

Governance & Constitution Committee

Agenda

Date: Thursday, 25th June, 2009
Time: 3.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee. Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

Note: In order for officers to undertake any background research it would be helpful if questions were submitted at least one working day before the meeting.

4. **Minutes of Previous Meeting** (Pages 1 - 8)

To approve the Minutes of the meeting held on 21 May 2009.

Please contact	Paul Mountford, Democratic Services
Tel:	01270 529749
E-Mail:	paul.mountford@cheshireeast.gov.uk with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

5. **Final Accounts 2008/09** (Pages 9 - 18)

To approve the Draft Statement of Accounts 2008/09 by 30 June 2009 in accordance with the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) Regulations 2006.

6. **Audit Commission Audit Fee 2009/10** (Pages 19 - 26)

To present to Members the Audit Commission's draft Cheshire East Audit fee letter for 2009/10.

7. **Terms of Reference for Internal Audit** (Pages 27 - 32)

To consider the suggested Terms of Reference for the Internal Audit function at Cheshire East Council.

8. **Draft Risk Management and Business Continuity Strategies** (Pages 33 - 52)

To consider the Risk Management and Business Continuity Strategies detailed in the report.

9. **Amendments to Finance and Contract Procedure Rules** (Pages 53 - 60)

To present proposed amendments to the Finance and Contract Procedure Rules.

10. **Additional Functions – Head of Safer and Stronger Communities** (Pages 61 - 66)

To consider the addition of legislation to the Appendix to Part 3 of the Constitution, to enable Officers to discharge the Council's environmental health functions.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Governance & Constitution Committee**
held on Thursday, 21st May, 2009 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Ranfield (Chairman)
Councillor A Kolker (Vice-Chairman)

Councillors M Asquith, D Cannon, R Cartlidge, S Jones, R Menlove, A Moran,
R West and P Whiteley

In attendance

Councillors D Bebbington, A Thwaite and J Weatherill

Apologies

Councillors S Bentley, G Merry and D Topping

Officers present

Brian Reed, Democratic Services Manager
Andrew Leadbetter, Legal Services Manager
Vivienne Quayle, Internal Audit Manager
Paul Mountford, Democratic Services
Bill Howie, Democratic Services
Carol Jones, Democratic Services
Diane Moulson, Democratic Services

101 DECLARATIONS OF INTEREST

Councillors D Cannon and R Cartlidge declared personal interests
in relation to the Community Governance Review – Crewe Petition,
as signatories to the petition (Minute 104).

102 PUBLIC SPEAKING TIME/OPEN SESSION

There were no questions from members of the public.

103 MINUTES OF PREVIOUS MEETING

That the minutes of the previous meeting held on 16 April 2009 be
approved as a correct record.

COMMUNITY GOVERNANCE REVIEW – CREWE PETITION

Members considered the receipt of a Petition calling for a Community Governance review in respect of the unparished areas of Crewe Town.

The Petition called for a Community Governance Review and identified three recommendations arising from a Review:

1. That a new parish be constituted under Section 87 of the Local Government and Public Involvement in Health Act 2007.
2. That the new parish should have a council to be known as Crewe Town Council.
3. That the area to which the review was to relate was the whole of the Electoral Wards of Coppenhall, Delamere, Grosvenor, Maw Green, St Johns, Valley and Waldron; and those parts of the following Electoral Wards which did not already fall into an existing parish: Alexandra, Leighton, St Barnabas, Wistaston Green.

In order for a Community Governance Review to be initiated, the petition had to be signed by at least 10% of local government electors in the area (3,507). The petition had been checked and verified and found to contain 3,734 valid signatures. Accordingly, Cheshire East Council was required to carry out a Community Governance Review.

The Review had to be completed within 12 months of receiving the petition (i.e. by 30 March 2010). Any electoral arrangements required to give effect to the Review recommendations would be by means of elections in 2011. A rigorous consultation process was central to the Review.

Further details of the process of the review were set out in the report.

RESOLVED

That

- (1) the Officers' validation of the petition for the purposes of Section 80 of the Local Government and Public Involvement in Health Act 2007 be noted;
- (2) notice of the receipt of a valid petition be given to the petition organisers;

- (3) a Community Governance Review be carried out in respect of the whole of the Electoral Wards of Coppenhall, Delamere, Grosvenor, Maw Green, St Johns, Valley and Waldron; and those parts of the following Electoral Wards which do not already fall into an existing parish: Alexandra, Leighton, St Barnabas, Wistaston Green, the Review to be completed by 30 March 2010; and
- (4) a non-decision-making Working Party be established to oversee the Review and to make appropriate recommendations to the Governance and Constitution Committee. The Working Party comprise six members (4:1:1:0), names to be submitted to the Democratic Services Manager.

Note: Councillors D Cannon and R Cartlidge declared personal interests as signatories to the petition.

105

PROCEDURAL MATTERS

The Conservative Group had notified the following proposed changes to committee places:

Licensing Committee

Replace Councillor Parker with Councillor Hardy

Governance and Constitution Committee

Replace Councillor Bentley with Councillor Livesley

Public Rights of Way Committee

Replace Councillor Rhoda Bailey with Councillor Wray

RESOLVED

That Council be recommended to approve the proposed changes to Committee places.

106

NORTH WEST CHARTER ON ELECTED MEMBER DEVELOPMENT

The Committee considered a proposed application by Cheshire East Council for the North West Charter on Elected Member Development (Level One).

The North West Charter on Elected Member Development was a regionally recognised standard for Member Development and was the minimum level to which a high performing Council, such as Cheshire East Council, should seek to achieve. By signing up to the principles of the Charter, the Council would be setting a high standard which could be built upon in subsequent years.

RESOLVED

That

- (1) Cheshire East Council sign the Declaration of Commitment to the principles of the North West Charter on Elected Member Development; and
- (2) a signing ceremony be arranged; invitations to attend to be extended to the Leader of the Council, Chief Executive and Group Leaders.

107

MEMBER ATTENDANCE AT ANNUAL CONFERENCES AND SEMINARS

The Committee considered a proposed policy on Member attendance at conferences and seminars.

RESOLVED

That

- (1) the proposed policy on Member attendance at conferences and seminars as set out at Appendix B to the report be adopted; and
- (2) where possible and appropriate, Members attending conferences and seminars provide feedback to the appropriate body; and
- (3) the arrangements be reviewed in a year's time.

108

OUTSIDE ORGANISATIONS

The Committee considered the re-appointment of the Task Group on Appointments to Outside Organisations.

The Committee had set up the Task Group at its meeting on 14 July 2008, *"To devise a work programme and develop recommendations to deal with appointments to outside organisations and implement best practice."*

Following completion of this work, the Task Group's recommendations were submitted to the Committee on 9 March 2009. The nominations to outside organisations were accepted, and the Committee also adopted the recommended procedure for making such appointments.

All outside organisations had now been notified of the appointments made. As a consequence of those notifications, a number of

matters had emerged which it would be appropriate for the Task Group to consider.

RESOLVED

That the Task Group (Appointments to Outside Organisations) be re-constituted on the following basis to serve for the remainder of the Municipal Year:

- to meet on an *ad hoc* basis;
- to comprise five Members on a cross-party basis (3 Conservative, 1 Liberal Democrat and 1 Labour) to be nominated at the meeting;
- to address the issues emerging in respect of appointments to outside organisations;
- to give initial consideration to the development of a method for individual Members to report back on the effectiveness, or otherwise, of representation; and
- to report back to the Governance and Constitution Committee as and when it considers appropriate within the Municipal Year.

109

MEMBER SPEAKING AT PLANNING COMMITTEES

Members considered an amendment to the Constitution to apply a Planning Public Speaking Protocol to Members' general speaking rights at Planning Board and Planning Committee meetings.

Procedure Rule 38 in the Constitution provided that any Member may attend Committees to which they had not been appointed. The Member had no right to vote, but could speak with the consent of the chairman.

The Council had delegated authority to the Strategic Planning Board to adopt its own working protocols. The Board had now adopted a Protocol which gave enhanced speaking rights to a wide range of speakers who could address the Board and Committees. It was therefore necessary to amend the existing provisions within the Constitution relating to Member and public speaking.

The Committee had previously resolved to review Member and public speaking provisions in consultation with the Cabinet and Corporate Scrutiny Committee. This particular provision, however, had been approved by the Strategic Planning Board under its delegated powers and was now in operation. It was therefore necessary to reflect this in the Constitution.

RESOLVED

That Council be recommended that

- (1) Procedure Rule 38 of the Constitution be amended to add a new paragraph 38.4: "At meetings of the Strategic Planning Board and Planning Committees, Members' speaking rights are subject to the protocol on public speaking entitled 'Public Speaking Rights at Strategic Planning Board and Planning Committees' (contained in Part 5 of the Constitution)";
- (2) the public speaking protocol set out as an Appendix to the report be added to the Constitution; and
- (3) where practicable, Members be given priority when speaking on planning matters at meetings.

110

ANTI-FRAUD AND CORRUPTION STRATEGY

Members considered a draft Anti-fraud and Corruption Strategy

The aim of the Strategy was to respond to national and local concerns about fraud, particularly public sector fraud, by the introduction of clear guidelines for the detection, prevention and reporting of fraud.

RESOLVED

That

- (1) the draft of the Anti-fraud and Corruption Strategy be approved; and
- (2) Internal Audit be nominated as the main body for dealing with and co-ordinating any enquiries in response to allegations of fraud and corruption.

111

ANTI MONEY LAUNDERING POLICY

Members considered a draft Anti-Money Laundering Policy.

Local authorities were required to have procedures in place for the detection and disclosure of incidents of suspected money laundering and terrorism financing.

The Policy aimed to establish prudent and responsible anti-money laundering controls and reporting arrangements designed to detect and avoid involvement in the offences described in Regulations.

RESOLVED

That Cabinet be recommended to

- (1) adopt the Anti-Money Laundering Policy set out as an Appendix to the report;
- (2) nominate the Borough Treasurer and Head of Assets as Money Laundering Reporting Officer;
- (3) prohibit the receipt of payments in cash for the purchase of land and property;
- (4) set a maximum amount (to be determined in consultation with the Borough Treasurer) above which cash will not be accepted for other transactions; and
- (5) require the Money Laundering Reporting Officer to arrange for appropriate briefing material and training to be provided.

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INTERNAL AUDIT UPDATE REPORT

Members considered a report on the work of the Internal Audit Service and key findings to date.

Internal Audit was a function required under Section 151 of the Local Governance Act 1972 and the Accounts and Audit Regulations 2003. It was an integral part of the governance framework of the Council and supported continuous improvement and the maximising of efficiency.

The Appendix to the report gave a summary of the current position and any issues arising.

RESOLVED

That the approach to internal audit planning as outlined in the report be approved and the internal audit findings to date be noted.

The meeting commenced at 2.00 pm and concluded at 3.50 pm

Councillor A Ranfield (Chairman)

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 25 June 2009
Report of: Borough Treasurer
Subject/Title: Final Accounts 2008/09

1.0 Purpose of Report

- 1.1 To approve the Draft Statement of Accounts 2008/09 by 30 June 2009 in accordance with the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) Regulations 2006.
- 1.2 The Statement of Accounts will be available to members on 25 June 2009, a briefing session will be provided prior to the meeting with any further updates to this report.

2.0 Recommendations

- 2.1 That the Draft Statement of Accounts for 2008/09 for the following former authorities of Cheshire East Borough Council be approved:
- Crewe and Nantwich Borough Council
 - Macclesfield Borough Council
 - Congleton Borough Council

3.0 Reasons for Recommendations

- 3.1 To comply with the requirements of Section 21(2) of the Local Government Act 2003 and Sections 41 and 42 of the Local Government and Housing Act 1989.

4.0 Crewe & Nantwich Borough Council

Revenue Budget

- 4.1 The outturn position for Crewe & Nantwich in respect of the Revenue Budget is summarised in the tables below. The Council's original budget for 2009/10 planned for a transfer from the General Fund Balance of £524,000, to finance one-off items in the year.
- 4.2 The outturn transfer from the General Fund Balance is £1.8m. It was acknowledged that specific LGR-related expenditure would require a further call on reserves. After allowing for those and also the effects of a review of earmarked reserves held, the transfer from the General

Fund Balance in respect of *ordinary* activities is £532,000, some £8,000 different to that allowed for in the original budget.

	£000
Outturn Postion	16,061
Net Budget	15,529
Transfer from General Working Balance	-532
Balance brought forward	2,277
Earmark reserves review - transfer to General Fund Balance	284
<u>Less</u>	
LGR-related severance costs (redundancy, pay-in-lieu of notice)	1,498
LGR-related transitional costs	82
	1,580
Balance carried forward to Cheshire East	449

At 31 March 2009, after accounting for LGR-related severance and transitional costs, along with ordinary activities in the year, the General Fund Balance transferring to Cheshire East stands at £449,000.

The analysis of main variances shown below largely reflects matters reported to Members during the year; principally the effects of the economic downturn on car parking, planning and search fees income.

Analysis of variances - Outturn to Budget

	Budget	Outturn	Adverse/ (Favourable) Variance
	£000	£000	£000
<i>Main variances:</i>			
Off-street parking income	(2,269)	(1,918)	351
Planning applications fees	(880)	(654)	226
Interest & investment income	(1,525)	(1,716)	(191)
Concessionary bus travel expenditure	1,400	1,237	(163)
Search fees	(239)	(147)	92
On-street parking - net operating costs	25	93	68
Net effect of other expenditure/ income variances			(375)
Difference in Budget to Outturn on ordinary activities			8

Capital Programme

- 4.3 Spending on capital projects and their financing during 2008/09 is summarised in the table below. In respect of the development and completion of a number of schemes, there will be "slippage" into the

new financial year – these projects and their budgets will be inherited by Cheshire East and included in future Capital Programme reporting.

Capital expenditure and financing

	£000
Queens Park restoration	1,333
Disabled facilities and private sector housing improvement grants	910
Public buildings repairs and DDA improvements	572
Alley gating	468
Other projects	1,498
YMCA Hostel improvements (DCLG-funded)	1,500
	6,281
<i>Financed by:</i>	
Grants and contributions	3,516
Usable capital receipts	2,629
Revenue and capital reserves	136
	6,281

Other Financial Management and Reporting Issues

- 4.4 Crewe & Nantwich received £232,000 from the Local Authority Business Growth Initiative (LABGI) contingency fund, following the Government's conclusion of matters in respect of Year 3 of that initiative. In March 2009, the Council also received £305,000 in performance reward grant from Local Public Service Agreement (LPSA2); we have accrued for the second instalment for the same amount, due to be received later in 2009/10. These grants have been transferred to earmarked reserves, pending formulation and implementation of policies regarding their use.
- 4.5 The Council received £1.67m in capital receipts during 2008/09, as anticipated and taken into account in its latest capital expenditure financing plans. Income included £905,000 from the sale of the trade waste business, £480,000 from a land disposal and £227,000 for the Council's share of Right-to-Buy sales via its agreement with Wulvern Housing.
- 4.6 The deficit balance on the Collection Fund was £274,000 at 31 March 2009, some £94,000 larger than earlier predicted, mainly due to increases in exemptions applicable.

5.0 Macclesfield Borough Council

Revenue Budget

- 5.1 The outturn position for Macclesfield Borough Council in respect of the Revenue Budget is summarised in the table below.

	£000
Outturn Postion	19,998
Net Budget	18,532
Transfer from Earmarked Reserves	1,466
Transfer to/from General Working Balance	0
Balance brought forward	2,433
<u>Less</u>	
LGR-related severance costs (redundancy, pay-in-lieu of notice)	1,039
LGR-related transitional costs	436
	1,475
Balance carried forward to Cheshire East	958

- 5.2 After taking account of contributions from reserves the Council's General Fund working balance has remained at £2.433m. As an exceptional item the Authority needs to fund LGR transitional costs that have been incurred by Macclesfield Borough Council on behalf of the new Cheshire East Borough Council through the existing working balances. This expenditure amounts to £1.475m.
- 5.3 At 31 March 2009, after accounting for LGR-related severance and transitional costs, the General Fund Balance transferring to Cheshire East stands at £958,000.
- 5.4 Transfers from earmarked reserves include specific items as previously reported to members including the compensation payment for the Larches development and the re-imbursement of double taxation payments to Parish Councils.
- 5.5 The recession has had a significant impact on the Council's outturn position. The downturn in the property market affected planning and land charges fee income significantly. Corrective action was taken during 2008/09 to freeze all non-essential spend on supplies and services and by managing the vacancy situation the overall deficit position was reduced to £0.293m. The deficit has been funded from earmarked reserves set aside in 2007/08 to balance the budget that were not required.
- 5.6 The sale of Oakdean Court, a residual property from the housing stock transfer has been deferred due to the downturn in the property market. As a result the charges that have been incurred in maintaining the property in 2008/2009 have been charged to the Land and Property account and funded from the balance on the housing transfer reserve.

- 5.7 The analysis of main variances shown below largely reflects matters reported to Members during the year; principally the effects of the economic downturn on income.

Analysis of variances - Outturn to Budget	Budget	Outturn	Adverse/ (Favourable) Variance
	£000	£000	£000
<i>Main variances:</i>			
Planning applications fees	(1,160)	(722)	438
Search fees	(400)	(199)	201
Car Parking Income (excluding fines)	(2,860)	(2,675)	185
Sale of recyclable materials	(426)	(368)	58
Customer Centre and ICT Staffing Reductions	2,359	2,269	(90)
Finance Staffing Reductions and increased income for Summons Costs and Liability Orders	651	426	(225)
Net effect of other expenditure/ income variances			(274)
			293

Capital Programme

- 5.8 Spending on capital projects and their financing during 2008/09 is summarised in the table below. In respect of the development and completion of a number of schemes, there will be “slippage” into the new financial year – these projects and their budgets will be inherited by Cheshire East and included in future Capital Programme reporting.

Capital expenditure and financing	£000
Structural repairs to bridges and structures	250
Structural repairs to Middlewood Way Viaduct	354
Disabled facilities and private sector housing improvement grants	1,012
Improvements to Park facilities	158
Environmental Projects	68
Public Building Repairs and DDA Works	545
Other Projects	998
	3,385
<i>Financed by:</i>	
Grants and contributions	1,012
Usable capital receipts	2,257
Revenue and capital reserves	116
	3,385

Other Financial Management and Reporting Issues

- 5.9 Macclesfield received £625,382 from the LABGI fund in 2008/09, the Council also received £145,237 in performance reward grant from

LPSA2; we have accrued for the second instalment for the same amount, due to be received later in 2009/10. These grants have been transferred to earmarked reserves, pending formulation and implementation of policies regarding their use.

- 5.10 The Council received £3.284 m in capital receipts during 2008/09. Income included £0.513m from the sale of the trade waste business, £0.302 from the sale of Black Road Community Centre, £0.576m for the Council's share of Right-to-Buy sales and £1.662m from the VAT shelter arrangement with Cheshire Peaks and Plains.
- 5.11 The deficit balance on the Collection Fund was £502,000 at 31 March 2009.

6.0 Congleton Borough Council

Revenue Budget

- 6.1 The outturn position for Congleton Borough Council in respect of the Revenue Budget is summarised in the table below.

	£000
Outturn Postion	11,257
Net Budget	11,445
Transfer from Earmarked Reserves	394
Transfer to General Working Balance	582
Balance brought forward	3,049
<u>Less</u>	
LGR-related severance costs (redundancy, pay-in-lieu of notice and other direct costs of transition)	1,527
Balance carried forward to Cheshire East	2,104

- 6.2 The opening general fund balance of £3.049m has reduced mainly due to exceptional items of expenditure related to costs of Local Government Reorganisation. These costs have been partially offset by additional unbudgeted grants (LABGI, LPSA) and by service underspends. Cheshire East Borough Council will therefore inherit a general fund balance of £2.104m from the former District of Congleton Borough.
- 6.3 Earmarked reserves of £397,000 were budgeted to be used during 2008/2009 and £394,000 were actually used. The balance of earmarked reserves to be transferred to Cheshire East Council will be £449,824. The number of reserves has been reduced to reflect ongoing

requirements. Where a balance existed this has been transferred to general reserves.

- 6.4 Performance throughout 2008/2009 was predicted to produce an outturn close to budget, when excluding the impact of LGR. Prudent budgeting in key income areas negated some of the impact of the recession but Leisure income was below budget. Throughout the LGR process vacancies were not filled, or temporary staffing arrangements were introduced, which when combined with the receipt of additional grants produced an outturn below budget.

Capital Budget

- 6.5 The capital programme for 2008/2009 was considerably underspent, reflecting the reduced capacity for additional projects, particularly towards the latter part of the financial year. The approved programme totalled £6.047m for 2008/2009, and at 31st March 2009 £1.749 remained unspent.

Other Financial Management and Reporting Issues

- 6.6 Following the normal treatment of year-end balances for Congleton Borough Council, all unspent balances have been transferred to General Reserves. This includes service underspends and unbudgeted income such as LPSA and LABGI awards.
- 6.7 The deficit balance on the Collection Fund was £113,000 at 31 March 2009.

7.0 Financial Implications

- 7.1 The following issues are common to all sets of accounts.
- 7.2 LGR-related expenditure

The accounting treatment of LGR-related costs is as follows:

1. *Transitional, preparatory expenditure* – Costs incurred by each authority are included as part of the Cost of Services, with any material expenses described in the accompanying notes. Adjustments will be made as part of the disaggregation of County Council balances to reflect the cost sharing arrangements agreed between the outgoing councils.
2. *Severance costs* – LGR-related redundancies and associated costs are all included as part of Non Distributed Costs, on the face of the Income and Expenditure Account; also included in Non Distributed Costs are the effects of actuarial costs of early retirements, in accordance with FRS17

3. *Actuarial costs of early retirements* – Whilst charged to the Income and Expenditure Account as indicated above, the costs of the LGR-related early retirements will actually be spread over the next five years, with the first payment to the Pension Fund made in 2009/10

Government reward grants

- 7.3 Not anticipated in original budgets, the Councils have received two performance reward grants:
 1. *Local Authority Business Growth Incentive (LABGI) grant* – being allocations from the Government's contingency fund, following conclusion of matters in respect of Year 3 of that initiative
 2. *Local Public Service Agreement (LPSA2) grant* – for which a first instalment was received in March 2009 and a second instalment (accrued for) is due to be received later in 2009/10;

These grants have been transferred to earmarked reserves, pending formulation and implementation of policies regarding their use.

Technical accounting issues

- 7.4 A couple of financial accounting matters are worthy of note:
 1. *Pensions accounting (in accordance with FRS17)*
 - a. Costs charged to Services, on the face of the Income and Expenditure Account, are lower than last year due to a change in actuarial assumptions
 - b. Net Pensions Liabilities on Balance Sheets will be larger than last year; mainly due to poor investment returns
 2. *Impairment of fixed assets*
 - a. In certain cases, the value of property assets held has been adversely affected by the economic downturn and as such impairment charges (reductions in valuations) have been made to Services, or Non Distributed Costs for any non-operational properties)
 - b. These charges have been reversed out "below the line", to ensure there is no direct impact on the General Fund Balance
- 7.5 Line-by-line comparison of net expenditure on the face of the Income and Expenditure Account may prove difficult, not least for these reasons.

8.0 Legal Implications

- 8.1 None

9.0 Risk Assessment

- 9.1 The Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) Regulations 2006, require the Draft Financial Statement of Accounts to be approved by 30 June 2008.
- 9.2 The Local Government Act 2003 and the Local Government and Housing Act 1989 require the Statement of Accounts to be produced in line with recommended accounting practices.

For further information:

Officer: Lisa Quinn, Borough Treasurer
Tel: (01270) 686628
e-mail: lisa.quinn@cheshireeast.gov.uk

Background documents:

Macclesfield Borough Council – Finance & Audit Committee 19th March 2009 - Annual Governance Statement

Congleton Borough Council – Annual Accounts Committee 25th March 2009 – Annual Governance Statement

Crewe and Nantwich Borough Council -
2008/09 Budget - Council, 27 February 2008
Financial Monitoring Statement - Board, 22 January 2009
Annual Governance Statement - Audit Committee, 23 March 2009

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 25 June 2009
Report of: Borough Treasurer & Head of Assets
Subject/Title: Audit Commission Audit Fee 2009/10

1.0 Report Summary

- 1.1 This report presents to Members the Audit Commission's draft Cheshire East Audit fee letter for 2009/10. The letter which is attached at Appendix 1 sets out the proposed audit work for the 2009/10 and the associated fee.

Representatives from the Audit Commission will attend the meeting to present their proposal and answer questions.

2.0 Recommendations

- 2.1 That the Audit Commission's audit fees letter for 2009/10 be received and the proposed work programme, indicative fee and associated budgetary implications be noted.

3.0 Reasons for Recommendations

- 3.1 The Audit fee letter is required to be presented and received by those in the organisation charged with Governance. The relevant Committees for this purpose is the Governance & Constitution Committee.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Climate change - Health

- 6.1 Not applicable.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 No transitional cost issues, as the fees quoted relate to 2009/10 financial year.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 The proposed audit fee for 2009/10 is £401,925 (exclusive of VAT). This is based on the Audit Commission's national fee rate with an uplift of 15% to reflect the perceived risks likely to impact the 2009/10 accounts. These are detailed on page 2 of Appendix 1. The risk scale ranges from nil to 30% uplift.
- 8.2 The base budget for audit fees, inherited from the predecessor councils, totals £299,557 after taking into account an assumed saving of £143,000 which was included in the People and Places business case.
- 8.3 This level of saving was deemed reasonable given the rationalisation from four sets of accounts (County Council and three district Councils) to one, and the consolidation to a single financial system and control framework. It also reflected the relative financial strength of the predecessor councils and a good track record on financial stewardship and financial reporting.
- 8.4 The fee level proposed is clearly in excess of that anticipated at the time when the 2009/10 budget was set. The Audit Commission has however, indicated that the fee will be reviewed throughout the year as their risk assessment is updated and refined. There is scope therefore, to mitigate the potential budget shortfall and Members will be updated accordingly.
- 8.5 There is a risk that the fee could be higher than the figure quoted if the Audit Commission has to undertake additional work over and above that identified, or the council requests additional advice or assistance. In either case, the Governance & Constitution Committee will be consulted before the fee is revised.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 No significant legal issues. There is a statutory requirement for audited bodies to meet the fees specified by the Audit Commission.

10.0 Risk Management

- 10.1 The quoted audit fee for 2009/10 exceeds the budget provision by £102,368. This overspend would fall to be met from council balances as there is no contingency provision to cover the additional costs.
- 10.2 This represents the maximum risk, or worst case scenario. If the risks identified by the Audit Commission can be addressed satisfactorily during the year, then there is potential to eliminate some, or all of the 15% risk element of the fee. This would reduce the potential overspend by up to £52,425.
- 10.3 A programme of regular liaison meetings between senior finance officers and the Audit Commission has been established to keep the identified risk issues under review.

The following specific action is already in hand:-

- Balance Sheet Disaggregation Working Group established, comprising the S151 and deputy S151 officers, from both Cheshire East and Cheshire West & Chester, to oversee the disaggregation and transfer of the former County Council balances.
- Planned programme of quarterly out-turn monitoring and reporting being established to provide oversight of 2009-10 budget delivery.
- Close working relationships established between senior finance officers of all four predecessor councils, to ensure maximum continuity and skills transfer.

11.0 Background and Options

- 11.1 The Cheshire East draft Audit fee letter is attached at Appendix 1. This sets out the audit work to be undertaken during the year in relation to the financial statements, the Use of Resources assessment and Value for Money conclusion (which forms part of the Comprehensive Area Assessment) and certification of grant claims and returns. Grant claims work is billed separately on a daily rate basis and does not form part of the audit fee quoted above.
- 11.2 As indicated in 9.1 above, audited bodies are required by statute to meet the cost of audit as specified by the appointed auditors, and the associated charges are therefore unavoidable. There is scope however, to reduce the level of fee through adopting a risk management approach as indicated in 10.1 and 10.2 above.

12.0 Overview of Year One and Term One Issues

- 12.1 The implications for year one are outlined above. The current fee level for subsequent years will be subject to annual review and notified at the start of each financial year. As the new Council becomes established and its systems and processes proven, the inherent risks associated with transition and year one operation should reduce, allowing some potential saving against 2009/10 fee levels.

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Christine Mann
Designation: Finance Manager
Tel No: 01244 972001
Email: Christine.Mann@cheshireeast.gov.uk



Our reference 20092604 Chester East Fees letter

26 April 2009

Lisa Quinn
Director of Finance
Cheshire East Council

Direct line 08447987300
Email j-tench@audit-commission.gov.uk

Dear

Cheshire East Audit Fees Letter 2009/10

I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Cheshire East Council and to set out the fee implications. The proposed work and fee reflects:

- our risk-based approach to audit planning as set out in the Code of Audit Practice
- work mandated by the Audit Commission for 2009/10; and
- only the audit element of our work. Peter Forrester, the Comprehensive Area Assessment Lead has written separately on assessment and inspection fees to Erika Wenzel.

As this is the first audit for the new Council our risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £401,925 (exclusive of VAT). A summary of this is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10
Financial statements	
Use of Resources/VFM Conclusion [including risk based work]	
Total audit fee	401,925
Certification of claims and returns	131,544

Audit Commission, First Floor, Block 4, The Heath Technical & Business Park,
The Heath, Runcorn, Cheshire, WA7 4QF

T 0844 798 7300 F 0844 798 3551 www.audit-commission.gov.uk

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for the Council is £349,500 (based on GRE of £715m). The fee proposed for 2009/10 is 15 per cent above the scale fee, which reflects the inherent audit risk in the Council's first year of operation.

A separate detailed plan for the audit of the financial statements will be issued in December 2009 or early 2010. At this stage of the planning process we have identified the following audit risks in relation to our opinion on the financial statements for 2009/10.

Risk area	Planned work	Timing of work
Balances brought forward from former councils	Perform tests to ensure that the closing balances of former councils have been brought forward and disaggregated accurately and completely.	September/October 2009
Matching spending to the budget	Regular meetings with Director of Resources to identify any risks in relation to budgetary control.	Monthly meetings during 2009
Loss of continuity and capacity in the accountancy team	Regular meetings with Head of Finance and accountancy team to identify any specific risks that might result in the Council's accounts being materially misstated.	Monthly meetings during 2009

The proposed fee for grant certification work is an estimate only and will be charged at published daily rates.

Our use of resources assessments will be based upon three themes:

- Managing finances;
- Governing the business; and
- Managing resources.

The key lines of enquiry specified for the three themes are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources will inform the VFM conclusion which I will give in September 2010. The Use of Resources assessment will be challenging particularly in this first year for the Council. I will ensure that we work closely with officers during the year so that the Council is appropriately informed and prepared for the assessment when it takes place in 2010. I have identified the following as some of the key risk areas where it is likely that detailed audit work will be required to support the Use of resources assessment and value for money conclusion.

Risk area	Planned work	Timing of work
Human resources	Develop detailed understanding of human resource risks, strategies and how the strategies link with financial plans	October 2009 onwards
Asset and information technology management	Review of progress in delivering transitional and strategic plans for improving asset use and developing effective Information technology support.	October 2009 onwards
Identification and delivery of efficiency savings	Review and testing of the delivery and sustainability of efficiency plans	October 2009 onwards
Impact of the economic recession	Review the impact which the economic downturn is having on, for example, the demand for services and the Council's budget and medium term financial plan.	Monthly meetings with Director of Resources during 2009

Issues arising from my value for money conclusion work at the former councils in the Cheshire East area were reported to those councils in March 2009. I will summarise the issues which are relevant to Cheshire East Council in a report to you in May 2009.

If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with you and then prepare a report outlining the reasons why the fee needs to change for discussion with the Governance Committee.

The above fee excludes any work requested by you that the Commission may agree to undertake using its advice and assistance powers.

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The key members of the audit team are:

Audit Manager – Andrea Castling 0844 798 3557

Team Leader – Ivan Parkhill

Performance specialist – Sarah Davies 0844 798 3561

This letter will be presented to the members of the Governance Committee in their capacity as those charged with Governance. In considering this letter they should make reference to the Audit Commission Code of Audit Practise and to the Statement of Responsibilities of Auditors and Audited Bodies.

Copies will be provided to the Council and they can be found on the Commissions website using the links below:

<http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=0070AC93-EE4E-4A42-8C78-3DB722EF5A79>

and

I am committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the Head of Operations, Terry Carter on 0844 798 7150

Yours sincerely

Judith Tench
District Auditor

cc Erika Wenzel, Cheshire East
Andrea Castling, Audit Commission

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 25 June 2009
Report of: Internal Audit Manager
Subject/Title: Terms of Reference for Internal Audit

1.0 Report Summary

- 1.1 The report presents the suggested Terms of Reference for the Internal Audit function at Cheshire East Council.

2.0 Recommendation

That the Terms of Reference for the Internal Audit function at Cheshire East as set out in Appendix A be approved.

3.0 Reasons for Recommendation

It is considered good practice to clarify and explain the terms of reference for the Internal Audit function by setting this out in a formal document. This is in accordance with CIPFA's Code of Practice for Internal Audit in Local Government 2006.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 n/a

6.0 Policy Implications including - Climate change - Health

- 6.1 The Internal Audit function supports the achievement on the Council's Corporate priorities. As such the report supports the authorities desire to tackle climate change and health priorities. There are no specific policy implications for climate change or health in relation to this report

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 None

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

8.1 The internal audit function supports the effective and efficient use of resources and the safeguarding of the Council's resources

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 No specific legal implications

10.0 Risk Management

10.1 The internal audit function is a fundamental input to the risk management strategy of the authority. The corporate risk management responsibility sits within the internal audit function and the undertaking of internal audit assignments is planned and implemented in the context of a risk based approach.

11.0 Background and Options

11.1 The attached Appendix A contains the suggested Terms of Reference for internal audit. The internal audit function is committed to making a difference in Cheshire East and ensuring the highest quality of assurance and supplementary advice.

12.0 Overview of Year One and Term One Issues

12.1 N/a

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Vivienne Quayle
Designation: Head of Internal Audit
Tel No: 01270 539684
Email: Vivienne.quayle@cheshireeast.gov.uk

Cheshire East Terms of Reference - Internal Audit June 2009**1.0 Introduction**

- 1.1 The Terms of Reference set out the framework within which Internal Audit discharges its responsibilities to Cheshire East Council to those charged with governance and the Section 151 Officer (Borough Treasurer and Head of Assets).

2.0 Audit Strategy

- 2.1 There is a separate document which sets out Cheshire East's Internal Audit Strategy. This is aligned with the authority's overall business planning process and the service delivery plans across the Council.

3.0 Responsibilities and Objectives of Internal Audit

- 3.1 Internal Audit is an assurance function that provides an independent and objective opinion to the Council on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. Internal Audit staff objectively examine, evaluate and report upon the adequacy of the control environment, making a vital contribution to the proper, economic, efficient and effective use of resources.

- 3.2 The specific objectives of the Internal Function of Cheshire East are to:

- Assist the Council to achieve its Corporate priorities
- Provide assurance to those responsible for governance
- Promote business transformation and efficiency improvements
- Help prevent losses as a result of fraud and corruption

- 3.3 The Financial Procedure Rules set out the requirement for an Internal Audit Function and prescribe that:

- Internal audit fulfils the role of the Internal Audit function in the Council and provides assurance to the Section 151 officer, with regard to the effectiveness of the Council's internal control environment
- To contribute to the production of the Annual Governance Statement, the Internal Audit Manager is responsible for planning and delivering a programme or independent review of the Council's activities, the scope of the programme being based on the Council's objectives and an assessment of the risk which may affect the achievement of these objectives
- The Internal Audit Manager is also responsible to those charged with governance and currently satisfies that requirement by presenting an annual report to the Governance and Constitution Committee. The annual report is timed to coincide with the approval of the Annual Governance Statement. The internal audit plan, a commentary on audit activity and update reports setting out

progress against the plan are taken to the Governance and Constitution Committee at the appropriate times.

4.0 Reporting Lines and Relationships

- 4.1 Internal Audit is accountable to the Head of Policy and Performance. The Internal Audit Manager is a third tier post which is part of the Corporate Management Team. The Internal Audit Manager has an additional reporting line to the Borough Treasurer and Head of Assets, the Council's Section 151 officer.
- 4.2 There is a clear and overt understanding that the Internal Audit Manager has direct access to the Chief Executive, Leader of the Council and the Cabinet portfolio holder with responsibility for Internal Audit, as necessary and reports in his/her own name to the Governance and Constitution Committee. The Internal Audit Manager has a responsibility to all those charged with governance to give an annual opinion on the system of internal control.
- 4.3 In order to fulfil the internal audit function effectively, the Internal Audit Manager and other audit staff will develop positive relationships with the Internal Audit team in Cheshire West, in particular in regard to those services that are delivered on a shared services basis with this authority. The team will also develop positive working relationships with similar Internal Audit teams within local government and the wider public sector to ensure experience is shared and that continuous learning is achieved.

5.0 Organisational Independence

- 5.1 Internal Audit should be independent of the activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal auditors should not have any operational responsibilities.
- 5.2 To exercise this independence, Internal Audit has:
- The freedom to determine its own priorities
 - The freedom to report in its own name to all officers and members particularly those charged with governance
 - Unrestricted access to all levels of management, personnel, elected members, premises, records and assets, including those of partner organisations.
 - A right to be notified of any suspected fraud or irregularity. It is a requirement that all suspicions of fraud and irregularity are reported to internal audit as set out in the Anti Fraud and Corruption Strategy.
- 5.3 Internal Audit staff are required to sign annual confidentiality statements and to formally raise and register any declarations of interest or conflict of independence.

- 5.4 The Internal Audit Manager is responsible for a small “Compliance Team” who provide the authorities corporate advice on risk management, business continuity, freedom of information, data protection and other compliance related matters. This is a separate team and internal audit staff do not have responsibility for this work. The work of the team, where it is felt necessary having carried out a risk assessment to formulate the audit plan, will be audited as part of the usual audit procedures.
- 6.0 Resources
- 6.1 On an annual basis, the extent of audit coverage will be discussed and agreed with the Senior Management Team. The resources required to deliver the annual plan are agreed with the Head of Policy and Performance and the Borough Treasurer and Head of Assets.
- 6.2 Internal Audit must be staffed appropriately in terms of numbers, grades, qualification levels and experience. Internal auditors must be properly trained to deliver their service and should maintain an on going professional competence throughout a continuous development programme. This will be included as part of staff review processes as a means of formally assessing learning and development needs.
- 6.3 The level of audit coverage to be provided and the resources required will be presented (in summary form) to the Governance and Constitution Committee for approval.
- 7.0 Reporting by the Internal Audit Manager
- 7.1 The activities and progress of Internal Audit will be reported on at least a half yearly basis to the Governance and Constitution Committee. Regular progress reports will also be presented to the Head of Policy and Performance and Senior Management Team and discussed with the Portfolio holder with responsibility for Internal Audit.
- 7.2 An annual report and opinion will be prepared for the Governance and Constitution Committee, timed to support the production of the Annual Governance Statement. Arrangements are also in place for interim reports to be presented regarding issues that may impact on the Internal Audit Manager’s Annual Report and Opinion.
- 8.0 Responsibility in relation to Fraud related or other work outside the assurance role
- 8.1 Managing the risk of fraud and corruption is the responsibility of management. Internal Audit must be notified of all suspected instances of fraud, corruption or impropriety. In addition internal audit will, where agreed with management and the necessary resources and expertise exists, go beyond the assurance responsibility and assist in the investigation or suspected fraud or corruption. This will be dependant on the nature of the investigation and an assessment of management’s

ability to complete the investigation effectively and in the best interests of the organisation.

- 8.2** The Audit section are committed to being proactive and making a difference to the authority. Wherever possible audit work will provide any relevant advice relating to value for money, efficiency or lean thinking which may go beyond the assurance role. In addition, the internal audit plan will contain an allocation of resource for “strategic review” which will provide a small number of reviews of Council services beyond the assurance role.
- 9.0** Relationship with the External Auditor
- 9.1** The Council’s external auditors, the Audit Commission, carry out regular reviews of the Internal Audit provision, and give an opinion of their work within the annual management and inspection letter. They use the work of internal audit to inform their own work, judging the extent to which they can place reliance on that produced by internal audit.
- 9.2** Regular meetings are held between the Internal audit service and the external auditors to establish the scope for joint working, and the co ordination of audit plans.
- 9.3** External Audit carries out a triennial review of Internal Audit, the results of which are presented to the Head of Policy and Performance, Section 151 officer and subsequently the Audit Committee and cabinet.

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting:	25 June 2009
Report of:	Internal Audit Manager
Subject/Title:	Draft Risk Management and Business Continuity Strategies

1.0 Report Summary

- 1.1 In order to take risk management forward and compile the Corporate Strategic risk register, a risk management strategy has been produced. This includes a suggested framework and summarises roles and responsibilities. A business continuity strategy is also included.

2.0 Recommendation

That Cabinet be recommended to approve the Risk Management and Business Continuity Strategies attached as Appendices to the report.

3.0 Reasons for Recommendations

- 3.1 Risk management is a fundamental element of corporate governance, which is integral to and must be incorporated into all areas of the Council's activities - strategic, operational, programmes, projects and partnerships. Business Continuity Management, aimed at ensuring the Council is a resilient organisation, capable of delivering its critical services regardless of any unforeseen event, is an essential element of risk management, and should be managed within the risk management framework.

Appendix 1 (Risk Management Strategy) and **Appendix 2** (Business Continuity Strategy) outline the proposed approach to managing risk and business continuity within Cheshire East Borough Council. A key part of both strategies is a high degree of commitment to and clearly defined roles and responsibilities for effective risk management at all levels and across all activities within the organisation. **Appendix A** outlines the proposed risk management framework, with the Corporate Risk Management Group playing a pivotal role in the coordination and management of risks within the Council. **Appendix B** provides more detail about the roles and responsibilities of individual groups.

- 3.2** Services are currently in the process of developing Service Plans and Service (Operational) Risk Registers and these are due to be completed and agreed by the end of June 2009.

It is proposed that the Strategic Risk Register is developed from these Service Risk Registers and coordinated by the Corporate Risk Management Group, to be agreed by all relevant stakeholders by 31st July, 2009.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 n/a

**6.0 Policy Implications including - Climate change
- Health**

- 6.1 The risk management strategy and its implementation is an integral part of the management of the authority and its mechanisms to deliver its objectives and outcomes. Included in this are key policy areas, corporate priorities, service delivery objectives and transformation projects. A properly implemented strategy and framework for risk management is a supporting system to the overall achievements of the Council.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 None

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 None

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 No specific legal implications

10.0 Risk Management

- 10.1 The report relates to overall risk management.

11.0 Background and Options

11.1 N/a

12.0 Overview of Year One and Term One Issues

12.1 N/a

13.0 *Access to Information*

The background papers relating to this report can be inspected by contacting the report writer:

Name: Vivienne Quayle

Designation: Head of Internal Audit

Tel No: 01270 539684

Email: Vivienne.quayle@cheshireeast.gov.uk

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APPENDIX 1

CHESHIRE EAST BOROUGH COUNCIL

RISK MANAGEMENT STRATEGY

1.0 Purpose

The purpose of this strategy is to clearly outline the Council's commitment to risk management, describe the objectives of risk management and provide a framework for embedding risk management across the organization, with defined roles and responsibilities and a structured process.

The strategy does not contain detailed methodologies and processes as these will be developed by the Corporate Risk Management group and will be adaptable as the authority develops.

2.0 Commitment to Risk Management

2.1 Risk Management is one of the principal elements of Corporate Governance and a key contributor to ensuring a sound internal control environment. Through the implementation and embedding of an effective Risk Management framework, Cheshire East Borough Council will ensure that it is better placed to manage its performance, achieve its corporate objectives and provide an enhanced level of service to the community.

2.2 The Council will develop and maintain a systematic framework and process for managing strategic, operational, programme, project and partnership risks and review this framework annually. This will include assessing risks for likelihood and impact, identifying and allocating responsibility for their mitigation, and receiving assurances about the management of these risks.

2.3 The key benefits of an effective framework and a strong risk management culture throughout the organisation are:

- A consistent focus on what needs to be done to achieve our objectives
- Enhanced partnership working to identify, manage and mitigate the risks facing the community
- Improvements in meeting the needs of the community, minimising complaints and achieving improvements in service delivery
- Support the use of innovative approaches to improving outcomes and better value for public money
- Better management of change programmes

- Greater control of insurance costs
- Protect and enhance the reputation of the Council
- Anticipate and respond to changing social, environmental and legislative requirements

2.4 Cheshire East is committed to genuinely embedding risk management and all Members, employees, service providers, partners and stakeholders are encouraged and expected to commit to developing the culture, ethos and practice of effective risk management in every activity which they undertake. The approach will focus on pragmatic, meaningful assessment and treatment of risks and will discourage the capturing of generic, intangible corporate risks.

3.0 Objectives of the Risk Management Approach

3.1 The six key objectives are to:

- Embed Risk Management into the ethos, culture, policies and practices of the Council.
- Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.
- Manage risk in accordance with all statutory and best practice requirements.
- Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.
- Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management
- Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

4.0 ACHIEVEMENT OF OBJECTIVES

4.1 Embed Risk Management into the ethos, culture, policies and practices of the Council

(i) Risk Management will be an integral part of and included in the Council's processes, policies and documents, including, but not limited to:

- Constitution
- Local Area Agreement
- Sustainable Community Strategy
- Corporate Plan
- Medium Term Financial Strategy
- Service Planning
- Code of Corporate Governance

- Code of Practice on Procurement
- Project Management and Guidance
- Reports to support key decisions
- Performance Management
- Policy Planning
- Financial Management

(ii) The co-ordination of risk management will form part of a Compliance Team within Internal Audit. Full consultation and involvement of service managers is integral to the approach. Training and evaluation will be ensure continuous improvement.

4.2 Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.

A Risk Management framework (See Appendix A) will be established and will include:

- Corporate Risk Management Group – responsible for the production of the Corporate Risk Register, and ongoing review, monitoring and reporting of these risks.
- Directorate Risk Management Teams – responsible for producing, reviewing and monitoring Directorate Risk Registers to ensure their responsibilities within the Corporate Risk Register are successfully managed.
- Where appropriate, Service Risk Registers to be produced and reviewed and monitored by the Service/Departmental Management Teams.
- Responsibility for Lead Officers in Partnerships to identify any risks for the Council and to ensure they are appropriately managed. (Guidance to be provided within the Code of Practice on Partnerships.)
- Responsibility for Project Boards and Project Managers to ensure that risk profiles are developed, maintained and managed, in accordance with Project Guidance.
- An effective reporting system to ensure that risks are being identified and effectively managed. This will include reports from the Directorate Risk Management Teams to the Corporate Risk Management Group and from the Corporate Risk Management Group to Cabinet, Governance and Constitution Committee and Corporate Management Team.

4.3 Manage risk in accordance with all statutory and best practice requirements

To achieve this, the Council will

- Include any national or best practice guidelines relating to risk management into the framework.
- Engage in relevant risk management forums and benchmarking exercises to identify further opportunities for improvement in our approach

4.4 Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.

To achieve this:

- Confirmation will be obtained from the Corporate Governance Review Group, Cabinet, Governance and Constitution Committee and the Audit Commission that the Council's Risk Management Framework is judged to be sufficiently robust, and that assurance statements properly reflect the risk environment and its management of these risks.
- Heads of Service will be required to make statements as to the effectiveness, or otherwise, of their systems for identifying, monitoring and managing corporate and operational risks. This will be confirmed by each Director/Chief Officer signing a Controls Assurance Statement.
- The Corporate Risk Register will be a key factor in internal audit planning.

4.5 Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management

- (i) The Finance Procedure Rules (as part of the constitution) clearly define responsibility for risk management and its implementation under Section C of the procedure rules.
- (ii) The Corporate Risk Management Team and the Directorate Risk Management Teams will ensure that all parties understand their roles and responsibilities in the management of risk within the Council, by:
 - Defining and communicating the roles of all parties. (See Appendix B)
 - Providing appropriate advice, guidance and training to all parties.
 - Well planned and wide ranging communication strategies.

4.6 Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

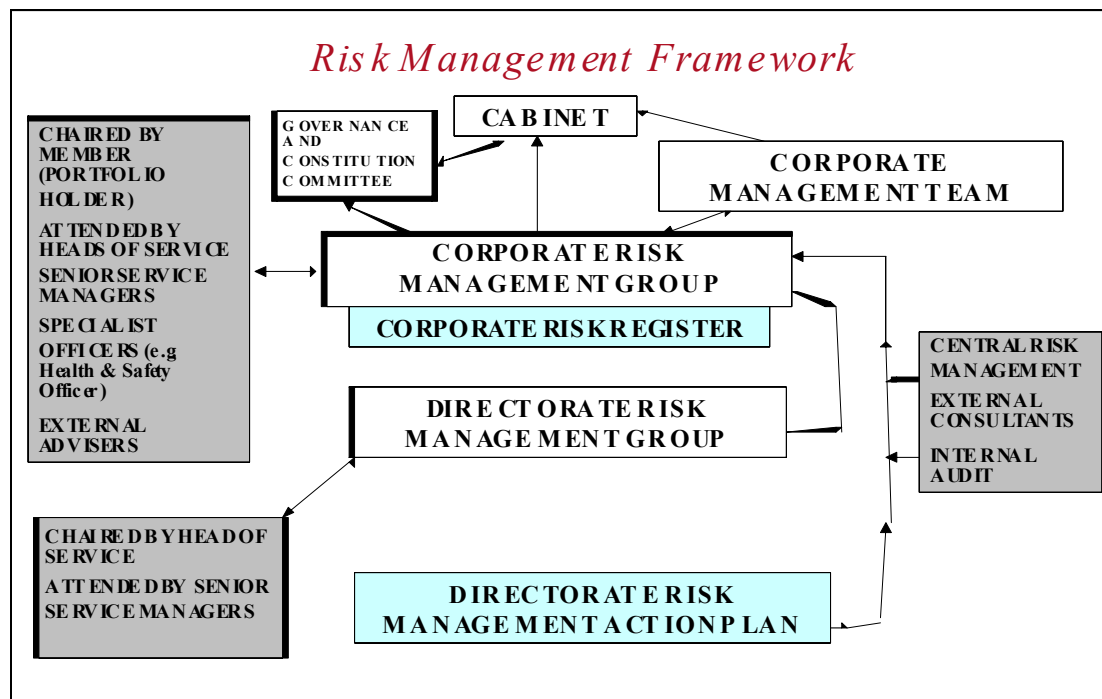
To achieve this the Council will:

- Identify and manage the risks/barriers to achievement of its objectives and outcomes stated in the Corporate Plan, Local Area Agreement, Local Strategic Partnership and the Sustainable Communities Strategy.
- Ensure risk management is an integral part of service and project planning
- Work in collaboration with partners to ensure a joint successful approach to the management of risks.

5.0 Review and Continuous Improvement

- 5.1 This strategy will be reviewed on an annual basis and the effectiveness of the arrangements for managing risk will be considered by the Governance and Constitution Committee in conjunction with the internal audit section.

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APPENDIX B

CHESHIRE EAST RISK MANAGEMENT– ROLES AND ESPONSIBILITIES

MEMBERS

- Ensure that an effective strategy is in place to manage risks at all levels within the Council
- Understand and take account of the risks associated with any decisions they are required to make
- Appoint a Member Champion/Lead for Risk

MEMBER LEAD (Portfolio Holder for P & C)

In conjunction with the Head of Policy and Performance, embed risk management throughout the Council.

CABINET

To receive mid-year and annual report on the progress of Corporate Risk Management within the Council

GOVERNANCE AND CONSTITUTION COMMITTEE

To provide independent assurance of the adequacy and effectiveness of the Risk Management framework and the associated control environment within the Council.

DIRECTORS AND CHIEF OFFICERS

- Ensure that an effective framework is in place to manage Directorate risks.
- Ensure production of a Directorate Risk Management Register, and that the Directorate Risk Management Team meet quarterly to review the register and to report progress to the Corporate Risk Management Group
- Receive quarterly reports on the Corporate Risk Register
- Ensure actions and recommendations contained within the Corporate Risk Register are implemented
- Ensure all staff receive relevant training to enable them to manage risk within their own environment.

CORPORATE RISK MANAGEMENT GROUP

- Implement the agreed Risk Management Framework.
- Develop, monitor and review the Corporate Risk Register, including the associated actions.

- Report quarterly on the Corporate Risk Register to the Corporate Management Team, Cabinet and Governance and Constitution Committee
- Receive quarterly reports from the Directorate Risk Management Groups on the Directorate Risk Registers and associated activities.
- Assist in providing guidance on Partnership and Project risk management.

DIRECTORATE RISK MANAGEMENT GROUPS

- Produce, review and monitor Directorate Risk Registers to ensure their responsibilities within the Corporate Risk Register are successfully managed, and that Directorate Risks are identified and managed.
- Produce risk management action plans and introduce risk control measures.
- Review accident/incident/claims statistics and report on any appropriate Risk Management Performance Indicators
- Report quarterly to the Directorate Management Team and the Corporate Risk Management Group.

INTERNAL AUDIT – RISK MANAGEMENT (Compliance Team)

- Spread the ethos and principles of Risk Management throughout the Council
- Support and coordinate the activities of the Corporate Risk Management Group.
- Assist and provide guidance to Directorate Risk Management Groups in the identification and analysis of Directorate Risks.
- Liaise with external consultants and risk management organisations to ensure that the Council is adhering to best practice
- Ensure the provision of training to promote and support effective risk management throughout the organisation.
- Liaise with external audit regarding risk management.

INTERNAL AUDIT

Provide an independent assessment of the effectiveness, or otherwise, of:

- The robustness of the Risk Management Framework and the extent to which it is being adhered to within the Council.
- Risk Management function
- Advice and guidance on risk and controls.

OTHER MEMBERS OF STAFF

Understand and implement their role in the Risk Management framework with regard to risk identification and reporting and risk control.

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APPENDIX 2

CHESHIRE EAST BOROUGH COUNCIL

BUSINESS CONTINUITY POLICY AND STRATEGY

1.0 Purpose

The purpose of this strategy is to clearly outline the Council's commitment to business continuity planning and its links to risk management. In addition it defines and clarifies roles and responsibilities.

2.0 Background and Requirements

- 2.1 The Civil Contingencies Act (2004) (CCA) provides the framework for Civil Protection in the UK, and places a number of duties on Local Authorities regarding preparation for and response to emergencies. Cheshire East Borough Council, as a Category 1 (front-line responder) is required to develop and maintain business continuity plans, so that key functions can continue to be delivered in an emergency. This also involves consideration of the resilience of those organisations on whom the Council relies to maintain key services, including any third parties who provide services on its behalf.
- 2.2 As well as implementing Business Continuity Plans, the CCA also requires Local Authorities to promote and provide general business continuity management advice to commercial and voluntary organisations in the area. This duty aims to enable local businesses to better maintain critical elements of their service and recover more quickly should an incident arise, therefore lessening the economic and social impact on the local community.
- 2.3 Business continuity management (BCM) is a planned process aimed at managing the many and varied operational risks inherent in the day-day activities involved in delivering services, and, therefore, it is an essential element of risk management, helping to create a resilient organisation and one which is able to provide continuous service delivery and effective use of resources. Effective risk management can reduce the likelihood of an incident occurring, whilst business continuity planning can reduce the impact if it does occur. As well as increased resilience, there are many benefits to having a structured and consistent BCM process in place:

- Credibility – protecting and enhancing the reputation of Cheshire East Borough Council.
- Supporting corporate governance and the requirement to produce an Annual Governance Statement
- Reduced costs – protecting assets, working more efficiently, reducing recovery cost, assurance of third party providers of services (who may be required to demonstrate effective resilience as part of any tender for business), lower insurance premiums, where the Council can demonstrate proactive management of continuity risks.

3.0 Objective of the Strategy

- 3.1 The objective of this strategy is to set out the requirement for Cheshire East Council to take steps to ensure that, in the event of a service interruption, essential services will be maintained and normal services restored as soon as possible. To ensure that this happens, the Council must have in place robust business continuity and service recovery plans that are regularly reviewed and tested. In addition, the Council will promote and provide business continuity advice to local businesses and voluntary organisations, in order to ensure, in conjunction with the Joint Cheshire Emergency Planning Service, that the Cheshire East region is well prepared for any unforeseen events.

4.0 Implementation and Responsibilities

- 4.1 Business continuity requires senior management commitment and support, and dedicated resource allocated within the Authority to ensure that plans are developed, maintained, reviewed, and, most importantly, tested, so that they are fit for purpose. It also needs to be built into the change management process to ensure the implications of any change are fully considered prior to implementation and that resilience is built into the project deliverables.
- 4.2 Because business continuity is an essential element of risk management, it will be managed as part of the Cheshire East Risk Management Strategy, and responsibility for its delivery will be incorporated into the roles outlined in the Risk Management Strategy.

Members and Member Champion – ensure an effective Business Continuity strategy is in place.

Cabinet – receive monitoring reports and annual report on the progress of Business Continuity within the Council.

Governance and Constitution Committee – provide independent assurance of the adequacy and effectiveness of the Council's resilience as part of the Risk Management framework.

Directors and Chief Officers – ensure the production, communication, review and testing of Business Continuity plans for their Directorate/Services and ensure all staff are fully aware of these plans.

Corporate Risk Management Group – monitor the progress and status of business continuity planning and the Council's level of resilience. Report quarterly to the Corporate Management Team, Cabinet and Governance and Constitution Committee.

Directorate Risk Management Groups – coordinate the Directorate's business continuity planning response and report quarterly on its progress and status to the Corporate Risk Management Group.

Internal Audit – Risk Management (Compliance Team)

Provide training, support, guidance and advice, as well relevant templates and documentation to aid the planning process.

Provide support in the coordination and implementation of testing.

Liaise with the Joint Cheshire Emergency Planning Team and the Cheshire Local Resilience Forum, to ensure that the Council is aware of and fully incorporated into the regional emergency and continuity planning processes. Lead in the promotion of business continuity planning to local businesses and voluntary organisations.

Internal Audit

Provide an independent assessment of the robustness, or otherwise, of the Business Continuity Plans within Services.

Other members of staff

Ensure that they are fully aware of the Business Continuity Plans for their particular area of work, and take proactive steps to improve resilience wherever possible.

5.0 Developing Plans

5.1 Understanding the operation – Business impact analyses (BIA) need to take place to identify and agree critical processes or services and the potential damage or loss that may be caused to the Council and the community as a result of a disruption. A BIA must consider the minimum level of staffing, skills and resources required to enable essential services to continue operating at a minimum acceptable level. Following this, risk assessments must be undertaken to identify internal and external threats to the Council, the likelihood of these occurring, and therefore the potential impact.

5.2 Strategies – strategies must be developed to offset the identified risks, e.g. eliminate single points of failure, implement better controls, etc.

5.3 Developing and implementing plans – these must be documented and available for use within any type of emergency incident. They must also include ‘stand-by’ arrangements, including accommodation and specialist equipment, as well as IT systems and telecommunications. They need to tie in with plans already in place, such as the Cheshire East Council Major Emergency Plan and the Emergency Rest Centre Plan.

5.4 Building and embedding a BCM culture – there is a need to have an effective education and awareness programme in place to ensure that all staff are fully aware of the impact of an unforeseen event, and their roles and responsibilities in a recovery situation.

5.5 Exercising, maintenance and audit – there must be a regular testing programme in place within Directorates and Services, to ensure that the critical components of the plans are exercised.

6.0 Review

6.1 This strategy will be reviewed on an annual basis alongside the review of the risk management strategy.

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 25 June 2009
Report of: Internal Audit Manager
Subject/Title: Amendments to Finance and Contract Procedure Rules

1.0 Report Summary

- 1.1 The purpose of this report is to present proposed amendments to the Finance and Contract Procedure Rules

2.0 Recommendations

That Council be recommended to approve

- (1) the amendments to the Finance and Contract Procedure Rules set out in the Appendix; and
- (2) that the Borough Solicitor continue to have authority to approve amendments to the Finance and Contract Procedure rules on an ongoing basis.

3.0 Reasons for Recommendations

- 3.1 To make appropriate amendments to the framework for managing the Authority's financial affairs

4.0 Wards Affected

- 4.1 n/a

5.0 Local Ward Members

- 5.1 n/a

6.0 Policy Implications including - Climate change - Health

- 6.1 None

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 None

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 The Finance Procedure rules are part of the authority's framework for financial control and the continuous review of these rules contributes to our aim of using resources in the most effective way.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 No specific legal implications. The changes recommended are supported by the Borough Solicitor

10.0 Risk Management

- 10.1 The procedure rules contribute to the management of risk in relation to use of resources.

11.0 Background and Options

- 11.1 The Finance and Contract Procedure Rules were approved by full Council on 24th February 2009.
- 11.2 In addition, the Borough Solicitor was authorised to make such amendments and additions to the Constitution as were necessary to give effect to the Council's wishes.
- 11.3 During the first few months of the new Authority, various issues have been highlighted where Finance and Contract Procedure Rules require amendment. Those amendments considered to be non-substantive have been approved by the Borough Solicitor under the authority delegated to him, following consultation with the Group Whips.
- 11.4 Those amendments that are considered more substantive are included as an Appendix to this report. The Appendix contains a schedule of the amendments required and the reasons for each change.
- 11.5 Unless expressly delegated, amendments to the Constitution must be approved by full Council, having first received the advice of this Committee

12.0 Overview of Year One and Term One Issues

- 12.1 N/a

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Amendments to Finance and Contract Procedure Rules

Differences between the “before” and “after” version of the relevant section of the Finance & Contract Procedure Rules are highlighted in italics for ease of identification.

1 Exception to Capital Approval process

Reason: This exception relates to Highways improvements funded by developers and Rechargeable works and was included previously in Cheshire County Council’s Finance Procedure Rules.

Current

Proposed

Capital Monitoring and Amendments to the Capital Programme

B.33 Where possible, all capital schemes contained within the block provision should be approved through the annual capital programme setting process, within the timetable set out by the Borough Treasurer and Head of Assets and approved by Council in February. Any subsequent further breakdown of block approvals must follow the appropriate approval route, with completion of a delegated decision proforma where necessary.

B.34 Any ‘in year’ approval sought for capital schemes in excess of £250,000 must be supported by a complete Business Case Template, in the format prescribed by the Borough Treasurer and Head of Assets, which has been endorsed by the officer Capital Appraisal Panel prior to submission to the appropriate Members.

B.33 Where possible, all capital schemes contained within the block provision should be approved through the annual capital programme setting process, within the timetable set out by the Borough Treasurer and Head of Assets and approved by Council in February. Any subsequent further breakdown of block approvals must follow the appropriate approval route, with completion of a delegated decision proforma where necessary.

B.34 Any ‘in year’ approval sought for capital schemes in excess of £250,000 must be supported by a complete Business Case Template, in the format prescribed by the Borough Treasurer and Head of Assets, which has been endorsed by the officer Capital Appraisal Panel prior to submission to the appropriate Members.

Current

B.35 Project managers must ensure that the project specification remains consistent with the approved capital appraisal and continues to represent value for money for the Authority. Where project outcomes or costs alter significantly from those set out in the original appraisal a revised Business Case Template must be completed and submitted to the officer Capital Appraisal Panel.

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Proposed

B.35 Project managers must ensure that the project specification remains consistent with the approved capital appraisal and continues to represent value for money for the Authority. Where project outcomes or costs alter significantly from those set out in the original appraisal a revised Business Case Template must be completed and submitted to the officer Capital Appraisal Panel.

B.36 *Wherever possible, expenditure in respect of Highways improvements funded by developers and Rechargeable works should be included in the Capital Programme. Where this is not possible Heads of Service may approve capital expenditure in respect of:*

- *Highway improvements fully funded by developers under Section 278 of the Highways Act 1980, provided that a formal agreement has been completed with the developer*
- *Other rechargeable reinstatement work costing in excess of £10,000*
- *Urgent work to repair, replace or reinstate vehicles, buildings or equipment, where the work is to be fully funded from insurance monies following consultation with the Head of Finance.*

Current

-

Proposed

B.37 *In addition, Heads of Service may authorise essential design work required in advance of the start of the financial year on capital schemes which are in the programme approved by Council in February.*

2 Removal of Framework Agreements from requirement to complete a Delegated Decision form

Reason: To remove the need to complete a Delegated Decision Form where there is a Government or Local Government Framework Agreement already in place, as it was not intended to cover that situation.

Current

Proposed

Other Exceptions to Requirements of Competition

E.23 A Delegated Decision form must be completed by the Chief Officer or his designated representative for every exemption listed below and sent for approval to the Borough Treasurer and Head of Assets and the Borough Solicitor. Any request to approve waiving of any Finance and Contract Procedure Rule is also subject to such approvals by the Borough Treasurer and Head of Assets and the Borough Solicitor.

E.24 Provided that a proposed contract award complies with national and EU legislation and any other Finance and Contract Procedure Rule and subject to the Chief Officer or his designated representative keeping a record of the reasons, reported annually to the Borough Treasurer and the Head of Assets, then the competition requirements may not apply to:

E.23 A Delegated Decision form must be completed by the Chief Officer or his designated representative for every exemption listed below and sent for approval to the Borough Treasurer and Head of Assets and the Borough Solicitor. Any request to approve waiving of any Finance and Contract Procedure Rule is also subject to such approvals by the Borough Treasurer and Head of Assets and the Borough Solicitor.

E.24 Provided that a proposed contract award complies with national and EU legislation and any other Finance and Contract Procedure Rule and subject to the Chief Officer or his designated representative keeping a record of the reasons, reported annually to the Borough Treasurer and the Head of Assets, then the competition requirements may not apply to:

Current

- The purchase of goods or services or the execution of works which in the opinion of the appropriate Chief Officer or his/her Authorised Officer and the Borough Treasurer and the Head of Assets is certain are obtainable only from one source or contractor, and where no reasonably satisfactory alternative is available;
- The purchase of a product required being compatible with an existing installation and procurement from any other source would be uneconomic given the investment in previous infrastructure as approved by the Chief Officer;
- The instruction of, advice from, or service provided by Counsel or, by exception, Solicitors to act on the Council's behalf;
- ***Procurements made from "Call Off" Contracts and Framework Agreements that have been subjected to competition or through ,or on behalf of, any local authority or Government consortium, association or similar body provided that tenders or quotations have been invited by these bodies and contracts placed in accordance with their procedures which are broadly equivalent to these Rules and also comply with any National or EU legislation;***
- Special education or social care contracts if, in the opinion of the Chief Officer, following consultation with the Borough Solicitor and the Borough Treasurer and the Head of Assets, it is considered

Proposed

- The purchase of goods or services or the execution of works which in the opinion of the appropriate Chief Officer or his/her Authorised Officer and the Borough Treasurer and the Head of Assets is certain are obtainable only from one source or contractor, and where no reasonably satisfactory alternative is available;
- The purchase of a product required being compatible with an existing installation and procurement from any other source would be uneconomic given the investment in previous infrastructure as approved by the Chief Officer;
- The instruction of, advice from, or service provided by Counsel or, by exception, Solicitors to act on the Council's behalf;
- Special education or social care contracts if, in the opinion of the Chief Officer, following consultation with the Borough Solicitor and the Borough Treasurer and the Head of Assets, it is considered the Client's interests are best met if there is exemption from the competition rules;
- The exercise of statutory grant aid powers delegated to a Chief Officer or his/her Authorised Officer (which shall be specified by that Chief Officer or his designated representative in each case);
- Circumstances which in the opinion of both the Borough Treasurer and Head of Assets and Borough Solicitor warrant an exception to the

Current

the Client's interests are best met if there is exemption from the competition rules;

- The exercise of statutory grant aid powers delegated to a Chief Officer or his/her Authorised Officer (which shall be specified by that Chief Officer or his designated representative in each case);
- Circumstances which in the opinion of both the Borough Treasurer and Head of Assets and Borough Solicitor warrant an exception to the requirements for competition, to include, but not limited to when an emergency requires an immediate contract (which should in any event be procured from an approved list of suppliers where available) or when exceptionally the Chief Officer his/her Authorised Officer considers that is inappropriate in the interests of the efficient management of the service;
- Any other general circumstances, up to the EU threshold, as agreed by both the Borough Treasurer and Head of Assets and the Borough Solicitor.

Proposed

requirements for competition, to include, but not limited to when an emergency requires an immediate contract (which should in any event be procured from an approved list of suppliers where available) or when exceptionally the Chief Officer his/her Authorised Officer considers that is inappropriate in the interests of the efficient management of the service;

- Any other general circumstances, up to the EU threshold, as agreed by both the Borough Treasurer and Head of Assets and the Borough Solicitor.

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 25 June 2009
Report of: Borough Solicitor
Subject/Title: Additional Functions – Head of Safer and Stronger Communities

1.0 Report Summary

- 1.1 This report seeks a recommendation from the Committee to Council that reference to additional pieces of legislation be added to the list contained in the Constitution relating to matters which fall within the remit of the Head of Safer and Stronger Communities.

2.0 Recommendations

That Council be recommended to agree

- (1) that the appended list of legislation be added to the list in the Appendix to the “Powers and Responsibilities of Officers” (section of Part 3 of the Constitution) which will have the effect of bringing responsibility for this legislation within the remit of the Head of Safer and Stronger Communities by virtue of paragraph 25.1.2 of that Part; and
- (2) that such consequential amendments be made to the Constitution as the Borough Solicitor considers are necessary to give effect to the wishes of Council.

3.0 Reasons for Recommendations

- 3.1 To ensure that powers have been delegated to an appropriate level to ensure the efficient discharge of the authority’s functions.

4.0 Wards Affected

- 4.1 All Cheshire East Borough Council wards

5.0 Local Ward Members

- 5.1 All Ward Members are affected since the proposed powers will apply to all Wards.

**6.0 Policy Implications including - Climate change
- Health**

- 6.1 The Council's officers need to be properly empowered to discharge the Council's functions.

7.0 Financial Implications for Transition Costs

- 7.1 None

8.0 Financial Implications 2009/10 and beyond

- 8.1 None

9.0 Legal Implications

- 9.1 In order for the Constitution to be changed, the Governance and Constitution Committee must make a recommendation, which must then be agreed by Full Council.
- 9.2 Appropriate delegations must be in place to ensure that the actions of the Council are appropriately authorised. It is particularly important in the work carried out by the Head of Safer and Stronger Communities where legal action could be challenged if delegations were not in place (as well as consequent designation of officers).

10.0 Risk Management

- 10.1 Without the addition of relevant references to legislation in Part 3 of the Constitution, officers would not have appropriate powers to carry out the Council's environmental health functions. This would carry with it significant risk in terms of the responsiveness of the Council to environmental health issues, as all action would need to be approved by Members.

11.0 Background and Options

- 11.1 The Council adopted its Constitution on 24th February 2009, which took effect on Vesting Day.
- 11.2 It has always been recognised that the Constitution is a "living document" which will need to change from time to time in order to meet the Council's needs.
- 11.3 It is necessary to add various pieces of legislation to the Appendix to Part 3 of the Constitution, which will enable officers to discharge the Council's environmental health functions. The list of legislation appears in the Appendix to this report.
- 11.4 The addition of references to these pieces of legislation will enable the Head of Safer and Stronger Communities, and officers who he appoints and authorises, to enforce the legislation.

- 11.5 The proposed changes to the Constitution will bring environmental health functions into line with the approach adopted in respect of trading standards and licensing legislation.
- 11.6 If officers are not given the powers proposed in this report, then there will be the need for proposed action to be authorised at Member level, which would be time consuming and inappropriate, given that the powers in question are used regularly.

12.0 Overview of Year One and Term One Issues

- 12.1 The proposed changes will enable the Council to undertake its duties and responsibilities in an efficient way.

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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APPENDIX

List of legislation to be added to the Appendix contained in Part 3 of the Constitution entitled “Powers and Responsibilities of Officers” which will fall within the remit of the Head of Safer and Stronger Communities by virtue of paragraph 25.1.2 of that Part.

Administration of Justice Act 1985
Agriculture (Safety, Health and Welfare Provisions) Act 1956
Agriculture Act 1947
Animal Boarding Establishments Act 1963 and 1970
Animal Health Acts 1971/2002
Animal Health and Welfare Act 1984
Animal Welfare Act 2006
Anti-Social Behaviour Act 2003
Breeding of Dogs Act 1973/91
Breeding and Sale of Dogs (Welfare) Act 1999
Building Act 1984
Burials Act 1857
Caravan Sites Act 1968
Caravan Sites and Control of Development Act 1960
Cheques Act 1992
Clean Air Act 1956, 68,93
Clean Neighbourhoods and Environment Act 2005
Companies Consolidation (Consequential Provisions) Act 1985
Consumer Arbitration Agreements Act 1988
Consumer Safety Act 1978
Contracts (Rights of Third Parties) Act 1999
Control of Damage by Pests Act 1949
Control of Pollution (Amendment) Act 1989
Control of Pollution Act 1974
County Courts Act 1984 vices
Courts and Legal Services Act 1990
Criminal Attempts Act 1982/1988/1991
Criminal Justice Act 1982/1988/ 1991,
Criminal Justice and Police Act 2001
Criminal Justice and Public Order Act 1994
Dangerous Dogs Act 1991
Dangerous Wild Animals Act 1976
Defective Premises Act 1972
Deposit of Poisonous Waste Act 1972
Diseases of Animals Acts 1950 and 1975
Dogs (Amendment) Act 1928
Dogs (Fouling of Land) Act 1996
Dogs (Protection of Livestock) Act 1953
Environment Act 1995
Environment Act 1995 (Section 108) (Powers of
Entry onto land in order to undertake investigations)
Environment and Safety Information Act 1988
Environmental Damage (Prevention and Remediation) Regulations 2009
Environmental Protection Act 1990

Explosives (Age of Purchase) Act 1976
Explosives Acts 1951, 1964
Factories Act 1961
Farm and Garden Chemicals Act 1967
Farriers Registration Act 1977
Fire Precautions Act 1971
Food Safety Act 1990
Guard Dogs Act 1975
Health Act 2006
Home Safety Act 1961
House to House Collections Act 1939
Hypnotism Act 1952
Indictable Offences Act 1848
Insurance Companies Act 1982
Interpretation Act 1978
Knives Act 1997 (Comment) (No.2) Order 1999
Land Drainage Acts 1961, 1976 and 1991
Law of Property (Miscellaneous Provisions) Act 1989
Legislative and Regulatory Reform Act 2006
Licensing Act 1964/2003
Limitation Act 1980
Litter Acts 1958 and 1983
Local Government (Miscellaneous Provisions) Acts 1976 and 1982
Local Government Act 1972/1987
Local Government and Housing Act 1989
Magistrates' Courts Act 1980
Magistrates' Courts Procedure Act 1998
Medicines Act 1968
Milk and Diaries (General) Regulations 1959
Misrepresentation Act 1967
Mobile Homes Act 1977
Motor Vehicles (Safety Equipment for Children) Act 1991
National Assistance Act 1948 / 51
Noise Act 1996
Noise and Statutory Nuisance Act 1993
Offices, Shops & Railway Premises Act 1963
Olympic Symbol etc (Protection) Act 1995
Patents, Designs and Marks Act 1986
Performing Animal (Regulation) Act 1925 Regulatory Services
Pesticides (Fees and Enforcement) Act 1989
Pesticides Act 1998
Pet Animals (Amendment) Act 1983
Pet Animals Act 1951
Pharmacy & Poisons Act 1933
Pharmacy Act 1954
Police and Criminal Evidence Act 1984
Police and Criminal Evidence Act 1984
Pollution Prevention and Control Act 1999
Powers of Criminal Courts Act 1973
Prevention of Damage by Pests Act 1949

Private Security Industry Act 2001
Private Water Supply Regulations 1991
Proceeds of Crime Act 1995
Property Mis-descriptions Act 1991
Prosecution of Offences Act 1985
Protection Against Cruel Tethering Act 1988
Protection from Harassment Act 1997
Protection of Animals (Cruelty to Dogs) Act 1933
Protection of Birds Act 1954
Protection of Children (Tobacco) Act 1986
Public Health (Control of Disease) Act 1984
Public Health (Infectious Disease) Regulations 1988
Public Health (Recurring Nuisances) Act 1969
Public Health Acts 1872 /1875/1975 1907 / 1925 /1936 / 1961
Rag Flock and other Filling Materials Act 1951
Refuse Disposal (Amenity) Act 1978
Registered Designs Act 1949
Regulation of Investigatory Powers Act 2000
Riding Establishments Act 1964/70
Rivers Prevention of Pollution Act 1961
Sale and Supply of Goods Act 1994
Sale of Goods (Amendment) Act 1994/1995
Sale of Goods Act 1979
Scrap Metal Dealers Act 1964
Shops (Early Closing Days) Act 1965
Shops Act 1950
Smoke Free (premises and Enforcement) Regulations 2006
Sunday Theatre Act 1972
Sunday Trading Act 1994
Supply of Goods and Services Act 1982
Tattooing of Minors Act 1969
Theatres Act 1843/1968
Theft Acts 1968/1978
Timeshare Act 1992
Torts (Interference with Goods) Act 1977
Town Police Clauses Act 1847 / 89
Traffic Management Act 2004
Unfair Contract Terms Act 1977
Vagrancy Act 1824
Vehicles (Crime) Act 2001 and 2006
Veterinary Surgeons Act 1948/ 66
Water Acts 1945, 1948, 1973 and 1981
Water Industry Act 1991
Water Supply (Water Quality Regulations 2000
Water Resources Act 1963
Weeds Act 1959
Wildlife and Countryside Act 1981
Young Persons (Employment) Act 1938
Zoo Licensing Act 1981