

## **BRIEFING REPORT**

### **Audit & Governance Committee**

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**Date of Meeting:** 15 March 2018

**Report Title:** Risk Management Update Report

**Portfolio Holder:** Councillor Paul Findlow, Portfolio Holder, Corporate Policy and Legal Services

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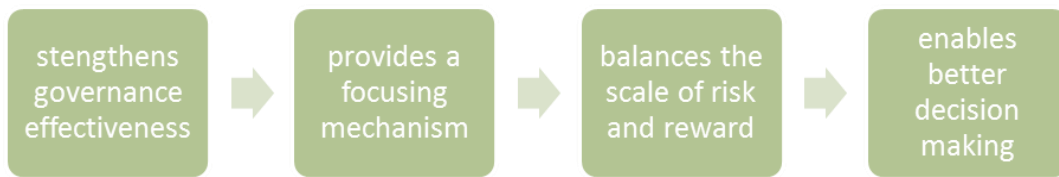
#### **1. Introduction and Policy Context**

- 1.1 This report provides the Audit and Governance Committee with a summary of the most significant threats and opportunities facing the Council which may prevent, or assist with, the achievement of the Council's Corporate Plan 2016-20. The Audit and Governance Committee is requested to note and comment on the update report on risk management, which is for information and assurance.

#### **2. Background**

- 2.1 It is the role of Audit and Governance Committee to provide independent assurance to the Council on the adequacy of the risk management framework and the internal control environment. Risk management is not about being risk averse, indeed some amount of risk taking is inevitable if the Council is to achieve its objectives. It is about effectively managing risks that could affect the achievement of the Council's objectives and ensuring that an appropriate risk culture is in place.
- 2.2 A risk is concerned with a threat, or a possible future event, which will adversely or beneficially affect the Council's ability to achieve its objectives. Risk management is central to good governance; managing risk is all about people making the best decisions at all levels within the organisation. It is not just about strategy and tactics but also judgements and behaviours of people. Decision makers fundamentally want to do the right thing; an open and respectful risk culture mitigates risk and reputational damage. It encourages higher performance and efficiency, and develops a sustainable and ethical business model.

2.3 A strong risk management framework seeks to ensure the following benefits:-



2.4 As the Council looks towards 2020, even over this relatively short period of time, there will be a host of factors which influence the nature of the Council's relationships with its residents, businesses, communities, neighbouring authorities, and other key partners. These factors will challenge the Council to review its current systems and approaches, and experiment with new ideas to allow mixed and flexible use of its resources. In this constantly evolving environment, with a need to continually adapt internal organisation to meet legal requirements, economic challenges, urban changes, demographic and social changes, it is possible for managers and decision makers to miss risks that may arise suddenly or unexpectedly. Through risk identification we anticipate eventualities and it helps us to respond to changes in need. Consideration and response to existing and new threats, and the ability to recognise and seize new opportunities, is fundamental to achieving the Council's desired outcomes in the Corporate Plan 2016-20.

### 3. Briefing Information

3.1 There are presently eleven threats and four opportunities detailed on the Council's corporate risk register. There has been some changes and movement of the risks since the previous update to Audit and Governance Committee; these include:

- CR5 Information Security and Cyber Threat: There continues to be a rise in the number of ransomware attacks, whilst the Council has a number of technologies to reduce the risk of infection and existing mitigation controls reduce the likelihood, the threat is ever increasing. If the risk materialises there is the potential of a 'major' impact on the corporate plan which may affect services in one or more areas for a short period and so the net risk rating has been increased to 12 High Risk.
- CR7a Cheshire East Local Plan Adoption: This has been removed from the Corporate Risk Register as this risk has passed and is now dormant.
- CR11 Employee Engagement and Retention: The risk description for this risk has been updated to ensure that it reflects the current most significant causes of the threat to engagement and retention and

encompasses the recruitment freeze and drive to improve organisational culture.

- **CR12 Adult Social Care Market Strain:** An emerging risk around market strain on the adult social care sector and how this may provide a threat to the Council's objectives has been articulated and included on the corporate risk register as a 9 Medium Risk threat.
- **CR13 Capacity and Demand:** An emerging risk which is cross-cutting across Directorates around increased demand and insufficient capacity to deliver and how this may threaten the achievement of the Council's business plans has been articulated and included on the corporate risk register as a 6 Medium Risk threat.
- **CRO4 Regeneration:** The risk title for this opportunity risk has been amended to 'Infrastructure and Regeneration' to better reflect the risk description. The Council continues to strengthen its position in relation to this opportunity through infrastructure programme work and as a result the heat map shows a slight increase of the risk level in a positive direction within the rating of 9 medium risk level.

3.2 The tables below inform the Audit and Governance Committee on progress against key risks; attached at **Appendix A** is a more detailed definition of these risks including the Risk Owner, Cabinet Strategic Lead, and comments on the net risk rating. **Appendix B** shows a heat map of the threats and opportunities.

**Table 1: Highest Rated Corporate Risks**

Ref	Type	Risk Title	Rating	Direction
CR2	Threat	NHS Funding and Sustainability and Transformation Plan (STP) Impact	16 High	↔
CR3	Threat	Financial Resilience	12 High	↔
CR1	Threat	Increased Demand for People Services	12 High	↔
CR4	Threat	Contract and Relationship Management	12 High	↔
CR5	Threat	Information Security and Cyber Threat	12 High	↑

**Table 2: Risk Watch List**

Ref	Type	Risk Title	Rating	Direction
CR11	Threat	Employee Engagement and Retention	6 Medium	↔

**Table 3: Dormant Risk**

Ref	Type	Risk Title	Rating	Direction
CR7a	Threat	Cheshire East Local Plan Adoption	4 Low	↓

**Table 4: Emerging Risk**

Ref	Type	Risk Title	Rating	Direction
CR12	Threat	Adult Social Care Market Strain	9 Medium	↑
CR13	Threat	Capacity and Demand	6 Medium	↔

3.3 Discussion around the articulation of an emerging risk around the Council's 5 Year Housing Land Supply is currently underway and this risk will be drafted and scored as appropriate.

3.4 The assessment methodology used to score the risks is attached at **Appendix C** to this report for information.

## 4 Implications

4.1 Policy: Risk management is integral to the overall management of the authority and, therefore, key policy implications and their effective implementation are considered within team and department risk registers and as part of the risk management framework.

4.2 Financial: There are no direct financial implications in relation to this report. However, a risk around financial resilience is included as a corporate risk and general reserves are focused on the Council's potential exposure to risk. In addition, where a particular area has been identified as specific risk or investment opportunity, then an amount will be earmarked for that specific purpose as part of the Medium Term Financial Strategy (MTFS) process.


4.3 Legal: This report is aimed at addressing the requirement that the Council achieves its strategic aims and operates its business, under general principles of good governance and that it identifies risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework.



4.4 Risk Management: This report relates to overall risk management; the Audit and Governance Committee should be made aware of the most significant risks facing the Council and be assured that the risk management framework

is operating effectively. The content of this report seeks to achieve the following risk objectives:-

<b>Key Risk Objectives</b>
That Cheshire East Council properly develops, implements and demonstrates an effective risk management framework
That Cheshire East Council applies its risk management policy consistently across the Council
That Cheshire East Council recognises risks and makes correct decisions to tolerate, treat, transfer or terminate threats or to exploit, share, enhance or ignore opportunities

## Corporate Risks


Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR 1 Threat	<b>Increased Demand for People Services</b> (Cause) Risk that Cheshire East's local social, economic and demographic factors lead to an increase in the level of need and demand for adults and children's care services, (threat) such that the capacity of the Council's systems in these areas is unable to continue to absorb the pressures, (impact) resulting in a possible lack of continuity of social workers/service providers, unmet need, potential safeguarding issues, and difficulty in achieving the Council's outcomes that people live well and for longer, and have the life skills and education they need to thrive.	Acting Executive Director of People	Joint: Portfolio Holder, Adult Social Care and Integration Portfolio Holder, Children and Families	<b>12 High</b> 	Likelihood of this risk occurring has been scored as 'likely' as it is known that both adult demand, and children's demand is increasing alongside population growth, and longer life expectancy for both adults and children with complex needs. Taking a prudent approach to the risk scoring, if the increase in demand was significant the impact of this risk if it were to materialise could be critical with possible increase in safeguarding issues due to the nature of the service delivery areas. Further work is planned to mitigate the impact of this risk in both service areas but presently the net score remains at 12 high risk.

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR 2 Threat	<b>NHS Funding and STP Impact</b> (Cause) Risk that due to the financial deficit in the NHS, the five-year Sustainability and Transformation Plan (STP) to reshape the delivery of NHS services across the wider region, may cause a reduction in Cheshire East Council shared service delivery and NHS service delivery, (threat) shifting costs and demand which places additional strain on Council resources (impact) resulting in unmet need and potential difficulty in achieving the Council's outcomes that people live well and for longer and local communities being strong and supportive.	Acting Executive Director of People	Joint: Portfolio Holder, Health Portfolio Holder, Adult Social Care and Integration	<b>16 High</b> 	The STP has been drawn up on a regional basis and the likelihood of this risk occurring is increasing as the financial deficit across the health and care system increases. There have been delays in the implementation of the STP workstreams as a result of a new STP leadership team being appointed and a review of the governance structure taking place between August and November. The net risk score remains at 16 High Risk because exiting controls have not to date seen a reduction in the anticipated deficit position.
CR 3 Threat	<b>Financial Resilience</b> (Cause) The reduction in funding from Central Government means the Council must manage funding shortfalls over the next four years, through reduced expenditure, managing demand or increased local income. (Threat) There is a possibility that the Council does not adopt its financial plans in sufficient detail quickly enough, either by deferring the difficult decisions about services, using over-optimistic planning assumptions, or not rethinking sources of income. (Impact) This may result in difficulties in closing and managing the funding reductions, financial stress and may impede the Council's ability to meet its statutory requirements, and deliver all of its intended outcomes and objectives in full.	Interim Executive Director of Corporate Services	Portfolio Holder, Finance and Communication	<b>12 High</b> 	The Council has financial plans in place to manage funding shortfalls which will be reviewed regularly. The impact of this risk should it materialise is reduced as the Council has a track records of underspends or managing year end positions within the parameters of the Reserves Strategy. The overall net risk rating is 12, high risk.

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR4 Threat	<b>Contract and Relationship Management:</b> (Cause) Risk that the Council does not improve the effectiveness of its contract management arrangements, including skilled staff, to manage contracts and ongoing relationships with the Council's providers, in a timely manner (Threat) such that contractual arrangements may not be robustly specified, 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. (Impact) This will affect the 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.	Interim Executive Director of Corporate Services	Portfolio Holder, Finance and Communication	<b>12 High</b> ↔	The new Contract Management Framework has been developed and the new Commissioning and Procurement Board established but the framework needs to be implemented and embedded within Council procedures. Work has begun but is unlikely to demonstrate a reduction in the likelihood of this risk occurring in the short-term. The net risk therefore remains at 12 high risk as the impact of contract management across the Council is significant.



Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR5 Threat	<b>Information Security and Cyber Threat</b> (Cause) 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 at risk of a security breach, either malicious or inadvertent from within the organisation or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as distress to individuals, legal, financial and reputational damage to the Council, possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.	Interim Executive Director of Corporate Services	Portfolio Holder, Finance and Communication	<b>12 High</b> ↑	<p>The Council handles large quantities of data on a daily basis and receives a large amount of emails, of this volume 78% is malware, viruses or spam. The risk of a security breach of some nature is 'likely', the likelihood of this risk is increasing globally as the number of incidents of corporate and public sector bodies having their IT systems hacked and data being stolen is rising. There is a rise in the number of ransomware attacks, with the outage of the NHS systems highlighting the effects such an attack can have on the operations of an organisation.</p> <p>The more the Council is aware of information, its importance and its value; it is increasingly likely that the number of Information Breaches will increase.</p> <p>The Council has a number of technologies to reduce the risk of infection. Although existing mitigation controls reduce the likelihood the threat is ever increasing. If the risk materialises there is the potential of a 'major' impact on the corporate plan which may affect services in one or more areas for a short period and so the net risk rating is 12 High Risk.</p>


Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR6 Threat	<b>Countering Fraud and Corruption</b> (Cause) 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, particularly in a time of financial austerity, (Threat) such that public money is misappropriated. (Impact) 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.	Interim Director of Corporate Services	Leader of the Council	<b>6</b> <b>Medium</b> 	Although the Council has a robust anti-fraud and corruption framework, as the Council commissions and lengthens its supply chain with uncertainty of the level of controls and assurance arrangements within the chain, the likelihood of this risk is increased. Alongside this, the increased demand on staff time may result in less rigorous application of existing controls, which may also increase the risk of unexplained or suspicious expenditure being undetected. Preparations are underway to develop a new structure to deliver Counter Fraud services and expand the amount of pro-active Counter Fraud work undertaken contributing to securing ongoing improvements in the Council's control environment. The impact of this risk should it occur is a 3 'significant' as the amount of funds at risk could be significant and jeopardise financial resources to achieve the outcomes. As the Council's maturity levels increase in this area the risk should reduce, at present, the overall net risk rating is 6 medium risk.

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR7a	<b>Cheshire East Local Plan Adoption</b> (Cause) Risk that a successful Statutory Legal Challenge reverses all or elements of the adoption of the Cheshire East Local Plan Strategy, (threat) resulting in further delays to the planning framework, leaving Cheshire East vulnerable to unwanted development, budget pressures, loss of public and government confidence, (impact) impacting upon Cheshire East's ability to provide the right type of housing and development sites in the right places to stimulate growth in the local economy affecting the achievement of all of the Council's outcomes.	Executive Director of Place	Portfolio Holder, Housing, Planning and Regeneration	4 Low ↓	This risk is now dormant. The judge held that shortcomings of the air quality data did not affect the substance of the Local Plan and, thus, on the evidence the claim was not arguable. This risk is to be removed from the Corporate Risk Register.
CR9	<b>Increased Major Incidents</b> (Cause) Risk that there is a lack of capacity, planned reserves and resources to deal with an increased frequency and severity of major incidents which affect Cheshire East (e.g. extreme weather events, flooding, sinkholes, fire incidents, chemical incidents, dangerous structures, pandemic, or deliberate incidents such as terrorist acts) such that (threat) the Council needs to shift capacity and resources away from day to day operational activity and may be unable to sustain an effective response or to act in a timely manner alongside emergency responder partners, (impact) resulting in potential public safety issues and a reduced level of achievement across all of its intended outcomes.	Executive Director of Place	Portfolio Holder, Corporate Policy and Legal Services	6 Medium ↔	The net risk rating for this risk is 6 medium. Whilst it is unlikely that there will be a significant increase in the number of major incidents, this is outside of our control, and if this was to materialise the impact on the Council's objectives would be major.  There have been a number of major incidents over the last year that the Council has responded well to (e.g. Macon House Fire, Crewe; M6 tanker crash near Knutsford; and the Manchester Arena Terrorist Attack) the risk score will be reviewed if and when any further incidents occur.

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR10	<b>Business Continuity</b> (Cause) Risk that an internal or external incident occurs which renders the Council unable to utilise part or all of its infrastructure (such as buildings, IT systems etc) such that (threat) the Council is unable to deliver some, or in extreme cases all of its services and (impact) putting residents at risk for a period of time and resulting in a reduced achievement of Corporate Plan outcomes over the longer period	Acting Director of Legal Services	Portfolio Holder, Corporate Policy and Legal Services	6 Medium ↔	The net risk rating is 6 medium. Whilst the majority of incidents are outside of the Council's control this risk remains unlikely but could have a major impact if it materialised. The implementation of the Business Continuity Action plan is ongoing.
CR11 Threat	<b>Employee Engagement and Retention</b> (Cause) Risk that as demand increases and resources decrease, and whilst the Council seeks to improve its organisational culture and faces negative reputational issues, the Council's most skilled and experienced staff may feel under more pressure and become less engaged, and (threat) because of the specialist nature of some of the roles, the Council is less able to recruit and retain core professional employees (e.g. social workers, solicitors and planners). This may result in (impact) high recruitment costs and loss of talent and organisational knowledge which may have a damaging impact on service users and the Council being unable to fully deliver across all of its outcomes.	Interim Executive Director of Corporate Services	Portfolio Holder, Corporate Policy and Legal Services	6 Medium ↔	The Council recognises that retention of skilled staff remains a threat. Employee engagement and retention is an area the Council continues to improve. Increase in demand with fewer resources is likely and may impact on core areas which could be significant. The cultural transformation programme will seek to define and embed a positive culture that enables colleagues to thrive. It is recognised that this is not a quick fix but instead a longer term programme through which staff, managers, members, partners and trade unions come together to collectively define and own the culture and tone that will enable CEC to be known as a great place to work. Recognising the challenges and opportunities ahead the risk level is presently rated at 6, medium risk.

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CR12 Threat	<b>Adult Social Care Market Strain</b> (Cause) Risk that as the adult social care sector continues to experience financial strain, due to staffing being a high proportion of costs, and with the difficulty in recruiting and retaining staff within the sector resulting in reducing profitability, this may lead to some service providers exiting from the market. (threat) This may result in residents having less choice, or experiencing a lack of continuity of service, and potential delays in securing a package of good quality care that meets needs and preferences, and greater use of unpaid care. This may affect (impact) the Council's ability to achieve its outcomes of people living well and for longer and to stimulate a diverse range of care and support services and be a leading commissioning and responsible Council.	Acting Executive Director of People	Portfolio Holder, Adult Social Care and Integration	9 Medium ↑	Likelihood of this risk occurring has been scored as 'likely' as it is known that demand is increasing alongside population growth and longer life expectancy and that the adult social care sector continues to experience financial strain. Taking a prudent approach to the risk scoring, if a major provider fails and the risk was to materialise this could be major with possible increase in safeguarding issues due to the nature of the service delivery area. Further work is planned to mitigate the likelihood and impact of this risk but presently the net score is 9 medium risk.
CR13 Threat	<b>Capacity and Demand Risk</b> (Cause) Risk that reducing and reduced staff resource alongside increasing demand and additional unplanned work results in (threat) key resources being overstretched and having insufficient capacity to deliver all business plan requirements, (impact) resulting in business operational issues and pinch points, possible failure to deliver priority activities and projects, adverse organisational behaviour and a detrimental impact upon physical, emotional and mental wellbeing of staff, impacting upon the Council's ability to deliver all of its intended objectives and outcomes.	Acting Chief Executive	Leader of the Council	6 Medium ↔	The Council recognises the pressures on staff through reduced and reducing capacity. Creating an environment within which colleagues can grow and thrive is a top priority, and a range of programmes and initiatives will support this. Ensuring all staff, members and partners have a shared sense of purpose, common and achievable goals, alongside ruthless and ongoing prioritisation will help to reduce this risk presently rated at 6, medium risk

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CRO 1 Opp'ty	<b>EU Exit, Single Market and Local Growth</b> (Cause) Keeping abreast of discussions about exiting the EU and access to the single market means that the Council can anticipate which areas are going to be significantly affected in Cheshire East e.g. changes in demand, changes to economic sectors, including the rural economy, and the labour market in the local area, significant impacts on local companies, possible successor regional aid funding schemes, changes to state aid and procurement laws. (Opportunity) This creates an opportunity to seize the initiative and influence the debate on the new UK legislative agenda for how a new regime should be shaped, including more entrepreneurial models that (impact) may benefit Cheshire East's local economy and local growth.	Executive Director of Place	Portfolio Holder, Housing, Planning and Regeneration	<b>6</b> <b>Medium</b> ↔	<p>Note that risk scoring for opportunities is the opposite way around to threats so a better risk outcome is to travel towards a higher score.</p> <p>The likelihood of this risk is presently unlikely as this is a possible opportunity which has yet to be fully investigated by management but some surveys are being undertaken.</p> <p>The impact remains relatively unknown but could be significant to Cheshire East's rural and local economy.</p> <p>The net risk rating remains at 6 Medium Risk and the Council monitors information as the governments' plans progress.</p>
CRO 2 Opp'ty	<b>Devolution</b> (Cause) Central Government has been working with various cities and sub-regions to achieve devolution of powers and funding from central government to local areas which presents an opportunity for Cheshire East to (opportunity) work with key partners to bring an informed, coherent and persuasive case to secure more funding and powers through a devolution deal which would (impact) support Cheshire East's outcomes of protecting and enhancing its Quality of Place, improving local economic growth assisting with the achievement of all of its corporate outcomes.	Executive Director of Place	Leader	<b>6</b> <b>Medium</b> ↔	<p>Whilst the government's position on devolution to the sub regions is still unclear, our growth conversation with DCLG is ongoing. Recent indications suggest that the government may be open to new discussions about devolution and we will be seeking to define the scope, process and timeframe of the opportunity.</p>

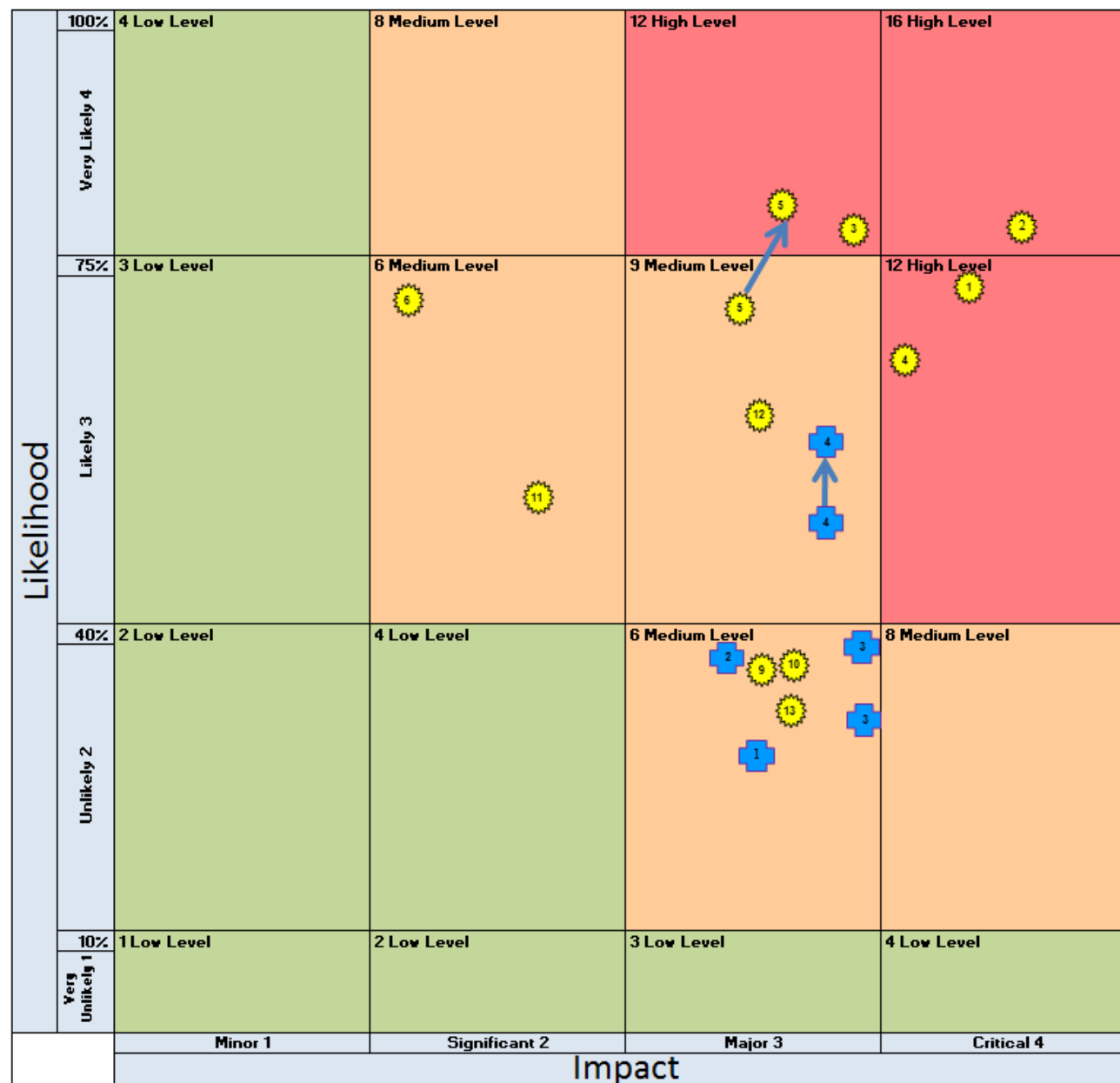
Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CRO3 Opp'ty	<b>Partnership Working</b> (Cause) Public Service delivery is currently under-going reform, impacting upon capacity and resources of agencies and organisations partnered by the Council and other public sector agencies. (Opportunity) This presents an opportunity for co-production with joint strategic planning to reduce contradictory and duplication of efforts, minimise delivery gaps, exploit new business models and maximise best use of public and private sector resources to (impact) achieve joint and complementary objectives and assist with the achievement of the Council's corporate outcomes.	Acting Executive Director of People	Leader	<b>6</b> <b>Medium</b> 	<p>The Leaders' Board is working with the Council's key strategic partners, including Town and Parish Councils, and the Voluntary, Community and Faith Sector to exploit this opportunity and so the likelihood of this risk requires careful relationship management to increase the likelihood rating. The financial pressure across the public sector, including the impact of the Council's budget savings, means that partners may look inwardly rather than externally which has slightly reduced the likelihood of this opportunity.</p> <p>The impact could see a major increase in the Council's ability to achieve one or more strategic outcomes. The opportunity requires further work and monitoring to ensure that it comes to fruition. The net risk rating is 6 medium risk.</p>

Ref & Type	Risk Description (Including cause, threat and impact upon outcomes)	Risk Owner	Cabinet Lead	Rating & Direction	Comments
CRO4 Opp'ty	<b>Infrastructure and Regeneration Funding</b> (Cause) The Council has a number of ambitious regeneration and development initiatives (e.g. Crewe Regeneration including HS2, and Macclesfield Regeneration) involving many third party organisations. (Opportunity) There is an opportunity to create the right conditions and confidence to lever in significant investment (public and private) to deliver these initiatives and to create (impact) further significant growth and prosperity in the Borough.	Executive Director of Place	Portfolio Holder, Housing, Planning and Regeneration	9 Medium ↑	<p>The Council has strengthened its working arrangements with local public sector partners, government departments and commercial investors. The Council has secured significant capital allocations to support major regeneration and development projects e.g. £10 local growth fund for Crewe Town Centre, £20 Housing Infrastructure funding to support key development projects in Crewe and Macclesfield and has secured major grant allocations for projects such as the Congleton Link Road, Middlewich Eastern Bypass, Poynton Relief Road.</p> <p>The Council has geared up its approach on a number of its strategic infrastructure projects including HS2, Crewe Hub and strategic rail such that the net risk rating is increasing within the 9 medium risk level rating. This risk requires ongoing work and monitoring to ensure that the opportunity comes to fruition.</p>



Corporate Risk Titles	
Threat	
CR1	Increased Demand for People Services
CR2	NHS Funding and STP Impact
CR3	Financial Resilience
CR4	Contract and Relationship Management
CR5	Information Security and Cyber Threat
CR6	Countering Fraud and Corruption
CR7	Cheshire East Local Plan Adoption
CR8	Community Cohesion
CR9	Increased Major Incidents
CR10	Business Continuity
CR11	Employee Engagement and Retention
CR12	Adult Social Care Market Strain
CR13	Capacity and Demand
Opportunity	
CRO1	EU Exit, Single Market and Local Growth
CRO2	Devolution
CRO3	Partnership Working
CRO4	Infrastructure and Regeneration Funding

Threat	
Opportunity	



OFFICIAL

SCORING CHART FOR IMPACT				SCORING CHART FOR LIKELIHOOD				
	Factor	Score	Effect on Corporate Objectives		Factor	Score	Description	Indicator
Threats	Critical	4	Critical impact on corporate objectives and performance and could seriously affect reputation. Long term damage that may be difficult to restore with high costs.	Threats	Very likely	4	>75% chance of occurrence	Regular occurrence Frequently encountered - daily/weekly/monthly
	Major	3	Major impact on corporate objectives and performance, could be expensive to recover from and would adversely affect reputation in the medium to long term.		Likely	3	40% - 75% chance of occurrence	Within next 1-2 yrs Occasionally encountered (few times a year)
	Significant	2	Significant impact on corporate objectives, performance and quality, could have medium term effect and be potentially expensive to recover from.		Unlikely	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years
	Minor	1	Minor impact on the corporate objectives and performance, could cause slight delays in achievement. However if action is not taken, then such risks may have a more significant cumulative effect.		Very unlikely	1	<10% chance of occurrence	Rarely/never before
	Factor	Score	Effect on Corporate Objectives		Factor	Score	Description	Indicator
Opportunities	Exceptional	4	Result in major increase in ability to achieve one or more strategic objectives	Opportunities	Very likely	4	>75% chance of occurrence or achieved in one year.	Clear opportunity, can be relied on with reasonable certainty to be achieved in the short term.
	Significant	3	Impact on some aspects of the achievement of one or more strategic objectives		Likely	3	40% to 75% chance of occurrence. Reasonable prospects of favourable results in one year.	May be achievable but requires careful management. Opportunities that arise over and above the plan.
					Unlikely	2	<40% chance of occurrence or some chance of favourable outcome in the medium term.	Possible opportunity which has yet to be fully investigated by management.

