Summary of changes by name

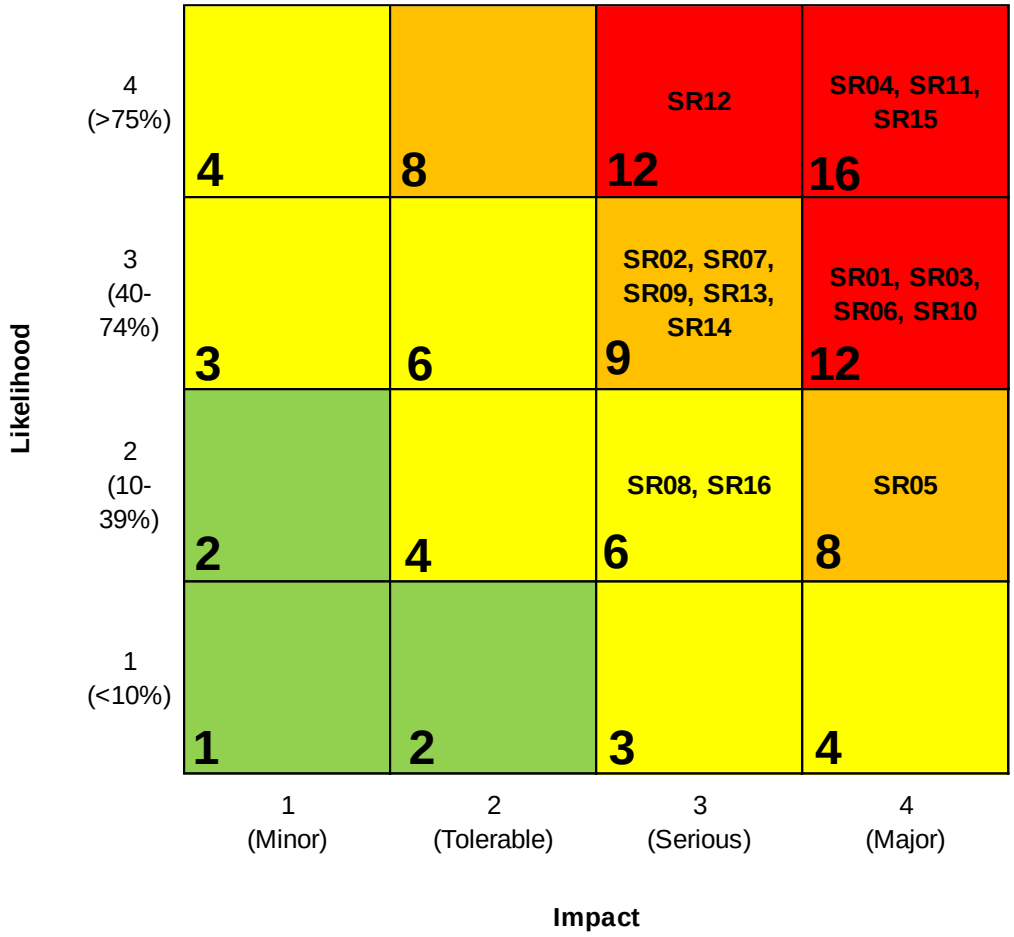
Strategic Risk Register March 2025	Strategic Risk Register September 2025	Comments
Increased Demand for Adult's Services	SR01 Increased Demand for Adult's Services	Review and refresh of risk carried out, but with no material change to risk description
Fragility and failure in the Social Care Market	SR02 Fragility and failure in the Social Care Market	Review and refresh of risk carried out, but with no material change to risk description
Complexity and Demand for Children's Services	SR03 Children's Services Improvement	Combining elements of the three previous risks into one
SEND Inspection		
Delivery of the ILACS improvement plan		
Dedicated School Grant Deficit	SR04 Dedicated School Grant Deficit	Review and refresh of risk carried out, but with no material change to risk description
Failure to Protect Vulnerable Children	SR05 Safeguarding Children	Review and refresh of risk carried out, scope slightly broadened to include the child neglect
Leadership Capacity	SR10 Leadership and Management	Review and refresh of risk carried out, but with no material change to risk description
Ability to Achieve Organisation Change	SR06 Organisation Change	A material change in the scope and ownership of the risk, which has moved from Place to the CE Office
Stakeholder Expectation & Communication	SR07 Stakeholder Expectation & Communication	Review and refresh of risk carried out, but with no material change to risk description
N/A	SR08 Devolution	New inclusion on the Strategic Risk Register
Failure to Adhere to Agreed Governance Processes	SR09 Decision Making and Governance Failure	Review and refresh of risk carried out, but with no material change to risk description
Leadership Capacity	SR10 Leadership and Management	Review and refresh of risk carried out, but with no material change to risk description
Failure to Achieve the MTFS	SR11 Financial Sustainability	Review and refresh of risk carried out, but with no material change to risk description.
Information Security and Cyber Threat	SR12 Information Security and Cyber Threat	Review and refresh of risk carried out, but with no material change to risk description
Recruitment & Retention	SR13 Recruitment & Retention	Review and refresh of risk carried out, but with no material change to risk description

Strategic Risk Register March 2025	Strategic Risk Register September 2025	Comments
CEC Carbon Neutral Status	SR14 Achieving Climate Change Commitments	This reflects a change in our stated goal, rather than a change to the scope of the risk
Capital Projects - Place	SR15 Capital Projects Management and Delivery	Review and refresh of risk carried out, but with no material change to risk description
N/A	SR16 Failure to deliver Leader and Cabinet model of decision making	New inclusion on the Strategic Risk Register

Changes in net scores since the last report

Ref	Risk	Q3 24/25 Net	Q2 25/26 Net	Travel	Target Net Score
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Children's Services Improvement	12	12	↔	12
SR04	Dedicated School Grant Deficit	16	16	↔	16
SR05	Safeguarding Children	9	8	↓	8
SR06	Organisation Change	-	12	N/A	8
SR07	Stakeholder Expectation & Communication	12	9	↓	6
SR08	Devolution	-	6	N/A	6
SR09	Failure to Adhere to Agreed Governance Processes	9	9	↔	6
SR10	Leadership and Management	12	12	↔	9
SR11	Financial Sustainability (Previously Failure to Achieve the Medium-Term Financial Strategy (MTFS))	16	16	↔	9
SR12	Information Security and Cyber Threat	12	12	↔	12
SR13	Recruitment & Retention	9	9	↔	9
SR14	Achieving Climate Change Commitments	16	9	↓	6
SR15	Capital Projects Management and Delivery	16	16	↔	12
SR16	Failure to deliver Leader and Cabinet model of Decision Making	-	6	N/A	2

Heat map of net scores



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

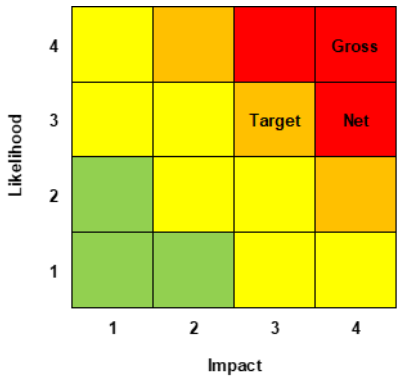
Spread of risks by directorate area

Directorate	Pre Review Number	Number of Risks	Average Net Score	Highest Net Score
Adult	2	2	11	12
Childrens	5	3	12	16
CE Office	6	5	8	12
Place	4	2	13	16
Resources	3	4	12	16
Total	**20**	**16**	**11**	**16**

Net scores, highest to lowest

Ref	Risk	Q2 Gross	Q2 Net	Q2 Target
SR04	Dedicated School Grant Deficit	16	16	16
SR15	Capital Projects Management and Delivery	16	16	12
SR11	Financial Sustainability (Previously Failure to Achieve the Medium-Term Financial Strategy) (MTFS)	16	16	9
SR12	Information Security and Cyber Threat	16	12	12
SR03	Children's Services Improvement	16	12	12
SR01	Increased Demand for Adult's Services	16	12	9
SR10	Leadership and Management	16	12	9
SR06	Organisation Change	16	12	8
SR02	Fragility and failure in the Social Care Market	16	9	9
SR13	Recruitment & Retention	16	9	9
SR07	Stakeholder Expectations and Communication	12	9	6
SR09	Failure to Adhere to Agreed Governance Processes	16	9	6
SR14	Achieving Climate Change Commitments	12	9	6
SR05	Safeguarding Children	16	8	8
SR08	Devolution	6	6	6
SR16	Failure to deliver Cabinet Model of Decision Making	12	6	2

Full details of all risks – Position to the end of Q2 2025/26

Risk Name: Increased Demand for Adult Services		**Risk Owner:** Executive Director of Adults, Health, and Integration
Risk Ref: SR01	**Date updated:** 9th September 2025	**Risk Manager:** Director of Adult Social Care Operations
Risk Description: An increase in demand for adult social services that cannot be met within the existing budget. There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing and other socio-economic factors. There has been an increase in responsibility and duties being transferred to LA i.e. RCRP. Detailed consequences; a failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector. Detailed causes; due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff. 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.		
Interdependencies (risks): Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand		**Lead Service Committee:** Adults and Health Committee
Key Mitigating Controls (Existing): • Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. • Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commission to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes.		

- Monthly quality monitoring partnership forum that reports to relevant DMTs and the Safeguarding Board. Attendees include the Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner.
- People Helping People programme, working collaboratively with partners and local volunteers to channel community-based support, reducing demand on adult social care. The sourcing/brokerage team support the co-ordination of these services, helping vulnerable people to access non-council support where appropriate.
- Direct payment scheme, allowing users identify and manage their own care support.
- The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence.
- Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends.
- Regular service/team meetings to disseminate information and discuss operational issues.
- Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.
- Collaborative working with other services, such Public Health, where objectives align and communication is required to delivery value for money. Utilisation of Public Health JSNA and wider regional data sets inform future planning. The joint commissioning management monthly working group seeks to ensure ASC is working effectively and efficiently with other Children and Family services.
- Engagement with the Integrated Care Partnership, including health partners.
- Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand.
- Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings.
- Business continuity assessments and resiliency preparation, both internally and with key partners.
- Implementing recommendations of independent review. All care plans presented to senior leasers board for authorisation of spend.
- Tighter controls on hospital discharge will impact relationship with 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:**
Prevent, Reduce, Enable programme pilot (Transformation Board)	September 2025

Comments this quarter: The work undertaken with Inner circle Consulting has embedded this risk within the work programmes, 'Prevent, Reduce, Enable' programme is designed to reduce the demand upon Adult Social Care, it will also work to reduce the spend on care costs and care packages. The programme commenced early June with a pilot area in Macclesfield with a three month review in September.

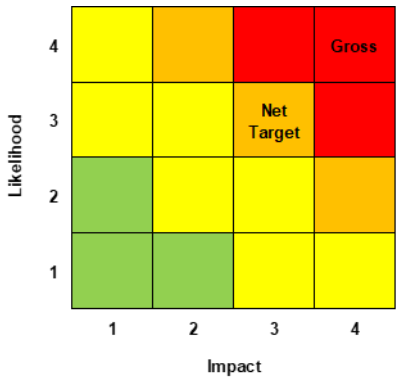
The reduction of agency staff together with recruitment challenges has resulted in waiting lists for assessment building within the social work teams. Equally the challenges and pressure faced by NHS has seen attempts to transfer more responsibilities upon Adult Social Care. Providers are being consulted and engaged to implement an agreed fair cost of care following the work undertaken with 'Care Cubed' However the market remains under pressure to increase fees and overall costs. Despite the significant pressures upon the service and the challenges of managing the increasing demand into the service Cheshire East Council Adult Social Care has been rated as Good in all domains during the recent Inspection by Care Quality Commission.
Timescale for managing risk to an acceptable level: The outcomes from the work commissioned with Impower is being actioned via HLBC, we are monitoring all support and care plans and calls for services on a 3x per week basis, Director is monitoring approx150 cases per week. Demand is constant especially for those who are 90+yrs, and for those with dementia. Cost of individual care packages remains very high with an increasing number£2000 per week.

Risk Name: Fragility and Failure in the Social Care Market		**Risk Owner:** Executive Director of Adults, Health and Integration
Risk Ref: SR02	**Date updated:** 25th September 2025	**Risk Manager:** Director of Adult and Children's Commissioning

Risk Description: A failure of the local social care market. Increases in the volume and complexity in demand and financial pressures have caused weaknesses in the national social care market which have yet to be resolved.

Detailed consequences; the council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer. 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.

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.



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

Key Mitigating Controls:

- Strategic Planning & Financial Oversight:
  - Annual fee increases considered through MTFS planning.
  - Market Sustainability and Capacity Plans submitted to DHSC.
  - Regular reporting to DLT, CLT, and Adult & Health Committee on performance and budget.
  - Introduction of Guide Price for care home placements
- Contracts & Quality Assurance
  - Standardised contracts focused on quality outcomes and provider sustainability.
  - Contracts and Quality Monitoring Framework tracks service user outcomes.
  - Embedded risk management tool links to CQC oversight for early escalation of provider issues.
  - Quality Performance Authorisation Board meets weekly to ensure best value for money.
- Market Oversight & Engagement
  - Due diligence strengthened for non-tendered providers.
  - Ongoing market engagement events aligned with the Care at Home recommission.
  - Work underway to update the Market Position Statement
  - Development of an Accommodation Strategy to promote independence and reduce reliance on residential care.

- Workforce Development
  - Participation in regional programmes for recruitment and retention.
  - Workforce strategy in development with Skills for Care.
  - Support for international recruitment where local supply is insufficient.
  - Career pathways being developed with partners.
- Service Innovation & Technology
  - Investment in new health and care technologies.
  - Use of Care Cubed tool to benchmark actual care costs.
- Operational Delivery & Resilience:
  - Transfer of Care Hubs established in hospitals to support discharge pathways.
  - Business continuity and resilience planning with partners.
  - Performance and demand trend analysis informs service management.
- Community & Preventative Support:
  - Prevent, reduce, enable transformation work to promote independence, investing preventative services and support wellbeing, building on strengths to enabling residents to live longer, independent and healthier lives.
  - Engagement with voluntary, community, and faith sectors to enhance support.
  - British Red Cross supported for crisis response.
  - "Hidden Carers" initiative launched to identify and support informal carers.
- User Engagement & Co-Production:
  - Collaboration with Healthwatch and independent bodies to improve services.
  - Co-production of new care models with Care at Home providers
  - Re-established 'People Panel' to engage with residents on the Care at Home (CAH) and care home (AWC) recommissions to ensure their voice and lived experiences are captured.

Actions (Monitoring):	**Target Date for Completion:**
Care at Home provider modelling with a view to reduce the number of framework providers (SRO and Work Programme in place with CAH & ECH oversight group)	September 2026
Working with care homes to bring all in borough homes onto the framework (SRO and Work Programme in place)	April 2026

Comments this quarter: Care Homes (AWC) Currently, no care homes in the borough are rated as Inadequate by the Care Quality Commission (CQC). Priesty Fields and Riseley House have moved to a "Requires Improvement" rating. The Quality Assurance Team continues to monitor Priesty Fields closely, providing enhanced oversight to ensure progress against the agreed action plan. The associated risk rating for this area remains low.

International recruitment (IR) out of 97 care homes in Cheshire East, 48 hold a sponsorship licence, and 38 of these are on the framework. On average, 31% of the workforce in these homes consists of international staff, with no home exceeding 76%. Notably, some licensed homes currently do not employ any international staff, and 49 homes do not hold a licence at all. Business Continuity Plans have been requested from all IR providers to ensure preparedness. The risk rating for IR within care homes is also considered low.

Care at Home (CAH) 3 providers are currently under restricted admissions, which presents a moderate risk. There are 23 individuals awaiting care at home, equating to 366.75 hours of care. Operational teams continue to RAG-rate individuals and circulate the waiting list weekly to maintain oversight. Despite the waiting list, the risk rating for this aspect remains low. International recruitment in CAH, 22 out of 34 framework providers hold IR sponsorship licences. 7 providers have over 70% of their workforce made up of international staff.

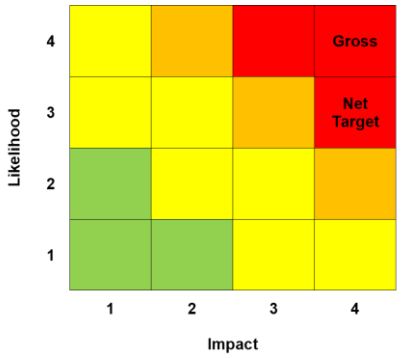
These 7 providers deliver 7,614.5 hours of care weekly to 472 individuals, representing 34% of total commissioned care. High-risk areas include Crewe, Congleton, Macclesfield, Nantwich, Alsager, and Sandbach, where 4,773 hours are delivered to 281 people. Due to the concentration of IR dependency in these areas, the risk rating is high. All providers with IR have been asked to submit Business Continuity Plans covering staffing, recruitment, and retention. Providers have been RAG-rated based on their IR dependency and the volume of care they deliver. Engagement is ongoing with non-framework and complex care providers to complete a comprehensive market overview.
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.

Risk Name: Complexity and Demand for Children's Services		**Risk Owner:** Executive Director of Children's Services
Risk Ref: SR03	**Date updated:** 29th January 2025	**Risk Manager:** Children's Services Directorate Leadership Team

Risk Description: Cheshire East children's services received an Ofsted grading of 'inadequate' following an inspection in March 2024. An improvement plan is in place which addresses the findings from the Ofsted inspection but a churn in leadership and the children's workforce has hampered progress.

Demand for children's services remains high in all areas but particularly in children's placements and supported accommodation which has driven a significant budget pressure.

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.



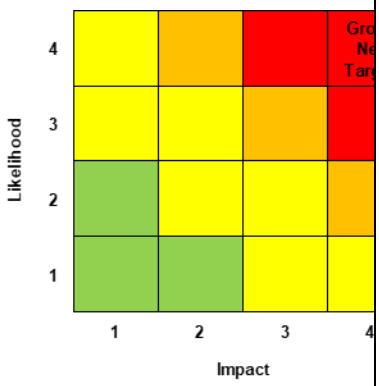
Interdependencies (risks): Financial Sustainability, Organisation Change	**Lead Service Committee:** Children and Families Committee

Key Mitigating Controls:

- Growth to address budget pressures within placement and staffing in MTFS – up to £10m 26/27. MTFS proposes a substantial multi-year investment of £20m into Children's Services improvement. This will be held in Corporate Contingency.
- Investment into Children's Services from the Council's transformation reserves in 2025/26 to provide additional wraparound resources into Children's Services under the direct supervision of the Executive Director of Children's Services and their leadership team. These resources have been drawn from Finance, HR, Legal and Programme Management.
- Right Child Right Home transformation plan has 4 workstreams covering sufficiency, edge of care, recurrent care and 16-25 accommodation - these are all designed to reduce demand and increase local placement options for children which deliver good value for money
- We are implementing the Families First reforms which will drive demand down for specialist services and offer a community based, preventative service at the earliest opportunity
- Establishing a children's commissioning unit within Children's Directorate – designed to better manage the placements market and broker care placements more effectively. A sharp focus on strategic commissioning and quality assurance across the Directorate will drive better contract management and value for money.
- 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.
- Workforce strategy covering recruitment, retention, career pathways and learning and development

Actions (Monitoring):	**Target Date for Completion:**
Deliver a base build of children's services to ensure we have the right services to meet children's needs (Children's social care senior leadership team)	April 2026

Review and strengthen how we support children at child in need to prevent their needs from escalating through implementation of Families First reforms (Children's social care senior leadership team)	April 2026
Review entries to care to understand how we can strengthen our approach (Children's social care senior leadership team)	December 2025
Improvement governance arrangements supporting progress and impact including impact and improvement board and Ofsted monitoring visits	March 2027
Develop and launch a new early help strategy across the partnership (Children's Safeguarding Partnership)	June 2025
Implement edge of care service	August 2026
New workforce strategy for children's services published and actioned – including recruitment of permanent SW and managers	March 2026
Comments this quarter: Post the CLT review this risk combines a number of individual risks that were on the register in Q3 2024/25. They all had the same net score as this one now, being 12 or a critical risk. They were, Delivery of the ILACS improvement plan, Complexity and Demand for Children's Services and SEND Inspection.	
Timescale for managing risk to an acceptable level: April 2026	

Risk Name: Dedicated School Grant Deficit		**Risk Owner:** Executive Director of Children's Services
Risk Ref: SR04	**Date updated:** 25th September 2025	**Risk Manager:** Children's Services Directorate Leadership Team
Risk Description: That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable. The overall DSG deficit figure reported within the accounts at 31 March 2025 is £112.1 million. This is made up of high needs deficit of £113.7 million plus an underspend of early years DSG of £1.6 million. Without significant changes to funding and the SEND Code of Practice 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. Interest payments relating to funding the borrowing costs to cover the deficit is anticipated to be £5.8 million for financial year 2025/26.		
Interdependencies (risks): Financial Sustainability, Children's Services Improvement, Safeguarding Children		**Lead Service Committee:** Children and Families Committee

Key Mitigating Controls:

- Additional growth has been agreed in the MTFS budget for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts.
- 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 DSG management plan forecast is updated each year to reflect the outturn position at the end of each financial year.
- 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
    - 3 x special school satellite sites providing in total 140 additional places
    - 1 x 14 place new SEN unit
    - 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.
- The Cheshire East Special Educational Needs and Disability (SEND) and Alternative Provision (AP) Strategy and Development Plan – "One Plan" (approved by Children and Families Committee June 2025) has been coproduced with key stakeholders, and they will continue to be involved in helping us deliver our priorities and in evaluating what difference we are making.
- The One Plan clearly pulls together and outlines in a single document all of the improvement work to be carried out by the SEND Partnership between 2025 – 2028 (including mitigations for this period from our 7-year DSG management plan).

Actions (Monitoring):	**Target Date for Completion:**
Review capacity of SEND Team to reduce caseloads, which will enable attendance at EHCP annual review meetings. (Approval will come via the MTFS)	March 2026
Implement actions and mitigations within the SEND and AP Improvement Strategy 2025 to 2028 – "The One Plan" (Reviewed quarterly)	March 2028

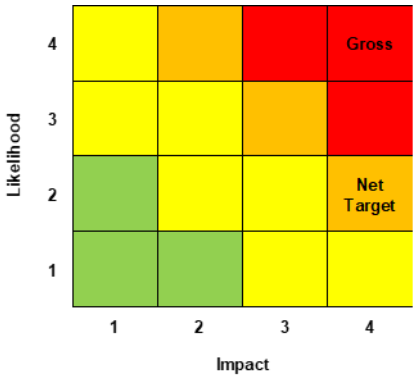
Comments this quarter: Latest forecast position shows plan is on track and no significant variances.

The DfE white paper re the SEND and Inclusion agenda is expected to be published in the Autumn term. The council will consider, understand and plan further actions. The overall DSG deficit figure reported within the accounts at 31 March 2025 is £112.1 million. This is made up of high needs deficit of £113.7 million plus an underspend of early years DSG of £1.6 million.

Reprofiled September 2025 (based on outturn 31.03.25)	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Unmitigated cumulative deficit	112.1*	160.8	227.6	318.0	435.7	583.5	766.4	990.3
Mitigated cumulative deficit	112.1*	146.0	171.4	190.8	203.7	208.7	205.4	197.6
Impact of mitigations	-	(14.8)	(56.2)	(127.2)	(232.0)	(374.8)	(561)	(792.7)

The deficit is held in a negative reserve which is allowable until March 2028. This has been extended from March 2026.

Timescale for managing risk to an acceptable level: Fundamental changes to the system are required. The anticipated DfE white paper may address this.

<table>
<tr><td colspan="2">Risk Name: Safeguarding Children</td><td>Risk Owner: Executive Director of Children's Services</td></tr>
<tr><td>Risk Ref: SR05</td><td>Date updated: 12th November 2025</td><td>Risk Manager: Cheshire East Safeguarding Children's Partnership Board (CESCP)</td></tr>
<tr><td colspan="2">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 exploitation, child neglect and 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.</td><td> 
</td></tr>
<tr><td colspan="2">Interdependencies (risks): Increased Demand for Adult Services, Financial Sustainability</td><td>Lead Service Committee: Children and Families Committee</td></tr>
<tr><td colspan="3">Key Mitigating Controls:
The Cheshire East Safeguarding Children's Partnership (CESCP) board has oversight of the Multi Agency Safeguarding Arrangements. The Statutory Partners are; Health, Local Authority and Police. The Statutory Partners form the CESCP. Working Together 2023 outlines the responsibility of the Statutory Partners to involve other agencies.
A Pan Cheshire Strategic Alliance group 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. They are named in the MASA as LSP's.
The partnership commissions an independent scrutineer who regularly reports on the effectiveness of joint working.
Ofsted regularly inspect the Local Authority and the partnership arrangements.
The partnership ensures awareness within all agencies by proving regular training focused on exploitation. The training facilitates communication, increased knowledge and understanding and working together.
CE has a contextual safeguarding strategic board to ensure that practice guidance, training and a local strategy is up-to-date. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation. The strategy also needs to be in line with the Pan Cheshire All Age Exploitation Strategy.
A partnership scorecard and performance data around exploitation, child neglect and sexual abuse to the CESCP board.
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.
Children and Families Committee have oversight through the annual report and any inspection reports.
The Contextual Safeguarding Strategic group reports to the Multi Agency Quality Assurance Group which then reports directly to the CESCP board.
</td></tr>
</table>

• CE has a Child Neglect Strategy and training is delivered on this by the partnership.

Actions (Monitoring):	**Target Date for Completion**
Independent scrutiny report on contextual safeguarding (CESCP Board)	Q4 2025-26
Review the Contextual Safeguarding Strategy post the independent scrutiny report (Contextual Safeguarding Strategic Group and CESCP Board)	Q4 2025-26

Comments this quarter: Net impact was previously rated lower than the gross impact, on review this has been corrected and they are both now rated as 4, the highest impact possible. The overall risk remains material, not critical, CE and the partnership will continue to strive for improvement and to maintain the likelihood as low as possible. The target score has been brought in line with the net score to reflect the on-going difficulty in protecting all children, all of the time.

The Child Neglect Strategy has been approved by CESCP board, a multi-agency child neglect tool has been developed and is being delivered across the partnership. An independent scrutiny report on contextual safeguarding has been commissioned and work has begun. There continues to be development of the scorecard to ensure there is sufficient oversight of performance data, specifically in relation to the partnership's priorities. Once it is fully implemented, the impact of the Families First programme should help support with this risk going forwards but it is not expected to change the net or target ratings.

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

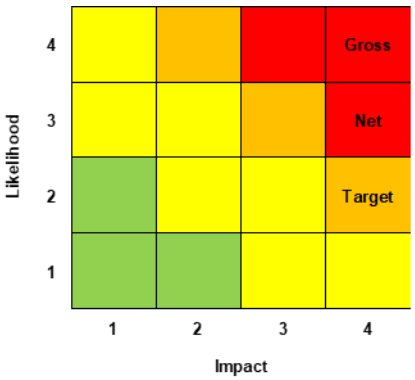
Risk Name: Organisation Change		**Risk Owner:** Interim Assistant Chief Executive
Risk Ref: SR06	**Date updated:** 3rd October 2025	**Risk Manager:** Interim Head of Transformation and Improvement

Risk Description: There is a risk that the council fails to deliver the significant organisational change and improvement required to address the feedback from external assessments and expectations set out in the non-statutory Best Value notice. There is a risk that the council does not allocate sufficient resource and have the capability to deliver a sustainable budget, transformation and improvement activities alongside maintaining business as usual service delivery. Without delivering transformation and improvement activities the Executive Director Resources/S151 Officer will be more likely to need to issue a section 114 notice and the council may fail to achieve statutory compliance across its services and meet its Best Value Duty.

Organisational change capacity is needed to support the council in delivering transformation to achieve change that will support achievement of savings and the MTFS as well as service improvements. If a section 114 notice was issued, organisational change capacity would also be essential to deliver necessary actions arising from possible statutory intervention by Government. Priorities for improvement include financial sustainability but also governance and decision-making, leadership and culture change, and within Children's Services specifically.

Potential impacts: The council needs to improve its financial sustainability and reliance on Exceptional Financial Support in the medium-term to avoid the S151 Officer issuing a section 114. It should be noted that, if a section 114 notice is issued, and Government intervene by appointing commissioners, the council bears their costs.

Drivers of likelihood: There are multiple factors in the likelihood of this risk being realised. Competing priorities for resource, between the delivery of BAU services and transformation and improvement. The financial position of the council makes it more challenging to fund and resource transformation and improvement activities. A lack of clear decision making on priorities and good governance and oversight of delivery of transformation and improvement delivery. Failure to recruit and retain staff with transformation and improvement skills. A lack of engagement of staff more generally in designing and delivering transformation and improvement activities.



Interdependencies (risks): Recruitment and Retention, Financial Sustainability, Leadership and Management	**Lead Service Committee:** Corporate Policy Committee
Key Mitigating Controls:	

A Cheshire East Plan has been developed which provides a clear vision and commitments for Cheshire East Council. A single overarching improvement and transformation delivery plan has been developed to bring together the transformation plan, the Children's Improvement Plan, the Corporate Peer Challenge Action Plan as well as the response to the Best Value Notice and the CIPFA assurance review alongside key deliverables for the Cheshire East Plan. This is focused on the action the council must take in the immediate short-term to June 2027.

- Transformation and Improvement (T&I) Board has oversight of delivery transformation and improvement plans and associated savings aligned to the MTFS
- Progress is reported at least monthly to the Transformation and Improvement Board with regular reports to the Assurance Panel, Corporate Policy Committee, and MHCLG.
- Transformation Partners and interim staff are being utilised to supplement internal capacity
- Benefits tracking is being built into programmes for monthly review by T&I Board
- Staff engagement events are being held regularly as well as Member briefings.

Actions (Monitoring):	**Target Date for Completion:**
Review of all business cases for the transformation. programmes and projects (The business cases will be received at the Transformation and Improvement Board on 8th October 2025)	October 2025
Communicate any changes to the transformation programmes and projects (Proposed communications regarding any changes to the transformation programmes and projects will be reviewed by Transformation and Improvement Board on 22nd October 2025)	October 2025

Comments this quarter: Bringing together all our plans into a single overarching plan provides oversight of all significant improvement and transformation activity. It will help us prioritise and resource effectively as well as measure and report on progress and provide assurance to meet different external requirements. Further work is underway to finalise a resource plan and prioritise the deliverables within the Plan. This will be completed in Q3.

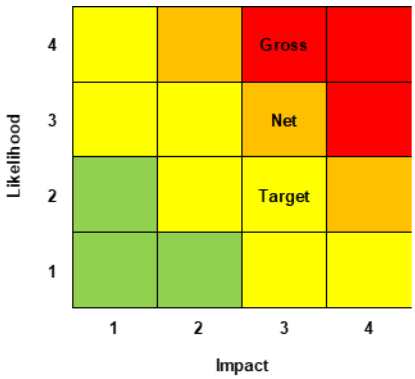
Timescale for managing risk to an acceptable level: May 2026 will be 12 months since the Best Value Notice was issued and we will need to demonstrate progress with improvement priorities and a positive direction of travel. June 2027 – successful progress in delivering the Transformation and Improvement Plan

Risk Name: Stakeholder Expectations and Communication		**Risk Owner:** Assistant Chief Executive
Risk Ref: SR07	**Date updated:** 4th November 2025	**Risk Manager:** Head of Engagement & Communications

Risk Description: The risk that the council does not understand the expectations of its stakeholders and that its communication and engagement with those stakeholders does not result in their understanding of the council's actions, nor appropriate involvement and influence. The council has an obligation to provide as high a level of service to its residents as its funding will allow. This requires not only considering both the short and long-term but also the expectations of all of its stakeholders.

Potential impacts: A lack of 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. It may also impact on the organisation's attractiveness as a supplier, partner and employer, which could, indirectly or directly, result in unplanned costs and financial impacts.

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).



Interdependencies: Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Financial Sustainability	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

Communication & Media

- 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 60,678 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.
- 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

- Endeavor to undertaken consultation when proposals are still at a formative stage.
- Design consultation which clearly sets out the reasons for any proposal or change to enable stakeholders to undertake informed consideration and response to the options.
- Consultation and engagement activity will be used as evidence when making decisions through informative consultation summary reports 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**
Review communications and engagement strategy in the context of Corporate Peer Challenge Action plan, new Cheshire East plan, and wider transformation and improvement work (Progress reports to CPC every six months – once a revised communications and engagement strategy has been approved and adopted)	Q3 2025/25 26 (aligned to new Cheshire East delivery and improvement plan)

Introduce community assemblies to contribute to the budget setting engagement and consultation activity (Feedback from the community assemblies will be reported to CPC and Full Council as part of the evidence base and resident insight to inform budget setting decision-making)	Q3 2025/25 26

Comments this quarter:

As part of the CLT strategic review, it was recognised that this risk is not critical, meaning it is not considered as being on a similar level to Failure to Achieve the MTFS, the DSG Deficit and other risks. As such the likelihood has been reduced from a 4 to 3, which is supported by the existing, strong controls, bringing the risk into the material classification with a target of bringing it down to the moderate level. As noted, future actions will be identified to support the Cheshire East Delivery and Improvement Plan although no specific changes can be listed at this time.

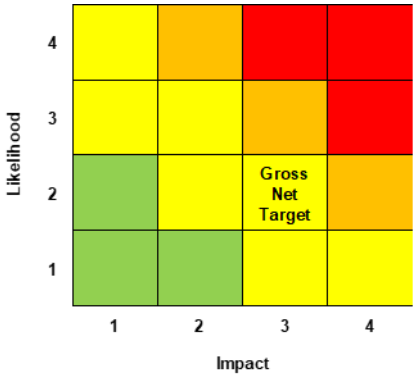
Key developments impacting on stakeholder perception of the organisation include:

- Devolution
- Council finances, provisional finance settlement and Exceptional Financial Support
- Non-statutory Best Value notice
- Implementation of parking review
- Highways maintenance and transport funding
- CQC inspection of adult social care – rated 'good'
- Crewe town centre regeneration
- Office refurbishment
- SEND Strategy
- UKREiiF
- Children's services improvement
- Domestic abuse strategy

Key consultations included:

- EDI strategy
- Domestic Abuse strategy
- Pharmaceutical needs assessment

Timescale for managing risk to an acceptable level: Q3 2025/26

Risk Name: Devolution		**Risk Owners:** Executive Director of Place Director of Law and Governance (Monitoring Officer)
Risk Ref: SR08	**Date updated:** 2nd October 2025	**Risk Manager:** Director of Growth and Enterprise
Risk Description: The Council made a decision on the 17 September to approve and support the creation of a Cheshire & Warrington Combined authority with Mayoral elections for a Mayoral Combined Authority (MCA) in May 2027. This introduces a variety of risks for the Council, which are outlined in detail below. 1. Insufficient capacity within CEC's staffing, including senior leadership to be able to participate actively in the set up and governance of the new MCA, without causing delays on CEC internal priorities and service delivery. 2. Negative impact upon the Council's budget caused by uncertainty around funding arrangements, and financial resourcing for the MCA. 3. Confusion for stakeholders in respect of the roles and responsibilities of the Council and the MCA, which may result in a loss of public confidence and cause reputational risk for the Council. 4. Risk that tension or misalignment between the elected Mayor and the Council's political leadership results impacts negatively on decision making and undermines the opportunities and benefits to be achieved through greater regional collaboration.		
Interdependencies (risks): Stakeholder Expectation & Communication, Leadership and Management, Organisation Change		**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

1. Appropriate time management and prioritisation of Council staff time in the process to ensure that Council roles and responsibilities are sustained and not compromised.
2. Financial protections put place in the legal set up of the Combined Authority, to reduce any latent impact on local authorities relating to the financial performance of the Combined Authority.
3. An engagement plan will be produced, as well as a clear Communications plan to ensure both staff, members, and residents are clear on the roles and responsibilities of each authority
4. There is no internal control that CEC officer cohort can put in place for political incompatibility or friction; it can only respond in the most effective way possible to political decisions as they occur

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

Comments this quarter:

This is a new risk added to the strategic register after CLT's review. Although an overarching inclusion on the Strategic Risk Register, the various elements have been articulated separately, with the potential impacts upon CEC have been identified and existing controls noted.

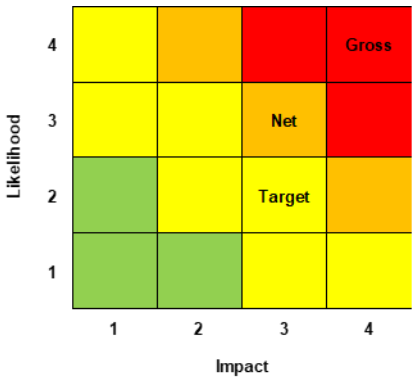
Gross, net and target scores have been considered for the overarching strategic impact, and rated by Director of Growth and Enterprise and the Executive Director of Place as moderate (Impact 3 x Likelihood 2 = 6 out of 16).

The consent of Council to the making of the Cheshire and Warrington Combined Authority Order, approval of the Terms of Reference for the Cheshire and Warrington Combined Authority Shadow Board, and the

agreement to hold inaugural mayoral elections in May 2027 provide a clear direction of travel and timescales for delivery.
Timescale for managing risk to an acceptable level: N/A

<table>
<tr><td colspan="2">Risk Name: Failure to Adhere to Agreed Governance Processes</td><td>Risk Owner: Director of Law and Governance</td></tr>
<tr><td>Risk Ref: SR09</td><td>Date updated: October 2025</td><td>Risk Manager: Director of Law and Governance</td></tr>
<tr><td colspan="2">Risk Description: The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, its goals for the borough are identified within its Corporate Plan. Formal reporting and decision-making within the council is, to a degree, prescribed by local authority regulation. The decision-making process at all levels, must comply with regulatory requirements while also delivering those stated goals.

Detailed consequences: Robust governance requires clear aims and policy objectives to be identified and delivered. Governance processes should facilitate the lawful delivery of those stated goals. It should also prevent the misapplication of resources, e.g. the support of other objectives to detriment of those stated goals. Ultimately this can result in a reduction of living standards, physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents at an appropriate cost, or to follow legal decision-making protocols, can result in increased regulatory scrutiny and reputational damage. Possible outcomes of which may be, public censure, financial penalties or direct central government intervention.

Detailed causes: The volume and complexity of the council's services and objectives, coupled with finite resources and differing stakeholder views, make 'good' decision-making a challenge. 'Good' decision-making being characterised as the consistent delivery of the Corporate Plan objectives year after year. Examples of governance failures are:
• Variations in interpretation and non-compliance with agreed process and internal controls.
• Deviation from core objectives as result of prioritising presenting issues.
• Failure to allocate limited resources in line with the requirements of agreed objectives.
• Inadequate internal controls across the organisation or vertically with a directorate.</td><td> 
</td></tr>
<tr><td colspan="2">Interdependencies (risks): Financial Sustainability, Stakeholder Expectation & Communication, Leadership Capacity, Organisation Change, Failure to deliver Leader and Cabinet model of Decision Making</td><td>Lead Service Committee: Corporate Policy Committee</td></tr>
<tr><td colspan="3">Key Mitigating Controls:

The 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</td></tr>
</table>

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.

The 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.

Assurance mechanisms on the organisations' compliance with its decision-making processes are provided through the external audit (Statement of Accounts) and the work of the Internal Audit team. Internal Audit's assurance is achieved through the development and delivery of an annual plan and follow-up monitoring of agreed actions. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is not usually the primary focus.

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

Actions (Monitoring):	**Target Date for Completion**
Review CEC's input into Joint Arrangements or Committees to ensure appropriate input for CEC is in place in the governance and decision-making arrangements	Implementation of arrangements for the Shadow Board to be operational in early 2026, with Mayoral Elections taking place in May 2027 across Cheshire and Warrington.
Implementation of actions arising from the Internal Audit assurance review on Officer Decision Records	New process to be implemented by January 2026.

Comments this quarter: An action plan is in place following the completion of Internal Audit assurance work on Officer Delegation Records (ODRs) which reflects the need for a review of process, training and integration with schemes of officer delegation. This will be completed to be cognisant of the further changes which will be necessary as the Council moves to the Leader and Cabinet model of decision making from May 2026.

Timescale for managing risk to an acceptable level: Q1 2026/27

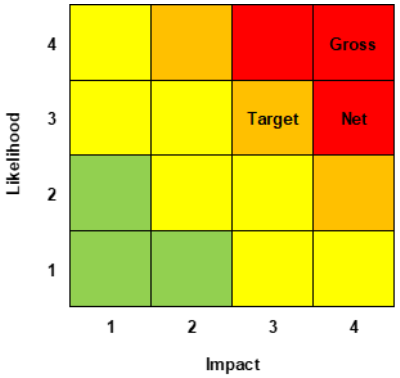
Risk Name: Leadership and Management		**Risk Owner:** Executive Director Resources, Section 151 Officer
Risk Ref: SR10	**Date updated:** 15th September 2025	**Risk Manager:** Director of People and Customer Experience

Risk Description: The Senior Leadership Recruitment exercise is almost complete and there is increased stability across the leadership cohort compared to end of 2024/early 2025.

However there are still a number of vacancies and temporary acting up arrangements in place across CEC's leadership team. 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.

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 and improvement. 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.

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.



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

Key Mitigating Controls:

- People strategy
- My Conversation processes (PDR/objectives)
- Cheshire Leaders Programme
- Cheshire Managers Programme (to be developed)
- Council Constitution and decision-making structure, including HR Schemes of Delegation
- Corporate Plan and Annual Service Business Plans.
- Leadership team recruitment processes, including skills and experience requirements.
- CLT coaching provision

Actions (Monitoring):	**Target Date for Completion:**
Leadership development programme for CLT and WLC	April 2026
Permanent arrangements for key posts (recruitment exercise to a number of key posts such as Monitoring Officer and Assistant Chief Executive)	February 2026

Comments this quarter: Positive progress made in terms of recruitment and retention to senior leadership cohort, offering increased stability and mitigating likelihood of risk impact.

All Executive Directors of CLT are permanent. The Assistant Chief Executive and Director of Law and Governance Posts are filled by Interim colleagues. . The permanent Director of Quality, Partnerships and Commissioning (Children and Families) took up post in late September 2025 with recruitment to the permanent Director of Public Health, Monitoring Officer and Assistant Chief Executive commencing in late 2025.

Cheshire Leaders programme commenced in October 2025 – all members of WLC will attend. The programme has ILM accreditation via Solace who are supporting with delivery. The Cheshire Manager programme is being developed from October 2025. This will support retention, cohesion and collaboration across the leadership and management cohorts.

Updated HR schemes of delegation developed for WLC to ensure that people responsibilities are understood across the core range of people processes across CEC.

Refreshed performance objectives in line with our new Corporate Values (co-developed with staff) being implemented during rest of 2025/26. The PDR approach will be updated/revamped to improve compliance levels and quality of performance management conversations. All managers will be given a set of common, corporate objectives at My Planning stage in April 2026.

Timescale for managing risk to an acceptable level: March 2026

Risk Name: Financial Sustainability (formerly known as Failure to Achieve the Medium-Term Financial Strategy (MTFS))		**Risk Owner:** Executive Director of Resources (S151 Officer)
Risk Ref: SR11	**Date updated:** 29th September 2025	**Risk Manager:** Director of Finance (Deputy S151 Officer)

Risk Description: The delivery of the MTFS demonstrates that the Council has the discipline to deliver its services within the financial envelope as agreed by Council. Over a period of time, the MTFS will also demonstrate that the Council has a financially sustainable plan that supports the medium-term service delivery aspirations of the organisation.

In the short-term, this means the successful delivery of the in-year budget and in the medium-term, this means the delivery of a multi-year, financially improving and sustainable position.

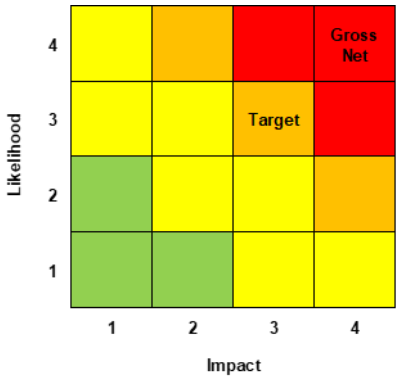
Potential impacts are:

- An unplanned reduction in the level of reserves;
- A negative reputational impact;
- A reduction in the scope of provision of services due to the issue of a Section 114 Notice that could reduce both revenue and capital expenditure;
- A possible repayment of specific grant funding if poor financial management is evidenced;
- An inability to provide investment and financial support to service development and service improvements.

The key drivers for a failure to deliver the MTFS are:

- A lack of effective budgetary control and a supportive finance function;
- A lack of implementation of recurrent cost savings and efficiencies due to a lack of operational management capacity and capability;
- A lack of medium-term transformation due to resistance to change or a lack of transformational capacity and capability;
- Unforeseen changes within the local system affecting partner organisations;
- Unforeseen changes within the national and international environments impacting upon financial plans i.e. international events impacting negatively upon inflation rates.

The successful delivery of the MTFS partially relies on the operational delivery of the Council's Improvement and Transformation Delivery Plan. This requires a positive outcome for the delivery of the transformation programme and the associated organisational change programme, alongside the implementation of the recommendations within the external reviews of the organisation e.g. CIPFA and LGA Peer review. The current national financial override for the treatment of the Dedicated Schools Grant (DSG) means the Council recognises financial deficits associated with this service, but does not have to provide for them from General Fund



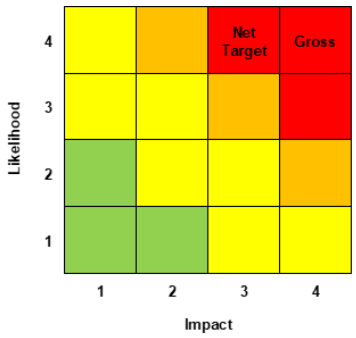
resources until 2028/29. The in-year and cumulative impact of this deficit would have a material impact upon the Council's financial position.	
Interdependencies (risks): all	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

- An approved budget and MTFS has been set by Council in advance of the current financial year an describes how the Council will deliver its operational plans.
- Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers. These plans are based on the best available information and include prudent assumptions based on professional judgement and external advice, where appropriate.
- 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.
- 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.
- Month end closure report confirms latest position against the three times per year financial review position.
- Where a residual deficit is forecast in a financial year, a number of actions will be explored including:-
    - Use of any service or non-specific underspend to offset pressures elsewhere within the budget
    - Accessing external funding, ensuring compliance with any funding conditions
    - Use of reserves
    - Use of general balances
    - Potential access to Emergency Financial Support
- 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 drawn.
- Outturn reporting and audit of statements supports in-year monitoring and future year planning
- Use of a standard report format and report clearance process which ensures provision of relevant information on financial performance, risks and mitigations.
- Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution
- Sources of specialist advice and guidance
- Reporting of status and action plan on Finance Leadership Improvement Plan
- Engagement with government departments related to financial models and consultation
- Transformation Board monitors all transformation schemes and programmes in terms of savings plans and progress of the overall programme.

Actions (Monitoring):	**Target Date for Completion:**
Financial system developments including the implementation of the FP&A tool within Unit 4 (FP&A rolled out to all budget holders)	Pilot areas by December 2025
Completion of the Financial Leadership Improvement Plan (All actions completed and implemented)	Full roll out by March 2026

Implementation of Budget Holder Training and tailored Training Programmes for members and officers with regards finance specific items (All identified individuals trained in advance of the approved budget)	December 2025
Preparation and approval of the 2026/27 annual budget and updated MTFS (Formal budget papers to Council and Committees)	February 2026
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 2026
Comments this quarter: No change to the risk ratings although the risk has been materially refreshed and actions updated. Two internal audit reports have been completed to draft stage with both reports identifying limited assurances. Management responses are outstanding but will be completed by the end of September.	
Timescale for managing risk to an acceptable level: March 2026	

Risk Name: Information Security and Cyber Threat		**Risk Owner:** Executive Director of Resources, Section 151 Officer
Risk Ref: SR12	**Date Updated:** 20th August 2025	**Risk Manager:** ICT Programme Managers
Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, and, or loss of information, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as loss of information, distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.		
Interdependencies: This risk has interdependencies with corporate risk Business Continuity and Stakeholder Expectations and Communication. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.		**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

- The Director of Digital is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk.
- The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types
- Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the IG Collaboration Group.
- The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by SIGG to ensure that the breaches are minimised, and future breaches are reduced.
- The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned.
- The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal.
- There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way.
- Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information.

- The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. The Cyber Security module was produced by the NCSC which is the UK government's authority on cybersecurity. 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 2026 (Multiyear project)
Application Management (Information Security Steering Committee (ISSC))	March 2026 (Multiyear project)
Data Security (Information Security Steering Committee (ISSC))	March 2026 (Multiyear project)
Data Quality (Information Assurance and Data Management (IADM))	March 2026 (Multiyear project)
Information Management (Information Assurance and Data Management (IADM))	March 2026 (Multiyear project)

Comments this quarter: No change to the risk rating currently.

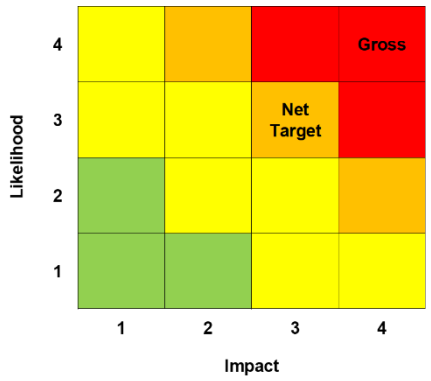
The risk to operational continuity, data integrity, and reputational trust is significant, particularly considering recent NCSC advisories highlighting:

- Targeted campaigns against logistics, technology, and public service sectors
- Use of legitimate tools to evade detection
- Increased targeting of high-profile individuals and third-party suppliers

Identity Management/Data Quality – work continues to move from a tactical solution of account closure and protection to an automated strategic solution. Call handing and identification of employees and help desk staff has been enhanced considering the recent attacks across various sectors.

Data Security – work continues to ensure that the Council's security and operations are appropriately resourced to provide the level of cover needed.

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

Risk Name: Recruitment and Retention		**Risk Owner:** Executive Director of Resources, Section 151 Officer
Risk Ref: SR13	**Date updated:** 3rd October 2025	**Risk Manager:** Director of People and Customer Experience
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. 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. 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.		
Interdependencies (risks): Business Continuity, Increased demand for Adults Services, Complexity and Demand for Children's Services		**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

- Workforce planning is in place via the Council's Workforce Strategy 2021-2025. A new People Strategy for 2025-2028 is at November Corporate Policy Committee for approval. Arising from this strategy will be a new approach to workforce planning through a new Employee Experience through a revised lifecycle.
- 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.

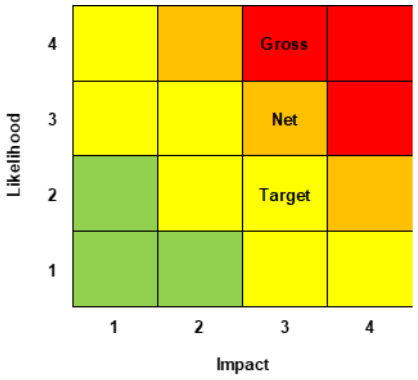
Actions (Monitoring):	**Target Date for Completion:**
Recruitment to senior management structure	February 2026
Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT/Ongoing briefing to CLT on progress and implementation).	On-going
Use Pulse Survey 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)	On-going

Comments this quarter: No change to the risk this quarter. Senior Management recruitment is almost complete. All Executive Directors are permanent as well as six director posts across the directorates. The Assistant Chief Executive, Director of Law and Governance and Director of Public Health are filled by interim colleagues. The permanent recruitment process for Assistance Chief Executive and Director of Public Health will commence in late 2025.

Continued recruitment process improvement is underway through collaborative working on optimisation programme of Transactional Shared Service and Unit 4.

Confirmed attendance on the LGA Recruitment Reset Programme for September 2025 and the LGA Retention Reset Programme in February 2026 to inform the further development and embedding of recruitment and retention as part of the overall People Strategy. The on-boarding of first cohort of the overseas children's social workers commenced employment in May 2025.

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

Risk Name: Achieving Climate Change Commitments		**Risk Owner:** Executive Director of Place
Risk Ref: SR14	**Date updated:** 5th September 2025	**Risk Manager:** Head of Environmental Services
Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2030 milestone target due to requirement to seek viable and affordable solutions and other external market forces outside the Councils control. Carbon budgets and grant provisions are contained within the MTFS revenue and Capital programs subject to the scrutiny of the spend review and capital boards Likelihood: The Council will need to continue to decarbonise its buildings heat sources and seek grant match funding if available following the end of the public sector decarbonisation grant scheme. Significant carbon emissions arise from the Councils vehicle fleet and hence capital money set aside in the MTFS for fleet transition to EV will need to continue to be spent this and future years to achieve transition by 2030 as vehicles leased or bought now will be in use in 2030. The natural offset tree planting funded by trees for climate grants will need to be completed this year and next to offset emissions that cannot be reduced by 2030. Impact: Will result in non-delivery of a key commitment of our Cheshire East Plan, unlocking prosperity for all though the outcome of Carbon neutral council with minimum offset by 2030, influencing carbon reduction and green energy production across the borough by 2045 . 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): Financial Sustainability, Capital Project Management and Delivery		**Lead Service Committee:** Environment and Communities

Key Mitigating Controls:

- Carbon Neutral Program established with Programme Board and E&C committee members Advisory Group reviewing progress and risks monthly
- 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
- An Action Plan refresh is required to align with the newly adopted 2030 Carbon Neutral Target

Actions (Monitoring):	**Target Date for Completion:**
An Action Plan refresh is required to align with the newly adopted 2030 Carbon Neutral Target (Stand up of internal resource will be actioned and reviewed on a monthly basis however a further request for external support may be required to achieve)	April 2026

Comments this quarter: The council reset its target form 2027 – 2030 with minimum of offset. The risk mitigations as the council pivots from an insetting approach to a zero carbon approach are appropriate and are being actively pursued. Both fleet and building decarbonisation are capital intensive programmes and to succeed will require timely Capital board and spend review approvals.

Timescale for managing risk to an acceptable level: 1st April 2027 subject to approvals from spend review and capital board to progress key projects

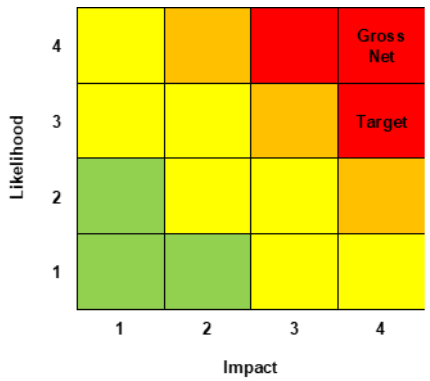
Risk Name: Capital Project Management and Delivery		**Risk Owner:** Executive Director of Place
Risk Ref: SR15	**Date updated:** 9th September 2025	**Risk Manager:** Head of Infrastructure

Risk Description: Failure to deliver major capital projects. (taking Middlewich Eastern Bypass as an example)

Impact: The council delivers a broad range of capital projects in support of the aims and objectives of its Cheshire East Plan and to support the delivery of the Local Plan. The Middlewich Eastern Bypass (MEB) scheme is a strategic growth enabler for the Borough and vital to unlock economic growth in and around Middlewich as published in the current Local Plan Strategy. The delay to the DfT decision on the Middlewich Eastern Bypass FBC and to the Council's Capital Programme Review has brought uncertainty to overall programme delivery and overall outturn costs of the Scheme. Delays cause increased costs and affect affordability. Continued delay, or ultimately cancellation of the MEB would have significant financial and reputational implications for the Council and could also impact its ability to open up allocated employment land. The delivery uncertainty could lead to cancellation of a major economic regeneration enabling project that has gained significant support from key stakeholders and the local community. In addition, the cancellation or non-delivery of the scheme and would mean that the substantial costs (c£25m) expended to date by CEC would need to be charged to revenue budgets in the year following cancellation or a decision not to proceed. These revenue costs are not budgeted into the MTFS and would significantly worsen he Council's current financial situation.

Likelihood: Medium to High- there have already been significant delays to the DfT decision and the Council's own capital programme review. The delay to date means that the construction of the scheme would not be able to commence in Spring 2025 and, subject to a positive decision from DfT, will now be pushed back to early 2026 due to the seasonality of some of the work. This will incur additional costs to the project and officers are looking at options for how this can be absorbed within existing Highways and Transport budgets, including de-scoping of the project where possible. The delay in a DfT decision will further heighten the risk of significant unbudgeted financial risk to CEC.

Whilst this provides a detailed and specific account for the MEB project, many of the risks associated with project delays, capital programme review, treatment of expenditure to date are likely to be reflected, to varying degrees, across all capital schemes.



Interdependencies (risks): Financial Sustainability	**Lead Service Committee:** Economy and Growth, Environment and Communities, Highways and Transport

Key Mitigating Controls:

- 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.
- DfT has now approved the FBC and the contractor has already been commissioned to provide an updated cost estimate (due Nov 2025) ahead of critical Council decisions to amend the budget/MTFS in December and final H&T committee decisions in January 2026 to enter into construction contract.
- Financing options to address funding gap (due to delays) are being looked at and will be presented to Capital Programme Board in September to agree a preferred route for Full Council decisions.
- 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. Conclusion of this work could provide the necessary prudential borrowing headroom to ensure critical major schemes, such as MEB, can progress.

Actions (Monitoring):	**Target Date for Completion:**
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 2025
Plan for a delayed start on MEB by identifying funding from within existing budgets to cover additional inflation cost increases. Paper to be taken to Highways and Transport Committee to present a range of options (MEB monthly project board and escalated to DMT where necessary)	June 2025
Capital Programme Board decision to agree MTFS approach and MEB & A500 to be standing items on Capital Programme Board agenda (c. every 2 months via Capital Programme Board)	September 2025

Comments this quarter: Positive FBC and funding decision for MEB secured in July 2025. Indicative Estimate is c. £10m of cost increase due to inflation and contingency. Contractor commissioned to update cost estimates and more accurate figure will be known in November 2025.

MTFS currently does not include any budget beyond FBC costs. Full Council decision req. (Dec 2025) to accept DfT grant and adjust MTFS.

Financing options to address funding gap will be presented to Capital Programme Board for a decision on preferred approach on 15 September 2025.

DfT has also launched a review of 42 schemes at OBC or pre-OBC stage in the MRN/LLMF programme, this includes the A500 scheme. Proforma to be drafted by 12th September and risk assessment and options for the scheme to be presented to Capital Programme Borad on 15 September 2025.

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 to Deliver Cabinet Model of Decision Making		**Risk Owner:** Director of Law and Governance (Monitoring Officer)
Risk Ref: SR16	**Date updated:** Q2 2025/26	**Risk Manager:** Head of Democratic Services

Risk Description:

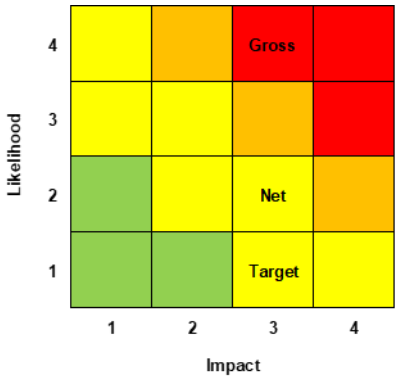
Failure to transition from a Committee system to a Leader and Cabinet model by May 2026 could disrupt governance, delay critical decisions, increase costs, attract external scrutiny, and damage stakeholder confidence.

Causes:

- Insufficient planning or resourcing for the transition
- Lack of consensus or political support for the change
- Delays in updating constitutional and governance frameworks
- Limited organisational capacity to manage change alongside other priorities
- Missed planning or scheduling milestones
- Inadequacy of member and officer training and development
- Insufficient input from senior officers

Consequences:

- Organisational ignorance of the new arrangements with consequential obstacles to securing decisions
- Delays to critical decisions impacting transformation objectives and increasing costs
- Escalation of project costs due to scope changes or delays
- Reputational damage and loss of stakeholder confidence
- inefficiencies in decision-making and delivery
- Unnecessary delays in implementation of decisions due to unnecessary use of "call-in" powers
- Potential intervention or increased scrutiny from central government or regulators
- Missed opportunities for improved strategic alignment and responsiveness



Interdependencies (risks): Organisational Change	**Lead Service Committee:** Corporate Policy Committee

Key Mitigating Controls:

- Design principles set out in the report to 17 September 2025 Council were approved, setting clear and stated objectives for the Leader and Cabinet model of governance.
- Key documentation and procedural tasks to be prepared have been shared with Council on 17 September 2025 report.
- Member task and finish group has been established, with powers to make recommendations to the Council's Corporate Policy Committee as required to deliver the change of governance.
- Dedicated resource in place to manage the delivery of the governance changes. This includes sufficient expertise and resource capacity to deliver the required changes to the Council's governance arrangements within the timescales set out in the Council report 17 September 2025.

Actions (Monitoring):	**Target Date for Completion:**
Robust member and officer training and development programme and awareness sessions	Ongoing through to May 2026
Option and budget available for external legal or other advice/intervention	Ongoing through to May 2026

Dedicated legal resource from Head of Legal Service	April 2026
Comments this quarter: Following Council's approval to move to the Leader and Cabinet model of governance on 17 September 2025, the Member Task and Finish group has been established and met. A report on the recommendations of the task and finish group will be made to the Corporate Policy Committee on 27 November 2025	
Timescale for managing risk to an acceptable level: May 2026	