

Top 3 Corporate Risks					
Ref & Type	Risk Description	Risk Owner	Cabinet Lead	Rating & Direction	Comments
8 Opp	Public Sector Effort: Opportunity to ensure that a consensus approach and joint strategic planning by several Council partners reduces duplication of effort and ensures best use of resources in varying geographic areas, such that efforts are not contradictory and/or do not leave gaps. We will maximise public resources such that the Council and its partners are better able to achieve intended objectives and outcomes. Current examples include: community safety, complex dependency, health and care integration.	Chief Executive	Leader of the Council	12 High New ↔	The future financial context for local government will continue to require services to be funded and delivered differently. Maximum opportunities will continue to be sought to secure improved value from the totality of public resources available locally, as well as continuing to build upon the promotion of communities and individuals to be less reliant upon publicly funded services where appropriate.
12 Threat	Cheshire East Local Plan Examination : Risk that the Cheshire East Local Plan Strategy cannot be successfully adopted – either because the work necessary to resume the examination cannot be undertaken, that the plan has to be withdrawn or subsequently it is found to be unsound once the examination resumes. This will result in delays to the planning framework, leaving Cheshire East vulnerable to unplanned development, budget pressures, loss of public and government confidence, and impacting upon our ability to provide the right type of housing and development sites in the right places and stimulate growth in the local economy.	Director of Economic Growth and Prosperity	Finance Portfolio Holder	12 High ↑	Substantial effort is being made to ensure the necessary work can be carried out on time, concerns are addressed and the plan modified, without withdrawal from the inspection process – although that possibility cannot be ruled out at this stage.

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15 Threat	<p>Protection of Children and Young People: There is a risk that if the Council does not recruit and retain a sufficient number of qualified and competent social workers and supervisors to meet children’s Social Care statutory duties, children and young people may not be protected from harm or risk of harm. This will impact on the Council’s outcome for local people living well and for longer.</p>	Executive Director of Strategic Commissioning	Safeguarding Children and Adults Portfolio Holder	<p>12 High ↔</p>	The recruitment and retention of high quality permanent Social Workers continues to be a challenge both locally and nationally. Whilst Cheshire East has carried out a significant amount of work to recruit and retain high quality Social Workers, this will remain a priority to ensure that the good work carried out to date is sustained.

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04 Threat	Financial Control: Risk that the Council fails to manage expenditure within budget, due to inaccurate financial planning in both the short term and longer term and/or ineffective financial control leading to a failure to maintain an adequate level of reserves, thereby threatening financial stability and service continuity and preventing the achievement of Cheshire East's objectives and outcomes.	Chief Operating Officer	Finance Portfolio Holder	9 Medium ↔	The Council has continued to develop its financial management processes and has reflected upon the recent audit by Grant Thornton, the Council's external auditors. The audit process has shown improvements with a clean audit, including a positive value for money assessment. The accounts continued to be signed off by the Auditors with a clean audit statement, and the Council is reflecting on the feedback and learning from the performance across 2014/15. Improvements have been made during 2014/15, including developing and improving the financial reporting across the Council. Taking all the above into account the risk faced by the Council continues to be carefully managed reducing a gross risk of 16 to at least 9 in net terms at this stage and to a planned 6 with all actions in hand.
05 Opp	External Funding: Opportunity that the Council identifies, bids for, or captures new alternative sources of external funding or income, or aligns other public sector local expenditure (such as by the NHS) to create added public value and	Chief Operating Officer	Finance Portfolio Holder	9 Medium ↔	Opportunities should increase as the process of searching for grant funding is being embedded in to the TEG/EMB/Business Planning processes.

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	increases its ability to achieve its objectives and outcomes.				
o6 Opp	Evidenced Decision Making: Opportunity to more effectively utilise information and business intelligence to properly and adequately take into account supplementary evidence and public need, resulting in a better ability to apply evidence based decision making, and strengthening our ability to effectively and efficiently reshape our commissioning approach to deliver services more innovatively to best serve the people of Cheshire East and achieve our intended outcomes.	Chief Operating Officer	Deputy Leader and Strategic Outcomes Portfolio Holder	9 Medium ↔	The Council has put in place a core Business Intelligence (BI) Team to address this opportunity. This brings together the corporate Research and Consultation Team with the Children & Families and Adults Performance Teams. Other BI resource is mapped across the organisation to enable a networked approach to data gathering and analysis. It is anticipated that as a whole this resource will provide relevant business intelligence data capable of informing and driving commissioning decisions thereby ensuring that resources are targeted at areas of most need.
o7 Threat	Reputation: Risk that consideration is not given and management action is not taken, to effectively maintain the reputation of the Council, leading to a loss of public confidence, threatening the stability of the Council and our ability to meet the corporate priorities.	Chief Executive	Leader of the Council	9 Medium ↔	There are a number of controls and actions that need to be revised over the next twelve months in order to ensure a continued or improved control mechanism for this risk. Key areas of activity with regard to this are development of effective protocols and processes to act as controls over activity, agreement of

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					effective monitoring arrangements with teams and individuals across the organisation who have influence or are central to reputation-critical activity. Overall net rating remains at 9. We expect that the effective implementation of the planned actions will reduce the likelihood further.
11 Threat	<p>Commissioning and Service Delivery Chains: Risk that as the Council moves into a more active “market making” role, it will progressively form complex and more fragmented supply chains for both back office and front line services (i.e. outsourcing, contracted suppliers and providers, shared service delivery, joint ventures, private finance initiatives and partnership working) increasing the materialisation of commissioning and service delivery chain risks which would prevent the Council from achieving its planned objectives, priorities and outcomes. Examples of these risks include:-</p> <ul style="list-style-type: none"> ➤ inappropriate, ineffective and inefficient provider commissioning ➤ failure to meet/deliver service expectations/standards ➤ supplier/partner financial failure ➤ increase in supplier incidents, non- 	Chief Executive	Service Commissioning Portfolio Holder Governance Portfolio Holder	9 Medium ↓	The Procurement Board meet at regular intervals overseeing the developments of the new procurement arrangements, the monitoring of procurement activity, including savings/reductions being achieved and the future direction for procurement activity across the Council. The first phase of a Council Procurement Improvement Plan has been completed and will be reported to the Procurement Board in January 2015, along with a second phase of improvement activity which will focus on communication and engagement across the Council. The procurement team, whilst losing some experienced members of staff to other Councils, has successfully recruited new staff members and are currently busy

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	<p>compliance with contracts or agreements</p> <ul style="list-style-type: none"> ➤ tension between profit motives and public sector ethos ➤ budget overruns ➤ increase in systematic risks in increasingly shared services ➤ disaffected voluntary sector and provider market ➤ inadequate supplier and contract management/relationship 				<p>ensuring that the new team is suitably inducted to fully strengthen the function. The newly formed Procurement Manager role has been evaluated and is currently out to advert, with a closing date in early January 2015.</p> <p>Considerable progress has been made in establishing the contractual arrangements with the Council owned companies and Leisure Trust. Commissioning and client arrangements are in place and reporting and accountability is established to the relevant overview and scrutiny committees. Adjustment has been required for Officers and Members alike regarding the role of overview and scrutiny in relation to these new contractual arrangements and to Members on Company Boards regarding new accountability arrangements.</p>
18 Threat	Legal: The rate of change and different delivery models may mean doing things quickly without	Chief Operating Officer	Governance Portfolio Holder	9	The continuing downward pressure on council budgets is requiring new

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	<p>recognising and/or acting accordingly to prevent a significant challenge to a decision, or a compensation trend emerges diverting significant financial and non-financial resources into possibly lengthy legal disputes and impacting upon the Council’s ability to achieve its key outcomes.</p> <p>Examples include:</p> <ul style="list-style-type: none"> ➤ unlawful procurement of goods and services ➤ no proper consultation undertaken or findings acted upon ➤ no equality impact assessment undertaken or findings acted upon 			<p>Medium</p> <p>↔</p>	<p>and innovative ways of delivering services and a faster pace of change than previously. This has increased the demand for advice from Legal Services at a time when budgetary pressures will have an effect on the resources available to deal with the extra work. This increases the likelihood of incomplete instructions and mistakes. The overall net risk rating is a 9 medium risk. The Council has bought in additional legal resource to address this risk.</p>
19 Threat	<p>Fraud and Corruption Risk: Risk that the Council fails to have proper, adequate, effective and efficient management arrangements, policies and procedures in place to mitigate the risk of fraud and corruption including bribery, particularly at a time of financial hardship, such that public money is misappropriated. This would result in a loss of funds to the Council, have a detrimental effect on services users, a negative impact on the Council’s ability to achieve all of its priorities, value for money, and may have a negative impact on the Council’s reputation.</p>	Chief Operating Officer	Finance Portfolio Holder	<p>9</p> <p>Medium</p> <p>↔</p>	<p>Fraud is a significant risk to the whole of the UK and local authorities are often viewed as an ‘easy target’ by criminals. As such it is important that robust and effective arrangements are in place to minimise both the likelihood and impact of fraud against the Council. Traditionally, councils have focussed on benefits as the area most at risk of fraud but national studies have identified that areas such as procurement are equally if not more vulnerable to loss. In December</p>

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					2015, Housing Benefit Fraud staff will transfer to DWP thus significantly reducing the Council's investigative resource and it is therefore important that detailed risk assessments are completed by service managers to identify where the Council is most vulnerable so that appropriate controls can be introduced to protect public monies. This will also enable an informed view to be taken as to the level of resource required to manage the threat of fraud and corruption. The risk rating remains at 9 which is medium risk.
20 Threat	Contract and Relationship Management: Risk that the Council does not have a sufficient number of skilled, experienced and knowledgeable staff to manage contracts and ongoing relationships with the Council's new alternative service delivery vehicles (ASDVs), such that contractual arrangements may not be robustly specified (including exit strategies), or that they fail to deliver expected outcomes and/or within contracted costs and/or within expected timescales and/or fail to comply with contract agreements. This will affect the	Executive Director of Strategic Commissioning	Service Commissioning Portfolio Holder Governance Portfolio Holder	9 Medium ↓	The Council has made progress establishing the client commissioning function reporting through to the Deputy Chief Executive, which has allowed the business case and plans for a number of ASDVs to have been formalised and put in place. Further negotiations have begun to develop the management fees for the ASDVs for 2015/16, which incorporates contract specification and management.

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	Council’s ability to achieve all of its priorities and outcomes, realise agreed savings to ensure better value for money, and may have a detrimental effect on the Council’s reputation for failing to deliver on our promises.				
21 Threat	Assurance of Information: Risk that poor stewardship of information results in information being lost, inappropriately disclosed, unavailable, inaccessible or inaccurate, leading to issues with information access, quality, security, retention and disposal. This will affect the Council’s ability to provide the right information to the right people at the right time. The consequences of this are poor or inappropriate service delivery, failure to comply with legislation and government standards resulting in possible financial or reputational damage, all of which will have a detrimental impact on the achievement of the Council’s priorities (as above) and may expose the Council and Cheshire East residents to other serious risks.	Chief Operating Officer (SIRO)	Deputy Leader and Strategic Outcomes Portfolio Holder	9 Medium ↔	<p>Once the Information Assurance Framework has been fully developed, it will take a significant period of time to fully implement through all levels of the organisation.</p> <p>Over the long term, it is expected that the likelihood can be significantly reduced, but the work will require a number of phases.</p> <p>Initial work will reduce the likelihood score and subsequent phases of work will further reduce the likelihood.</p> <p>As a commissioning Council and continued development of ASDVs the likelihood of this risk occurring remains likely and the net risk score remains at 9 medium risk.</p>
22 Threat	ASDV Business Plans: Risk that there is inadequate information available to allow the development of rigorous and fully costed business cases and plans for the alternative	Chief Operating Officer	Leader of the Council	9 Medium	Continued work with the new model of ASDVs, along with the contract management functionality has allowed stronger and more refined

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	delivery vehicles. This may result in the vehicles not being viable and in the worst case scenario eventually failing. This may affect the Council’s ability to meet its statutory duties in the short-term, give rise to legal, financial and credibility issues and have a detrimental impact on achieving some of the Council’s outcomes (dependent upon area at risk).			↔	development and management of the business cases and within the ASDVs themselves the business plans.
23 Threat	Health Integration Programme: The risk that programme timescales do not pay attention to available resources such that there is a lack of commitment to maintain the pace required to meet the multiple partner health integration programme, this could have a detrimental impact upon our ability to deliver target budget savings (adult social care), meet the conditions of funding arrangements, and to deliver the outcomes of local people living well and for longer, and of our communities being strong and supportive.	Executive Director of Strategic Commissioning	Care and Health in the Community Portfolio Holder	9 Medium ↔	Further work is required on internal targets and timescales to reduce the likelihood of this risk which is 3, very likely at present. The integration programmes are key to the Councils outcomes of people living well and for longer, and communities being strong and supportive so would have a major impact and is rated as 3. The overall net risk rating is 9 medium risk.

Corporate Risks – Managed (Diminishing) Risks					
Ref & Type	Risk Description	Risk Owner	Cabinet Lead	Rating & Direction	Comments
14	Business Planning – Resource: Risk that we have not planned the resource required to deliver both business as usual and our significant projects, to be delivered over a relatively short period of time, causing overreliance on internal support services (e.g. Assets, Insurance, Legal, Procurement, ICT) and insufficient resource and capacity to deliver, resulting in increased costs, failure to deliver priority projects, business operational issues and an inability to achieve the Council’s intended objectives and outcomes.	Chief Operating Officer	Performance Portfolio Holder	6 Medium ↓	Risk score has reduced as processes introduced during 2014 have enhanced the staffing structure. Links to outcomes have been improved through the monitoring process. Commissioning plans have been established, and incorporated in to schedule meeting with senior staff. Estimates were based on a budget performing well and settlement figures that were provisionally set out a year in advance.
17 Threat	Adult Social Care: The risk that a combination of causes such as staff turnover, sickness and an inability to recruit, mean that there is insufficient qualified and capable staff to meet statutory adult social care duties (e.g. reassessments). This may result in some individuals assessed needs and risks not being met, individuals not being effectively safeguarded, consequential legal challenges and credibility issues (e.g. with CQC) and could have a detrimental impact upon our ability to deliver the outcomes of local people living well and for longer, and of our communities being strong and	Executive Director of Strategic Commissioning	Care and Health in the Community Portfolio Holder	6 Medium ↓	Presently the likelihood of this risk is assessed as a 3 which is likely; a number of the actions taken to date have impacted on the likely impact as a result of introducing improved systems and processes overall to enhance the practice and build in levels of assurance and monitoring. Additional major changes including the impact of new legislation and the further integration with health partners will result in the likelihood remaining the same whilst the improvements in the service and support to staff will reduce the impact of the risk. The impact of the risk should it materialise is therefore mitigated by the action taken and would still have a score of 2, on the Council’s

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	supportive.				outcomes of local people living well and for longer, and of our communities being strong and supportive. The overall net risk rating is therefore 6 - medium risk.