Provide scrutiny and challenge to the delivery of the improvement plan through the Children's Services Leadership Team – Improvement and Performance Meetings (Improvement and Performance Meetings)		Monthly from October 2024	
Develop an independent team to quality assure progress and impact against the improvement plan (Improvement and Performance Meetings)		October 2024	
Review and develop the improvement plan to ensure this addresses the priority areas for improvement (Improvement and Performance Meetings)		November 2024	

Comments this quarter: Our Improvement Plan was submitted to Ofsted within the required timescales and we received feedback from them on our improvement plan in September. Ofsted said “Your action plan is detailed and addresses the areas for improvement identified in the inspection. It also demonstrates engagement with partners and the wider council.” To strengthen our plan, Ofsted suggested that we include specific actions in each area on how we will coproduce improvements with children and young people. We have included additional actions on coproduction in the plan in line with their feedback and have sent an updated version back to Ofsted.

The Director for Improvement joined Cheshire East on the 30 September and will be overseeing progress and updates against the improvement plan going forward. As part of this work, the process of scrutiny and challenge to the plan has been reviewed and strengthened. New governance arrangements are now in place to support this going forward. All new policies, procedures, and strategies developed as part of the plan will be quality assured and signed off by the Quality Assurance Service acting as independent scrutiny and challenge. This will give additional assurance that work evidenced as completed has had the right level of scrutiny prior to implementation and provides confidence to the service that they are delivering quality work.

Finally, to ensure we utilise our resources, time and efforts efficiently work is being undertaken to review interdependencies within the improvement plan and this will include those where we require corporate and partnership support. Actions identified from internal assessment activities will also be added to the plan.

Timescale for managing risk to an acceptable level: April 2026

Risk Name: SEND Inspection		Risk Owner: Executive Director of Children's Services	
Risk Ref: SR20	Date updated: 29 th October 2024	Risk Manager: 0-25 SEND and AP Partnership Board and 0-25 SEND Executive Oversight Panel	
Risk Description: That as a partnership, Cheshire East's children's and adults services do not receive a positive outcome from an <u>Ofsted and CQC area SEND inspection</u> . This would mean that vulnerable children and young people with SEND would not have been receiving consistently good quality support. There is also a significant reputational and financial risk to a poor inspection outcome.			
Interdependencies (risks): Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS		Lead Service Committee:	
Key Mitigating Controls:			
<ul style="list-style-type: none"> • A partnership SEND inspection planning group is in place to drive and monitor activity to support inspection readiness • A self-evaluation of the quality of our SEND services has been completed ensuring we understand ourselves well against the Ofsted framework. This will continue to be refreshed on at least a six monthly basis • A SEND improvement team is being stepped up to drive service transformation • A project plan is being developed for the transformation activity, based on the Safety Valve submission and the SEND Strategy priorities 			
Actions (Monitoring):		Target Date for Completion:	
Establish the SEND transformation plan, with delivery firmly underway (Bi-monthly (every 2 months) through the SEND Partnership Board)		April 2025	
Refresh the self evaluation of SEND support (Six monthly through the SEND inspection planning group)		Refreshed every six months as a minimum	
Comments this quarter: In September 2024, Children and Families Committee approved a revised governance structure for the 0-25 Cheshire East SEND Partnership and also noted plans for a new, single SEND and Alternative Provision Strategy and Improvement Plan. Work was then undertaken on implementing the revised governance arrangements, including assigning initial delivery leads and improvement actions for the first set of task and finish groups, alongside pulling together all actions that may require inclusion in the new Improvement Plan. Alongside this, work has continued on logistical arrangements for the inspection. Colleagues across the partnership have also continued to update and scrutinise the evidence that will be submitted to inspectors under Annex A, and have collated updates that will be required for the next iteration of our SEND self-evaluation (due end of Q3 2024/25).			
Timescale for managing risk to an acceptable level: December 2024			