Governance & Constitution Committee
Agenda

Date:	**Thursday, 19th November, 2009**
Time:	**2.00 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 period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to its work.

   Individual members of the public may speak for up to five 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. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

   Members of the public wishing to ask a question at the meeting should provide three clear working days' notice, in writing, in order for an informed answer to be given.

4. **Minutes of Previous meeting** (Pages 1 - 6)

   To approve the minutes of the meeting held on 15 October 2009.

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Governance & Constitution Committee** held on Thursday, 15th October, 2009 at Council Chamber, Municipal Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor A Kolker (Vice-Chairman) (in the Chair)

Councillors D Cannon, R Cartlidge, H Davenport, S Jones, G Merry, A Moran, D Topping, R West, P Whiteley and W Livesley

In attendance

Councillors T Beard, D Flude and R Westwood

Apologies

Councillors A Ranfield, M Asquith, R Menlove and R Parker

Officers present

Chris Chapman, Borough Solicitor
Brian Reed, Democratic Services Manager
Mike Flynn
Lindsey Parton, Elections and Registration Team Manager
Paul Mountford, Democratic Services
Russ Glennon, Head of Policy and Performance
Juliet Blackburn, Chief Executive's and Partnerships Manager

138   **DECLARATIONS OF INTEREST**

Councillor A Moran declared a personal interest as a member of Nantwich Town Council, a consultee on the Crewe Community Governance Review.

Councillor D Cannon declared a personal interest as a Crewe Charter Trustee.

Councillor R Cartlidge declared a personal interest as a local Member for Crewe and Crewe Charter Trustee.

Councillors B Livesley, G Merry and D Topping declared personal interests as members of Cheshire Fire Authority, a consultee on the Crewe Community Governance Review.

Councillor P Whiteley declared a personal interest as a local member for Wilmslow, which could be affected by any Community Governance Review carried out in response to a petition from residents of Handforth.

The Vice-Chairman also invited Members to declare any pre-determined views in respect of the matters on the agenda. No such declarations were made.

139 **PUBLIC SPEAKING TIME/OPEN SESSION**

Mr Peter Kent stated that he had sought clarification from the Borough Solicitor about the provisions of Section 94 sub-section 2 of the Local Government and Public Involvement in Health Act 2007.

He also expressed the view that the results of the first stage consultation on the Crewe Community Governance Review had proved inconclusive, due in part to public confusion over the consultation ballot questions and to the failure to take account of some key stakeholders who he said were known to support the idea of a town council for Crewe. He called on the Council to carry out a telephone poll to clarify voters' intentions.

In reply, the Vice-Chairman refuted any suggestion that the questionnaire had been confusing.

Councillor R Westwood expressed concern about undertaking further consultation of those who had already responded without reference to the wider electorate. He felt there was a need for a 'cooling down' period of about two years before revisiting the process. He was reluctant to support any proposal which ignored a clear majority of those who had responded and rejected any notion of change at this time.

140 **MINUTES OF PREVIOUS MEETING**

RESOLVED

That the minutes of the meeting held on 30 September 2009 be approved as a correct record.

141 **MEMBERSHIPS OF COMMITTEES**

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

Health and Adult Social Care Scrutiny Committee

Councillor Rachel Bailey to fill vacancy

Corporate Scrutiny Committee

Councillor Rachel Bailey to fill vacancy

Cheshire East/Cheshire West and Chester/Wirral Scrutiny Committee

Councillor Rachel Bailey to fill vacancy

Governance and Constitution Committee

Councillor Harold Davenport to replace Councillor Tony Ranfield

Northern Planning Committee

Councillor Olivia Hunter to replace Councillor Harold Davenport

Southern Planning Committee

Councillor Robert Parker to fill vacancy

RESOLVED

That

(1) the changes to committee places be noted; and

(2) the Committee places on record its thanks and appreciation to Councillor T Ranfield for his contribution as Chairman of the Committee.

142   **CREWE COMMUNITY GOVERNANCE REVIEW**

The Committee considered the recommendations of the Community Governance Review Sub-Committee in relation to the Crewe Community Governance Review.

The Sub-Committee had been established by the Committee in May to carry out a Community Governance Review 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.

The Sub-Committee had met on 5 October to consider:

(1) A briefing paper on the process to be followed in conducting the governance review; and

(2) the outcome of the first stage consultation with a view to making recommendations to the Governance and Constitution Committee.

(1) Briefing Paper Formulating the Council's Draft Recommendation

The briefing paper was based on statutory guidance issued by the Department for Communities and Local Government and set out the factors which needed to be taken into consideration in formulating the Council's draft recommendation.

The Sub-Committee resolved that the procedures to be followed in conducting the Review based on the statutory guidance issued by the Department for Community Governance review be noted.

(2) Crewe Community Governance Review – First Stage Consultation

Stage 1 of the consultation process had concluded on 30 September 2009. The results and the feedback received from stakeholder organizations were submitted to Members for consideration as follows:

(a)   The petition signed by 10% of the electorate requesting a Town Council for Crewe;
(b)   Results of the consultation with electors;
(c)   Results of the consultation exercise with stakeholders;
(d)   Other representations received;
(e)   Notes of the two public meetings held on 1 September 2009; and
(f)   Feedback from the Crewe Charter Trustees meeting held on 24September 2009.

The Borough Solicitor had advised the Sub-Committee that on 15 October 2009, Council would consider any recommendations of the Governance and Constitution Committee.

The Sub-Committee debated the outcome of the consultation process and resolved that:

(1) the matter be remitted to the Governance and Constitution Committee together with the results of the Review without any recommendation from the Sub Committee; and

(2) information be garnered on other alternatives for community governance for discussion by the Governance and Constitution Committee.

In considering this matter, Members of the Committee had before them the full set of papers considered by the Sub-Committee on 5 October, including, by way of background information, the report on 'Formulating the Council's Draft Recommendation', and the various papers comprising the outcome of the first stage of consultation. Members had also received a Briefing Note prepared by the Chief Executive's and Partnerships Business Manager on the existing community governance arrangements in Crewe, which sought to satisfy the requirements of the Sub-Committee's resolution (2).

The Committee proceeded to consider the matter in light of the information provided.

Members sought clarification of what would happen in the event that the Council decided not to pursue a proposal to establish a town council for Crewe. The Borough Solicitor advised that in that event, the Council's stance would form the basis of the second stage of consultation and that at

the conclusion of that consultation the matter would be referred back to Council in December for a final decision.

RESOLVED

That

(1) the resolutions of the Community Governance Review Sub-Committee and the additional Briefing Note circulated by the Chief Executive's and Partnerships Business Manager be noted; and

(2) Council be recommended to accept the vote from the people of Crewe and to reject the notion of a town council for Crewe at this time.

143 **COMMUNITY GOVERNANCE REVIEW – HANDFORTH PETITION**

The Committee considered the receipt of a petition calling for a Community Governance review in respect of the unparished area of Handforth.

The petition, which had been received on 21 September 2009, had been signed by at least 10% of local government electors for the area and was therefore judged to be valid. The petition identified the following 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 parish council to be known as Handforth Community Council.

(3) That members of the Council will not be affiliated to any political party.

(4) That the area to which the review is to relate be defined as being the electoral ward of Handforth as known in 2007.

(5) That the Council will not precept the area, only use moneys granted, delegated, awarded or given for the benefit of the area.

It was noted that points (3) and (5) above were outside the scope of any recommendations which could be considered by the Council as part of any community governance review.

Given that the area of Handforth formed part of the wider unparished area of Wilmslow (comprising the former electoral wards of Dean Row, Fulshaw, Handforth, Hough, Lacey Green and Morley and Styal), the Committee was asked to consider whether it would be expedient to extend the remit of the Community Governance Review to encompass the whole of the unparished area as specified. This would need to be made as a recommendation to Council.

It was also reported orally at the meeting that a petition had been received on 14 October 2009, calling for a community governance review for the unparished area of Wilmslow. As of the date of the meeting, the petition had not been validated. The petition asked the Council to consider making the following recommendations:

(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 parish council to be known as Wilmslow and Handforth Town Council.

(3) That the area to which the review is to relate comprise the Electoral Wards of Dean Row, Fulshaw, Handforth, Hough, Lacey Green and Morley & Styal.

The Committee considered the detailed procedure and timetable for conducting the Review, the criteria to be applied and the options to be considered.

RESOLVED

That

(1) for the purposes of Section 80 of the Local Government and Public Involvement in Health Act 2007 the petition from residents of Handforth be confirmed as valid and this be confirmed to the petition organisers;

(2) a Community Governance Review be carried out in respect of the whole of the Electoral Ward of Handforth, as known in 2007, to be completed by 20 September 2010;

(3) the receipt of a petition from residents of Wilmslow be noted and Council be recommended that the Community Governance Review be extended to cover the whole of the unparished area of Wilmslow (i.e. the former Electoral Wards of Dean Row, Fulshaw, Handforth, Hough, Lacey Green and Morley and Styal); and

(4) a Sub-Committee of six Members be established (4 C:1 LD: 1 L: 0 I) to oversee the Review and to make appropriate recommendations to the Governance and Constitution Committee.

The meeting commenced at 11.00 am and concluded at 12.50 pm

Councillor A Kolker (Vice-Chairman)

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 19 November 2009

Report of: Democratic Services Manager

Subject/Title: Appointments to Outside Organisations

1.0   Report Summary

1.1   The report outlines specific issues requiring a decision by the Governance and Constitution Committee, and summarises progress by the Task Group (Outside Organisations).

2.0   Recommendations

2.1   That

   (1) Councillor C Beard be appointed to the King's School, Macclesfield, to replace Councillor W Livesley who has resigned from the position;

   (2) Councillor H Davenport be appointed to the Task Group (Outside Organisations) to fill the vacancy caused by the resignation of Councillor A Ranfield; and

   (3) the Task Group's progress be noted.

3.0   Reasons for Recommendations

3.1   It is important for the Council to participate as a partner in the network of outside organisations within Cheshire East, and more widely if appropriate.

4.0   Wards Affected

4.1   Broken Cross (for King's School appointment only).

5.0   Local Ward Members

5.1   Councillors A Arnold, J Goddard and J Narraway.

6.0   Policy Implications

6.1   None identified.

7.0 Financial Implications for Transition Costs

7.1 None identified.

8.0 Financial Implications 2009/10 and beyond

8.1 None identified.

9.0 Legal Implications

9.1 As noted at 11.6 of this report, the appointment of representatives to outside organisations can have implications for representatives, and in order to provide assistance to Members in this respect, guidance is currently in the course of preparation and is expected to be available in January 2010.

10.0 Risk Management

10.1 No risks identified.

11.0 Background and Options

11.1 At its meeting held on 21st May 2009, the Governance and Constitution Committee re-appointed the Task Group (Outside Organisations) 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.

11.2 Subsequent to notification of appointments to outside organisations, a number of issues had arisen and were addressed by the Task Group, which made recommendations to the Committee on 30th September 2009.

11.3 <u>Task Group Membership</u>

The Task Group, established on a cross-party basis, comprises 3 Conservatives (Councillors A Ranfield, A Kolker and P Whiteley); 1 Liberal Democrat (Councillor Shirley Jones); and 1 Labour (Councillor R Cartlidge).

Councillor Ranfield has resigned from the Committee and there is a need to appoint a replacement. The Committee is, therefore, asked to appoint Councillor H Davenport to the Task Group.

11.4 King's School, Macclesfield

Councillor Livesley who was appointed by the Committee to the King's School, Macclesfield, has resigned from the Governing Body and there is a requirement to fill the vacancy.

At its meeting held on 9th March 2009, the Committee agreed a protocol for dealing with casual vacancies which occur between appointments, as follows-

Protocol for Dealing with Casual Vacancies

(i) *When an appointment becomes vacant (between annual appointments), the Democratic Services Manager, as the appropriate Officer, would be notified.*

(ii) *The Group Whip of the appropriate political group would be invited to nominate from within the same group.*

(ii) *A target date for notification of the name of a representative would be agreed.*

(iii) *The nomination would be submitted to the next available Governance and Constitution Committee for approval.*

(iv) *In cases where political groups are unable to appoint to a particular organisation (or choose not to appoint, for whatever reason), the Democratic Services Manager would be notified by an agreed date. Each of the remaining political groups would then be invited to submit a nomination which would be considered by the Governance and Constitution Committee at its next available meeting.*

In line with the protocol, the Committee is asked to confirm Councillor Chris Beard's appointment to King's School, Macclesfield as the replacement for Councillor Livesley.

11.5 Monitoring Representation

In the forthcoming months, the Task Group will be invited to consider a means for monitoring the appropriateness and effectiveness of representation, with the aim of recommending a method of evaluation to ensure that representation continues to be appropriate.

With the demise of the former County and Borough Councils, the overall number of elected Members for Cheshire East's geographical area has reduced from around 215 to 81. Cheshire East Council, therefore, has had to make some difficult decisions about which organisations it can support by way of formal representation and any annual review will need to take this into account. Following decisions made by Cabinet and the Governance and Constitution Committee in March, a further three organisations have been added to the schedule, thereby increasing Members' commitments.

11.6   Guidance for Members

Some positions carry legal responsibilities, particularly those of trustee or director. It is important that Members are clear about their role within the outside organisation, what is expected of them and their ability to deal with conflicts of interest as and when they arise.

The guidance referred to in the report to the Committee on 30th September 2009, is not yet available in its final form but is anticipated to be submitted to the January 2010 meeting for adoption.

12.0   Overview of Year One and Term One Issues

12.1   None identified.

13.0   Access to Information

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

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

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Date of Meeting: 19 November 2009
Report of: Democratic Services Manager
Subject/Title: Police Authority Representation on the Sustainable
                          Communities Scrutiny Committee

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1.0   Report Summary

1.1   To enable the Governance and Constitution Committee to consider proposed changes to the existing arrangements in relation to the membership of the Sustainable Communities Scrutiny Committee and to make a recommendation to Council in order for changes to be made to the Constitution.

2.0   Recommendations

2.1   That

   (1) Cheshire Police Authority be informed that the Council supports the appointment of a Police Authority representative to the Sustainable Communities Scrutiny Committee in accordance with option 2 as contained in the Home Office Guidance on Sections 19 and 20 of the Police and Justice Act 2006;

   (2) the Borough Solicitor be authorised to make such changes to the Council's Constitution as he considers necessary to give effect to the wishes of Council to recognise that Cheshire Police Authority receives a standing invitation to attend meetings of the Sustainable Communities Scrutiny Committee, in order for the Police Authority representative to act as an 'expert adviser' in respect of Community Safety matters; and

   (3) the Sustainable Communities Scrutiny Committee be requested to develop a Protocol which sets out the mutual expectations of Scrutiny Members and partners in connection with the involvement of the Committee in the Community Safety Scrutiny Process.

3.0   Reasons for Recommendations

3.1   In order to ensure that the Council's statutory responsibilities in respect of Scrutiny of Community Safety matters are discharged.

4.0   Wards Affected

4.1   N/A

5.0   Local Ward Members

5.1   N/A

6.0   Policy Implications

6.1   Any changes to the Council's governance arrangements, which are agreed by Council must be reflected in the Constitution. These will then govern the way in which the Council, its Members and Officers operate.

7.0   Financial Implications for Transition Costs

7.1   There appear to be no financial implications for Transition Costs.

8.0   Financial Implications 2009/10 and beyond

8.1   There appear to be no identifiable financial implications 2009/10 and beyond.

9.0   Legal Implications

9.1   Any changes to the Council's governance arrangements must be reflected in the Constitution. Constitutional changes cannot take place until Council has considered a recommendation of the Committee and Council approval has been given.

10.0   Risk Management

10.1. There would seem to be no risks associated with the proposed change. The change proposed will provide clarity for Officers and Members as to the role of Sustainable Communities Scrutiny Committee in relation to the scrutiny of public safety matters.

11.0   Background and Options

11.1   The Council has designated the Sustainable Communities Scrutiny Committee as the committee to discharge the Council's responsibilities for crime and disorder functions in accordance with Section 19 of the Police and Justice Act 2006.

11.2   The Home Office has issued guidance in connection with Sections 19 and 20 of the Police and Justice Act 2006 which states 'Local Authorities should, in all cases, presume that the Police Authority should play an active part at committee when community safety matters are being discussed – and particularly when the police are to be present'.

11.3   The guidance contains 3 options for ensuring Police Authority involvement in community safety matters.

Option 1

One Member of the committee should be a member of the Police Authority. This is not possible, however, if the Member is an Executive Member.

Option 2

A member of the police authority is issued with a standing invitation to attend the committee as an 'expert adviser'. Ideally, this should be a Police Authority member, but subject to local agreement, there may be some circumstances, and meetings, where a police officer may be more appropriate. The guidance suggests that steps should be taken to ensure that, where appropriate, the Police Authority should have a direct input into the delivery of task and finish groups. These details should form part of a protocol between the Council and its partners.

There should be clear and sustained engagement between the police authority and local authority, beyond attendance at the committee.

Option 3

Committees can co-opt a Police Authority member onto a committee when police matters are being considered. It would be for the Police Authority to decide the most appropriate member to appoint. It could either be a Council Member or independent member.

The Police Authority has written to the Chief Executive in support of option 1, on the grounds that this is the option the Home Office expects that most authorities will adopt.

12.0   <u>The Way Forward</u>

12.1   Cheshire East Council has three Police Authority representatives: Councillors J P Findlow, B Silvester and A Arnold. Councillors Findlow and Silvester are ruled out of options 1 and 3, as Cabinet Members cannot be members of overview and scrutiny committees. It is also debatable whether it would be appropriate for the Cabinet Members to receive the standing invitation in option 2 on the grounds that there should be a clear and distinct separation between the 'Executive' and Scrutiny functions and Cabinet Members would only be allowed to advise, but not influence, the Committee.

12.2   The Council has not introduced a scheme under Schedule 1 of the Local Government Act 2000 to allow Co-opted members to have full voting rights on O&S committees and therefore in order for the Police Authority representative to have voting rights, only one Member, Councillor Arnold, could fulfil this roll in accordance with option 1, but

he has indicated that due to other commitments he would support option 2.

12.3   Option 2 would appear to give the Police Authority flexibility to send different representatives to individual meetings of the Scrutiny Committee depending on the subject matter before the Committee.

12.4   The guidance also recommends developing a protocol between partners and this is to be welcomed.

12.5   Scrutiny of Community Safety matters will receive greater prominence as the new CAA regime develops. The Council has a duty to involve the Police Authority at a formal level in Overview and Scrutiny committees when Community Safety matters are the subject of Overview and Scrutiny Activity. The wishes of the Police Authority and the interest of the Council have to be balanced in order to achieve the best solution for all parties. At the moment it would better suit the Council to make arrangements in accordance with option 2, but to perhaps undertake a review in twelve months' time. Option 2 also gives the Police Authority flexibility to change its representative at the Sustainable Communities Committee when the need arises.

13.0   *Access to Information*

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

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Agenda Item 7

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

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Date of Meeting: 19 November 2009
Report of: Democratic Services Manager
Subject/Title: Cabinet Support Members

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1.0   Report Summary

1.1   To enable the Governance and Constitution Committee to consider proposed changes to the existing arrangements for Cabinet Support Members and to make a recommendation to Council in order for changes to be made to the Constitution.

2.0   Recommendations

2.1   That

(1) it be recommended to Council that Cabinet Support Members should not be permitted to be members of Overview and Scrutiny Committees and accordingly, the following Members should not take their place on Overview and Scrutiny Committees:

Children and Families – Councillors Rhoda Bailey, Olivia Hunter, Lesley Smetham
Health and Adult Social Care – Councillor Olivia Hunter
Environment and Prosperity – Councillors Rod Menlove, Lesley Smetham

(2) nominations be sought from the Conservative group to fill the vacancies on each of the above Overview and Scrutiny Committees; and

(3) it be recommended to Council that the Borough Solicitor be authorised to make such changes to the Constitution as he considers are necessary to give effect to the wishes of the Council..

3.0   Reasons for Recommendations

3.1   In order to ensure that the roles of Members involved in Executive arrangements are distinct from, and independent of, Overview and Scrutiny.

4.0   Wards Affected

4.1   N/A

5.0   Local Ward Members

5.1   N/A

6.0   Policy Implications

6.1   Any changes to the Council's governance arrangements which are agreed by Council must be reflected in the Constitution. These will then govern the way in which the Council, its Members and Officers operate.

7.0   Financial Implications for Transition Costs

7.1   There appear to be no financial implications for Transition Costs.

8.0   Financial Implications 2009/10 and beyond

8.1   There appear to be no identifiable financial implications for 2009/10 and beyond.

9.0   Legal Implications

9.1   Any changes to the Council's governance arrangements must be reflected in the Constitution. Constitutional changes cannot take place until a recommendation of the Committee has been considered by Council and Council approval has been given.

10.0   Risk Management

10.1. There would seem to be no risks associated with the proposed changes. The changes proposed will bring further clarity for officers and Members as to the roles of Cabinet Support Members in relation to the work of Overview and Scrutiny Committees and the collective Cabinet.

11.0   Background and Options

11.1   All four Cabinet Support Members appointed by the Leader on 21 April 2009 are also members of Overview and Scrutiny (O&S) Committees.

No constraints have been placed upon the way in which Cabinet Support Members undertake their duties and nothing is documented in the Constitution to this effect, other than their areas of responsibility.

12.0   Executive Decisions where Cabinet Support Members have been Involved

12.1   In accordance with the Scrutiny Procedure Rules, there may be circumstances in which, as a consequence of a Scrutiny Member's role as a Cabinet Support Member, that Member will consider that they should not take part in Scrutiny Committee business. This would accord with Scrutiny Procedure Rule 2.9 ("No Member of the Council

shall be involved in scrutinising a decision where he/she has been directly involved"). "Direct involvement" would have to be interpreted in each case but Members should err on the side of caution. If they have been involved in a matter in a support role, they should not then become involved in the same matter at Scrutiny.

12.2 If Cabinet Support Members adopt this cautious approach, it should be assumed that they attend Scrutiny Committees in an "executive" capacity, and like full Cabinet members, should attend in an advisory role to listen and, as appropriate, contribute to the discussion, and help to build constructive relationships with the Scrutiny bodies.

13.0 <u>Working Arrangements and Ground Rules</u>

13.1 The Centre for Public Scrutiny in its "Good Scrutiny Guide" advises that "non-executives and executives need to agree appropriate working arrangements or "ground rules"".

13.2 On the question of establishing roles and relationships, the Guide states that " Public Scrutineers should be confident of the ground on which they stand – which does not need to be approved or sanctioned by the Executive. This formal independence from the Executive is an important principle which underpins the scrutiny role".

13.3 It was envisaged by Cabinet, when it originally considered the proposal to appoint Cabinet support members, that the support members would also be able to help develop relationships between O&S and Cabinet in sharing work programmes and priorities, review business, and commission scrutiny to undertake policy development work, etc. This reinforces the "executive" nature of the role of Cabinet Support Members and emphasises the need for clarity in relation to O&S activity.

14.0 <u>Conflict</u>

14.1 For the reasons outlined above, it can be seen that there could be conflict between the role of the four Cabinet Support Members and their current membership of O&S Committees, due to the "executive" nature of their role, albeit without direct responsibility for decision-making.

14.2 There are two possible options. The first is that arrangements continue as they are now, with the potential risk that because of their involvement with Cabinet, the four Cabinet Support Members will have to judge, on a case-by-case basis, whether they will have to rule themselves out of formal Scrutiny, under Scrutiny Procedure Rule 9.

14.3 Secondly, for the avoidance of doubt and in order to make the two sides of the Council's political management structure clear and distinct,

Cabinet Support Members should be excluded from membership of O&S committees.

14.4 Prejudicial Interests

14.5 Cabinet Support Members have, on two recent occasions, sought to attend call- in meetings to support of the relevant Portfolio Holder. A strict interpretation of the Scrutiny Procedure Rules would not preclude them from attending call-in meetings since they are not a "member of the Executive" (Para 11(b) Member Code of Conduct).

14.6 However, the spirit of the Member Code of Conduct would appear to suggest that they should not attend such meetings since they would be regarded as being very close indeed to the Cabinet and it may be suggested that their presence might influence the meeting.

15.0 The Way Forward

The Corporate Scrutiny Committee is in the process of producing a "Scrutiny Toolkit" which will set out various protocols to support the Scrutiny Procedure rules. The Toolkit will also include specific guidance to cover the working arrangements between O&S and Cabinet. This will be expanded to cover the relationship between Cabinet Support Members and O&S.

15.1 The Leader of the Council has been consulted on this matter and he has given his support to the exclusion of Cabinet Support Members from membership of O&S Committees. If the Council approves this option, the Governance and Constitution Committee would need to make recommendations to Council to revise the constitution to reflect this position.

16.0 *Access to Information*

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

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

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Date of Meeting: 19 November 2009
Report of: Democratic Services Manager
Subject/Title: Election of Mayor and Deputy Mayor

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1.0   Report Summary

1.1   This report outlines some alternative approaches which may be considered by the Council in respect of the election of the Mayor and Deputy Mayor and upon a Mayoral Protocol.

2.0   Recommendations

2.1   That a Mayoral Sub-Committee be appointed by the Committee, with powers to:

   (1) decide upon and adopt an approach to be used in respect of the election of the Mayor and Deputy Mayor;

   (2) utilise the adopted approach in order to present recommendations to Council in respect of the proposed election of a Mayor and Deputy Mayor for the municipal year 2010/2011; and

   (3) make recommendations upon the adoption of a Mayoral Code of Practice.

3.0   Reasons for Recommendations

3.1   In order for the Council to have and agreed and understood approach to the election of the Mayor and Deputy Mayor and the operation of the Civic Office.

4.0   Wards Affected

4.1   N/A

5.0   Local Ward Members

5.1   N/A

6.0   Policy Implications

6.1   The Mayoral Code of Practice, and agreed approach to the election of the Mayor and Deputy Mayor, would effectively become Council policy.

7.0 Financial Implications for Transition Costs

7.1 There are no implications for Transition Costs

8.0 Financial Implications 2009/10 and beyond

8.1 There are no specific implications 2009/10 and beyond.

9.0 Legal Implications

9.1 Council elects the Mayor and Deputy Mayor but may be assisted in doing so by recommendations of a sub-committee.

10.0 Risk Management

10.1 The adoption of an agreed approach to the election of the Mayor and Deputy Mayor reduces risk, as does the adoption of a Mayoral Code of Practice.

11.0 Background

11.1 The Council elects a Mayor and Deputy Mayor each year. There are clear benefits in having an agreed mechanism to assist in this task.

11.2 Varying approaches can be used to the election of Mayor and Deputy Mayor. In many cases, the current year's Deputy Mayor automatically becomes the Mayor for the following year. This is sometimes regarded as an ideal way in which the incoming Deputy Mayor can gain experience of the office of Mayor prior to election.

11.3 Where the Deputy Mayor automatically becomes Mayor for the following year, the focus therefore shifts to the way in which the proposed Deputy Mayor is selected.

11.4 Some local authorities have an informal approach to the selection of the proposed Deputy Mayor. Others have more formal mechanisms. See Appendix 1 for some examples of approaches used by North West authorities.

11.5 Appendix 2 contains a draft Mayoral Protocol which could inform the work of the proposed Sub Committee.

12.0 Options

12.1 The following are some options which may be considered for the selection of the proposed Deputy Mayor:

(A) A process based on political proportionality

Appointments to be made as closely as possible to political proportionality, on a rolling programme. As the Council is currently

constituted therefore, over a rolling 7 year period, this would result in the Mayoralty being allocated to Members of the Council's political groups as follows:

- Conservatives-5 out of 7 years
- Liberal Democrats-1 out of 7 years
- Labour and others-1 out of 7 years

The Sub Committee would need to decide the identity of the political group that will nominate the Deputy Mayor each year over the 7 year rolling programme.

Variations in the political balance of the authority would be considered each year in deciding the identity of the political group that will nominate the Deputy Mayor in the next year to be added to the rolling programme.

(B) A process based on seniority alone

The position of Deputy Mayor could be allocated on the basis of length of service as a councillor.

If a member did not wish to take up the position they would retain their position on the seniority list, but the next most senior member would then be approached. The sub committee would confirm the formal nomination.

In the event of there being more than one eligible senior member and both being willing to stand there would need to be a process for deciding between the two candidates. The decision would be for the sub committee using additional criteria, such as suitability to represent the Council, personal character, experience as a chairman, broad base of support among Councillors, number and type of outside bodies served on etc. If the sub committee could not distinguish between two candidates, the choice could be made by a simple drawing of lots. The member not nominated would then retain their position on the list for the following year.

(C) A process based on both seniority and political party membership

The process based on that set out above at (A) above could be used but selecting the most senior member from each political group in turn. There would be a minimum length of service required, for example 4 years by the time of the Annual Meeting at which they would be elected Deputy Mayor, with the member not being eligible for the position again before the expiry of a specified period, for example 10 years.

(D)   A process based on the invitation of the Council's ruling political group

As can be seen from Appendix 1, some authorities adopt an approach based on the wishes of the ruling political group. If this approach was to be adopted, the ruling group would have freedom to decide whether to identify a proposed Deputy Mayor from within its own group, or whether to invite another group or groups to put forward a nomination. In doing this, the ruling group could have regard to political proportionality, but would not be obligated to do so.

13.0   Mayoral Code of Practice

13.1   Appendix 2 contains a preliminary draft protocol which could be adopted by the Council, and which would provide guidance in respect of the operation of the civic office.

14.0   Access to Information

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

Name: Brian Reed
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Authority	How Mayor is Chosen
Bolton	Mayors are chosen on length of service. If a Mayor who is entitled to the position does not want to take it then it is passed to the next and the next etc. Each group has to agree to the nomination.
Chorley	Mayor is chosen according to how long they have served as a Councillor.
Halton	Mayor is chosen on length of service. If the person with the most years doesn't want to be Mayor then it goes to the next one down and so on.
St Helens	**Selection of the Deputy Mayor** 1. The position of deputy mayor is offered to the Member with the most service on the Council (whether the continuous or not) who has not previously held the office of Mayor, in the largest Group or other Groups, as appropriate, provided that the Member has at least 5 years service by the time of the Annual Meeting of the Council at which they will be elected Deputy Mayor 2. At the Beginning of January each year the Assistant Chief Executive (Legal and Administrative Services) will write to the most Senior Member, as appropriate, requesting them to confirm in writing if they are willing to accept the office, within one month. 3. If, for any reason, they do not accept the office, they still retain their position on the Seniority List. 4. The next most senior Member of the Group(s) is then approached 5. In the event of there being more than one most Senior Member, all such Members will be written to, and in the event that more than one indicates a willingness to accept the office, then the Members concerned shall be invited into the Town Hall and the office will be decided by the cutting of cards. 6. In the event of the Deputy Mayor being defeated in an election prior to that Member becoming Mayor, then the next most Senior Member in the Groups(s) as appropriate shall be approached.
Salford	Mayor is chosen on seniority. In early December, secretary will start to contact the Councillors in order of their seniority to establish who would like to take up the Deputy Mayor position. Some have declined.
Tameside	Mayor is chosen by the controlling group.

Trafford	Mayor is chosen on seniority.
Wigan	Mayor is chosen by the controlling group.
West Lancs	Chairman is chosen on length of service, the Vice Chairman will be the Chairman the following year, depending on elections. There is a vote at the annual council meeting in May.

The former Cheshire authorities

The former Cheshire authorities adopted the following approaches:

- Congleton Borough Council had informal arrangements in which the groups reached agreement upon the proposed civic offices
- Macclesfield Borough Council appointed a panel to make recommendations based upon nominations.
- Crewe and Nantwich Borough Council appointed the Mayor, based upon length of service.

THE MAYORALTY - CODE OF (MAYOR AND DEPUTY MAYOR) PRACTICE

1. General

The Mayoralty (or Chairmanship of the Council) is the most exalted position within the gift of the Council. Officers and staff must, at all times, respect the Mayor and show deference to his office. Throughout this Code of Practice the word 'his' is not gender specific. As Chairman of the Council his authority is derived from the Local Government Act of 1972, Section 3, and his construction or application of any of the Council's Constitution, or as to the proceedings of the Council, should not be challenged.

2. Policy Developments

The Mayor throughout his term of office should remain impartial in all matters of policy and should not be involved in the direction of affairs or get involved in any campaigns. But should matters be raised with him, he should take no action and instead raise the matter in the first instance with the Leader of the Council or the appropriate Cabinet Member or Department for action.

Where there are matters of Policy, all press enquiries should be made via the Council's Communications Team.

3. Controversial Activities

The Mayor should not become involved in Council Policy or activities of a controversial nature. Where the Mayor is confronted with a controversy or enquiries on matters of policy he should refer the matter to the appropriate Cabinet Member.

Where there are matters of a controversial nature, all press enquiries should be made via the Council's Communications Team.

4. Political Events

The Mayor should take no active involvement in political events, particularly formal meetings, and should not attend group meetings during his year of office.

It would be a matter for the Mayor's discretion as to whether he attended social functions arranged by political parties, but if so attending should not attend as Mayor of the Borough but as a private individual.

5.   Relationship with Cabinet Members

The Mayor should not normally become involved in any matter, which is within the role of a Cabinet Member, but if an occasion arises, as indicated in (2) above, then the Mayor should receive the fullest support of the appropriate Cabinet Member, or the appropriate Director.

As the Chairman of the Council, the Mayor should be regularly briefed by officers, via regular diarised meetings, as to current policy.

6.   Other Appointments

The Mayor should not be appointed as Chairman or Vice-Chairman of any Committee or Sub-Committee of the Council. He may accept ex officio positions with an outside organisation or body where his membership stems from his position as Mayor for the time being.   He may attend the annual meeting or other special meetings of an outside organisation or body and may accept the position of patron or president, but should not become actively involved during his term of office.

7.   Selection of Mayor

[Subject to confirmation]
Subject to confirmation by the full Council the Deputy Mayor will succeed to the Mayoralty in the following year.

[Add details of the selection criteria]
8.   Civic Services

The venue for the Civic Service will be chosen by the Mayor.   It is often the case that the Mayor will be invited to visit his own church during the term in office, however, this is not a Civic Service as such, it is a 'civic presence'.

9.   Civic Duties

In his capacity as the Civic Head, or First Citizen, the Mayor represents the Sovereign in the Borough, ranking in precedence only after the Lord Lieutenant (if attending in his official capacity representing the Queen) and members of the Royal Family.   He should, therefore, officiate at all formal civic events involving the Council, the public and press.   In his absence the Deputy Mayor should officiate, or at the Mayor's discretion, the appropriate Portfolio Holder- but always subject to the Mayor's ruling.

10.   Mayoral Regalia

The Mayor and Deputy Mayor should wear their robes, chains and badges of office on all formal occasions within the Borough.   At meetings of the Council the Mayor and Deputy Mayor should be discreetly dressed and their robes, chains and badges of office are to be worn at the commencement of the

meeting and thereafter, at the discretion of the Mayor, the chain and badge only could be worn.

The Mayor and Deputy Mayor should wear their chains and badges of office when attending functions unless, at their discretion, the badges of office on a ribbon would be more appropriate.

11.   Use of Mace

The mace should be used on all Borough Ceremonial occasions and will be carried before the Mayor.

12.   Chief Executive

The wearing of regalia on royal occasions, at Council meetings, and on other special occasions will be at the discretion of the Chief Executive.

13.   The Deputy Mayor

[Add details of selection criteria]

The role of the Deputy Mayor should be one of support to the Mayor in fulfilment of civic engagements and to take the Chair in the absence of the Mayor at Council Meetings.

14.   Mayoress or Consort and Deputy Mayoress or Consort

There is no legal status for these offices, appointments being made on the invitation of the Mayor and Deputy Mayor respectively, subject, in the case of persons other than relatives being proposed, to appointments being at the discretion of the Sub Committee.

15.   Mayor's Chaplain

The Mayor's Chaplain is his spiritual adviser and is appointed by the Mayor.

16.   Administrative/Secretarial Support

Administrative/secretarial, civic and administrative support is provided by staff of and under the control of the Democratic Services Manager.
The administrative/secretarial support will be responsible for making all arrangements for the attendance of the Mayor and Deputy Mayor at any event. (Note - The Communications Team will give such assistance as required to the Mayor and Deputy Mayor, see also paragraphs 2 and 3.)

17.   Official Car

The following rules will apply for the use of the official car:

(a)   The Mayor will have first claim on the car, subject to (b) and (c) below, and the car bookings will be the responsibility of the personal assistant allotted to the Mayor.   He/she will draw up the weekly list of engagements for the Mayor.

(b)   The Deputy Mayor will be entitled to use the car when performing a duty at the request of, or on behalf of, the Mayor, provided it is not required by the Mayor.

(c)   The Mayoress/Consort and Deputy Mayoress/Consort will be entitled to use the car when performing a duty at the request of, or on behalf of the Mayor.

(d)   The Deputy Mayor will normally drive himself to engagements, but where considered appropriate, the administrative/secretarial support will arrange suitable alternative transport.

(e)   For the avoidance of doubt, the official car may only be used for journeys directly associated with the performance of duties on behalf of the Borough Council arising from the office held by the user and will not be used for attendance at private functions unless prior arrangements have been made to reimburse the costs of driver and vehicle.   The Mayor and/or Deputy Mayor will use the official car to convey them to and from meetings of the Council but will not use it for meetings of a Committee, Sub-Committee, etc. or of an outside body, which they are attending as an ordinary member, unless they are subsequently attending a public engagement.

(f)   Because of the need to give the chauffeur/civic attendant time off in lieu of hours worked or to arrange a substitute driver when he is not available, the maximum notice should be given of any engagements for the official car.

18.   Accommodation

The Mayor has the use of Parlours at Macclesfield Town Hall and the Municipal Buildings, Crewe. These premises will be used for civic and social occasions only.

19.   Indisposition of the Mayor/Deputy Mayor
In the event that, due to the indisposition for whatever reason, the Mayor could not reasonably be asked to fulfil the normally accepted duties of his post, the Deputy Mayor will be requested, for that period of time, to assume the full duties of the post of Mayor, but will not take the title.

In the event that, due to indisposition for whatever reason, the Deputy Mayor could not reasonably be asked to fulfil the duties of his post, the Deputy

Mayor Elect or the Leader of Council, will, for that period of time, assume the civic and social duties of the post of Deputy Mayor, but will not take the title.

20.   Financial

The allowances for the Mayor, Deputy Mayor and Civic Hospitality should be reviewed annually and increased by an appropriate amount to cover inflation.

When the Deputy Mayor is called upon to carry out the full duties of the Mayor for a period of two weeks or more, then an allowance of the difference between the Mayor's allowance and the Deputy Mayor's allowance will be paid for the period he so acts.   Similar arrangements will apply in the case of the Deputy Mayor Elect.

The Civic Hospitality allowance is controlled by the Democratic Services Manager, and expenditure is subject to the approval of the Mayor and the Democratic Services Manager.

21.   Civic Ceremonial and Procedure

[Subject to further consideration of cost etc]

The former Mayors will be presented with a medallion as a memento of their office which should be worn only:-

(a)   at Annual Meetings of the Council;

(b)   at meetings of the Council when the Mayor is robed;

(c)   at all ceremonies or processions when robes are worn;

(d)   at civic dinners or receptions or other social functions of a civic character within the Borough;

(e)   at other civic functions within the Borough at the request of the Mayor;

(f)   at civic functions in another Authority's area only at the express invitation of the Mayor or Chairman concerned.

Preferential arrangements should be made at the Annual Council Meeting and on Civic Sunday for former Mayors.

22.   Civic Events

The list of invitations to the Civic Service will be examined and extended as necessary and invitations should be sent in the name of the Mayor.

23.   Christmas Cards

The persons to whom the Mayor sends Christmas cards, of his own choice, is a matter for his discretion.   Only the cost of official cards and postage is borne by the Council.

24.   Civic Hospitality - Mayor's At Home

Light refreshments will be provided and arrangements will be reviewed regularly.

25.   Acceptance of Invitations

It is the wish of the Council that the Mayor should accept as many invitations as possible to attend events and functions to which he has been invited and that the services of the Deputy Mayor should also be used in the event of competing invitations being received.

Normally the Mayor is expected to accept the first invitation received for a particular time and date.

26.   Mayor's Charity

It should be borne in mind that any fundraising activities undertaken for the Mayor's Charity are the sole responsibility of the Mayor, the Mayoress and 'friends', because, unfortunately, there is no capacity within the support system/workload for any assistance to be given.   Fund raising is discretionary and does not form part of the Mayor's duties.

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

_____

Date of Meeting: 19 November 2009
Report of: Democratic Services Manager
Subject/Title: Questions at Council

_____

1.0   Report Summary

1.1   At the request of the Chairman, this report will enable the Committee to consider the current rules relating to questions at Council.

2.0   Recommendations

2.1   That consideration be given to the current rules relating to questions at Council.

3.0   Reasons for Recommendations

3.1   In order to comply with the request of the Chairman of the Committee

4.0   Wards Affected

4.1   N/A

5.0   Local Ward Members

5.1   N/A

6.0   Policy Implications

6.1   This report deals with the Council's rules relating to questions at Council.

7.0   Financial Implications for Transition Costs

7.1   There are no such implications.

8.0   Financial Implications 2009/10 and beyond

8.1   There are no such implications.

9.0   Legal Implications

9.1   The existing rules are contained within the Council's Constitution. Any recommended changes to the Constitution must be agreed by Council before they can take effect.

10.0   Risk Management

10.1   No risks can be identified which arise from the consideration of this report.

11.0   Background and Options

11.1   As provided for in the Council Procedure Rules, a Member may request that an item of business be included on the agenda of a Committee meeting.

11.2   The Chairman of the Committee has asked that, after nearly eight months of operation of the Council Procedure Rules relating to the asking of questions at Council meetings, and three meetings of Council during which these Rules have been put into practice, the Committee give consideration to whether they are working effectively or whether they are in need of change.

11.3   The current rules provide for Members to ask questions at Council of the Mayor, the appropriate Cabinet Member, or the Chairman of a Committee, about a matter which the Council, the Cabinet or the Committee has powers, duties or responsibilities (Council Procedure Rule 11.1).

11.4   Questions must be provided in writing at least three clear working days before the meeting (Council Procedure Rule 11.3).

11.5   Questions are to be asked and answered without discussion. In replying, the Member responding is to use reasonable endeavours to address the matter raised in the question. The Member responding may: decline to answer the question, reply direct, reply by reference to a publication, reply by written answer, or refer the question to an appropriate committee/the Cabinet (Council Procedure Rule 11.5).

11.6   The Rules provide for the questioner to ask a supplementary question which relates to the initial answer. A reply may not be given if the question is: not related to the initial answer; is unduly lengthy; or is inappropriate. The Member answering the supplementary question will decide whether or not to reply (Council Procedure Rule 11.6).

11.7   The Committee is asked to consider the current rules in the light of the experience of the last eight months and three Council meetings.

12.0   *Access to Information*

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

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Designation: Democratic Services Manager
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brian.reed@cheshire.gov.uk

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

_____

Date of Meeting: 19 November 2009
Report of: Borough Treasurer
Subject/Title: Implementation of International Financial Reporting Standards (IFRS)

_____

1.0 Report Summary

1.1 The purpose of this report is to advise Members on the implications of implementing International Financial Reporting Standards (IFRS).

2.0 Recommendations

2.1 That the Committee

(1) note the potential implications of the introduction of International Financial Reporting Standards for Local Government; and

(2) approve the proposed project plan, set out in Appendix 1.

3.0 Reasons for Recommendations

3.1 Local Authorities are required to adopt International Financial Reporting Standards (IFRS) by 2010-11. This will require a transition from current financial reporting standards and have a significant impact on the Authority.

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 None.

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

7.1 Not applicable.

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

8.1 As covered in the report.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 Legal input will be required into the IFRS Project Team.

10.0 Risk Management

10.1 The Council has recognised that significant work will be required to assess the impact where changes are required to the accounts. It will require the collation of data that is currently not required and is not generated by the Finance department therefore the requirements of IFRS will also impact on the Human Resources, Asset Management, ICT and Legal departments of the Council.

10.2 A Project Team has been set up within the Finance Service to manage the transition to IFRS. Officers from Asset Management, Human Resources, Legal and ICT will work with the Project Team as required.

10.3 A project plan is attached as Appendix 1 to this report. Regular updates will be provided to members on progress against the project plan and the project team will be holding regular review sessions with External Audit.

11.0 Background and Options

11.1 Local Authorities currently report their Statement of Accounts under the Accounts and Audit (England) Regulations 2003 (as amended) in accordance with the Code of Practice Local Authority Statement of Recommended Practice (the SORP). The SORP complies with UK Generally Accepted Accounting Practice (UKGAAP) and not IFRS.

11.2 Accounts of central government departments and entities in the wider public sector are to be produced using a tailored form of IFRS. The Government is currently determining exactly how IFRS will be implemented in Local Government and certain aspects of the guidance are currently under consideration. This report, therefore considers, in the light of current guidance, the issues that Local Government is likely to face as it manages the transition to IFRS.

11.3 In recent years there has been a strong convergence on accounting standards and in the narrative reporting requirements of the accounts of bodies in the public and private sectors. Central government departments will be based on IFRS from 2009/10 and Local Government will follow suit in 2010/11.

11.4 The adoption of IFRS, which comprises a set of global standards and interpretations should assist in the comparison of organisations' financial performance across sectors and geographical boundaries.

Timetable

11.5 The first set of IFRS accounts will be the 2010-11 Statement of Accounts, which will be produced in June 2011. However, as part of these accounts the Council will need to include comparative information for 2009-10 meaning that the effective date of transition is at 1 April 2009 and the 2009-10 accounts will need to be restated in IFRS format.

11.6 Stage 1 - Restate April 2009 balance sheet to IFRS - by 31 Jan 2010
Stage 2 - Restate 2009/10 UK GAAP accounts to IFRS – by 31 Dec 2010
Stage 3 – Closedown 2010/11 on IFRS basis – 30 June 2011.

11.7 As a result of Local Government Reorganisation these timescales are very challenging. The opening balance sheet for 2009-10 has not yet been finalised as the former Cheshire County Council balance sheet needs to be disaggregated and then merged with the former Districts balance sheets. This exercise will need to be finalised before the restatement of the balance sheet on an IFRS basis.

Key Issues

11.8 Lease Arrangements – Reclassification of lease arrangements between operating and finance leases.

Leases which are currently shown as operating leases, are likely to be classified as financing leases, these will appear as assets on the balance sheet and will be subject to capital charges.

There is a significant task to identify all the lease arrangements and determine their classification. In addition, systems will need to be in place to ensure future lease arrangements are reviewed prior to entering into the arrangements.

11.9 Employee Benefits – The Council will be required to provide for the full amount of holiday accrued but not yet take at each financial year end. This will require the Council to set up a holiday pay accrual, which will essentially be based on the number of holiday days earned but not yet taken at the period end multiplied by the daily rate of pay.

The Council will require systems to be put in place to identify how much annual leave each of its staff carry forward at the end of the financial year.

11.10 Fixed Assets – Reclassification and revaluation of some assets.

Fixed assets will be measured and recorded differently, particularly as a result of revaluation bases, impairment and revaluation losses. This will impact on asset management systems and will require substantial work from the Asset Management department.

11.11 Changes to Accounting Policies and disclosures

New disclosures will be required and the size of the Statement of Accounts is expected to increase. Changes to systems will be required in order to capture information that has not previously been recorded.

12.0 *Access to Information*

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

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Step	Description	Dependency	Deadline	Progress to date
1	Carry out high level impact assessment using information on CIPFA web site (and other resources where available) PFI Leases Tangible Assets Employee Benefits (e.g. Holiday Pay) Other Areas		30th November 2009	IFRS Toolkit and Action Plan produced during workshop with Baker Tilly – 2 October 2009. Information obtained from CIPFA website. Report to Governance & Constitution Committee Nov 09.
2	Identify changes to accounting policies	In parallel with step 1	31st December 2009	
3	Identify key staff from Finance, HR, Asset Management, Legal and Procurement Assess whether resources adequate Allocate responsibilities Develop detailed project plan	Based on impact analysis in step 1	30th November 2009	Key staff have been identified, responsibilities to be allocated and resources assessed.
4	Training of Key Staff on IFRS transition		Ongoing	CIPFA Technical Updates and FAN sessions attended, briefings to be provided to Finance staff and Project Team
5	Identify changes required to systems and procedures (including Chart of Accounts changes) required		31st December 2009	
6	Identify information required to restate 1 April 2009 balance sheet and 2009/10 accounts • Leases • Employee Benefits • PFI • PPE		31st December 2009	
7	Develop skeleton Statement of Accounts under IFRS (including Notes and Policies)	Accounting policies in Step 2	31st December 2009	
8	Obtain information required to restate 1 April 2009	Identified during Step 6	31st December	

Step	Description	Dependency	Deadline	Progress to date
	balance sheet		2009	
9	Identify likely impact on budgets			31st January 2010
10	Implement systems and procedural changes	Identified in step 5		28th February 2010
11	Training for all relevant staff and members			Ongoing from November 2009
12	Restate 1 April 2009 balance sheet (including reconciliations between UK GAAP and IFRS)	Obtained in steps 7 & 8	31 January 2010	
13	Compile 2010/11 and later budgets on IFRS basis, building on restatement of balance sheet, taking into account changes to the final version of the Code and any regulations proposed by government to mitigate the impact on General Fund/HRA	Impact from step 9	31 January 2010	
14	Testing of systems and procedural changes	Follows on from step 10	March 2010	
15	Restate 2009/10 accounts in parallel with main 2009/10 accounts process (including reconciliation between UK GAAP and IFRS)	See steps 6, 7, 8, 12	December 2010	
16	Produce 2010/11 accounts on IFRS basis		June 2011	

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of meeting: 19 November 2009
Report of: Head of Internal Audit & Compliance and Borough Solicitor
Title: Code of Corporate Governance

1.0 Purpose of Report

1.1 The purpose of the report is to gain approval of the attached Code of Corporate Governance. This has been discussed at Corporate Management Team and with the Cabinet.

2.0 Recommendation

2.1 That the attached Code of Corporate Governance be adopted by the authority and used as a basis for self-assessment, continuous improvement and as a contributor to producing the Annual Corporate Governance Statement.

3.0 Reasons for Recommendation

3.1 To ensure that the Council has a proper framework and arrangements in place for Corporate Governance in line with best practice.

4.0 Background

4.1 Each local authority operates through a governance framework. This is an interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes.

4.2 In 2007, CIPFA/SOLACE produced a framework document "Delivering Good Governance in Local Authorities." This is intended to be used as best practice for developing and maintaining a locally-adopted code of governance.

4.3 The attached document is a suggested Code of Corporate Governance for Cheshire East. This has been developed by the Corporate Governance Group and is based on the six principles of Good Governance.

5.0 Financial Implications for Transition Costs

5.1 None.

6.0 Financial Implications 2009/10 and beyond

6.1 There will be a need to make staff aware of the code and to review the effectiveness of the Corporate Governance arrangements. Some training costs and staff resources are necessary to develop the framework and this will be

coordinated by the Corporate Governance Group.

7.0   Legal Implications

7.1   The local code supports the legal processes of the Council.

8.0   Risk Assessment

8.1   Adoption of the code assists the overall response to a number of risks relating to adherence to good governance standards and the need to demonstrate effective governance.

9.0   Training

9.1   There are a number of areas of training required to assist continuous improvement and the development of ethical standards and behaviours. A programme of ethics training for Members is being planned for February 2009.

For further information:

Portfolio Holder: Councillor David Brown and Frank Keegan
Officer: Vivienne Quayle, Head of Internal Audit and Chris Chapman, Borough Solicitor
Tel No: 01270-529684
Email: vivienne.quayle@cheshireeast.gov.uk; chris.chapman@cheshireeast.gov.uk

Background Documents:

Delivering Good Governance in Local authorities CIPFA/SOLACE 2007

CODE
OF
CORPORATE
GOVERNANCE

Cheshire East Council

INTRODUCTION

Cheshire East operates through a governance framework. It is an interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes.

In 2001, the Chartered Institute of Public Finance and Accountancy (CIPFA) in conjunction with the Society of Local Authority Chief Executives (SOLACE) with the support from key organisations in local government, responded to the need to draw together the principles identified by Cadbury, Nolan and, in England, the former Department of the Environment, Transport and the Regions (DETR). A single framework of good governance for use in local government was published entitled "Corporate Governance in Local Government – A Keystone for Community Governance: Framework".

Since the Framework was published, local government has been subject to continued reform intended to improve local accountability and engagement and a revised framework was deemed timely.

Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. Good governance enables Cheshire East to pursue its vision effectively as well as underpinning that vision with mechanisms for control and the management of risk.

The revised Framework "Delivering Good Governance in Local Government – Framework" issued in 2007 defines the principles that should underpin the governance of a local authority. It identifies six core principles: -

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas

- Members and officers working together to achieve a common purpose with clearly defined functions and roles

- Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

- Developing the capacity and capability of members and officers to be effective

- Engaging with local people and other stakeholders to ensure robust public accountability

The annual review of the Code of Corporate Governance is reported to the Governance and Constitution Committee.

The production of the Governance Statement in compliance with the Accounts and Audit Regulations 2003 (Amended 2006) is presented to the Governance and Constitution Committee annually in conjunction with the Statement of Accounts.

PRINCIPLE 1

Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas:
• Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and users
• Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning
• Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money

The function of governance is to ensure that authorities, other local government organisations or connected partnerships fulfil their purpose and achieve their intended outcomes for citizens and service users and operate in an effective, efficient, economic and ethical manner.
Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that is clearly communicated, both within the organisation and to external stakeholders

Supporting Principles	To meet with the requirements of Principle 1, Cheshire East will:
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and users	• Develop and promote the authority's purpose and vision
	• Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements
	• Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
	• Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	• Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
	• Put in place effective arrangement to identify and deal with failure in service delivery
Ensuring that the authority makes best use of resources and that tax payers and service users receive	• Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for

excellent value for money	money and performance effectively. Measure the environmental impact of policies, plans and decisions

PRINCIPLE 2

Members and officers working together to achieve a common purpose with clearly defined functions and roles:
• Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
• Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard
• Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of each other
The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government, the governing body is the full council or authority.

Supporting Principles	To meet with the requirements of Principle 2, Cheshire East will:
Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	• Set out a clear statement of the respective roles and responsibilities of the Cabinet and the Cabinet members individually and the authority's approach towards putting this into practice
	• Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers
Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard	• Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required
	• Make the chief executive or equivalent responsible and accountable to the authority for all aspects of operational management
	• Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained
	• Make a senior officer (the Borough Treasurer and Head of Assets as Section 151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records, and for maintaining an effective system of internal financial control

	• Make a senior officer (the Borough Solicitor as monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with
Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of each other	• Develop protocols to ensure effective communication between members and officers in their respective roles
	• Set out terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective independent remuneration panel (for members)
	• Ensure that effective mechanisms exist to monitor service delivery
	• Ensure that the organisations vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other stakeholder, and that they are clearly articulated and disseminated.
	• When working in partnership. Ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and the authority
	• When working in partnership: o Ensure that there is clarity about the legal status of the partnership o Ensure that, when working in partnership, all parties understand and make clear the extent of the authority to bind their organisation to partner decisions

PRINCIPLE 3

Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
• Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance
• Ensuring that organisational values are put into practice and are effective

Good governance flows from a shared ethos or culture. As well as from systems and structures. It cannot be reduced to a set of rules, or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated by behaviour.

Good governance builds on the seven principles for the conduct of people in public life that were established by the Committee on Standards in Public Life, known as the Nolan principles. In England the Local Government Act 2000 outlined ten principles of conduct – an additional three to those identified by Nolan – for use in local government bodies. The Nolan seven principles and additional three principles are included in the guidance notes accompanying this Framework.

A hallmark of good governance is the development of shared values, which become part of the organisation's culture, underpinning policy and behaviour throughout the organisation, from the governing body to all staff. These are in addition to compliance with legal requirements on, for example equal opportunities and anti-discrimination.

Supporting Principles	To meet with the requirements of Principle 3, Cheshire East will:
Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	• Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect
	• Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols
	• Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice
Ensuring that organisational values are put into practice	• Develop and maintain shared values including leadership values for both the

and are effective	organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners
	• Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice
	• Develop and maintain an effective standards committee
	• Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority
	• In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively

PRINCIPLE 4

Taking informed and transparent decisions which are subject to effective scrutiny and managing risks
• Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
• Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
• Ensuring that an effective risk management system is in place
• Using their legal powers to the full benefit of the citizens and communities in their area
Decision making within a good governance framework is complex and challenging. It must further the organisation's purpose and strategic direction and be robust in the medium and longer terms. To make such decisions, authority members must be well informed.   Members making decisions need the support of appropriate systems, to help to ensure that decisions are implemented and that resources are used legally and efficiently.   Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

Supporting Principles	To meet with the requirements of Principle 4, Cheshire East will:
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	• Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible
	• Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
	• Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice
	• Develop and maintain an effective audit committee (the Governance and Constitution Committee) which is independent of the executive and scrutiny functions.
	• Ensure that effective, transparent and

	accessible arrangements are in place for dealing with complaints
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	• Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for purpose – relevant, timely and gives clear explanations of technical issues and their implications
	• Ensure that timely professional advice on matters that have legal or financial implications is available and recorded in advance of decision making and used appropriately
Ensuring that an effective risk management system is in place	• Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their job
	• Ensure that effective arrangements for whistle-blowing are in place to which officers, staff and all those in contracting with or appointed by the authority have access.
Using their legal powers to the full benefit of the citizens and communities in their area	• Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities
	• Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law
	• Observe all specific legislative requirements placed upon them, as well as the requirement of general law, and in particular to integrate the key principles of good administrative law - rationality, legality and natural justice – into their procedures and decision making processes

PRINCIPLE 5

Developing the capacity and capability of members and officers to be effective
• Making sure that members and officers have their skills, knowledge, experience and resources they need to perform well in their roles
• Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group
• Encouraging new talent for membership of the authority so that best use cab be made of individual's skills and resources in balancing continuity and renewal
Effective local government relies on public confidence in authority members, whether elected or appointed, and in officers. Good governance strengthens credibility and confidence in our public services. Authorities need people with the right skills to direct and control then effectively. Governance roles and responsibilities are challenging and demanding, and authority members need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience. Good governance means drawing on the largest possible pool of potential members to recruit people with the necessary skills. Encouraging a wide range of people to stand for election or apply for appointed positions will develop a membership that has a greater range of experience and knowledge. It will also help to increase the social class, life experience, gender and disability. This concept should also be borne in mind when members are appointed to the boards of other public service organisations.

Supporting Principles	To meet the requirements of Principle 5, Cheshire East will:-
Making sure that members and officers have their skills, knowledge, experience and resources they need to perform well in their roles	• Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis
	• Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority
Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group	• Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively
	• Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
	• Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual

	members and agreeing an action plan which might, for example, aim to address any training or development needs
Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal	• Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority
	• Ensure that career structures are in place for members and officers to encourage participation and development

PRINCIPLE 6

Engaging with local people and other stakeholders to ensure robust public accountability
• Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountable relationships • Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning • Making best use of human resources by taking an active and planned approach to meet responsibility to staff
Local government is accountable in a number of ways. Elected local authority members are democratically accountable to their local area and this gives a clear leadership role in building sustainable communities. All members must account to their communities for the decisions they have taken and the rationale behind those decisions. All authorities are subject to annual review through the external audit of their financial statements. They are required to publish their financial statements and are encouraged to prepare an annual report. Their budgets are effectively subject to significant influence and overview by government, which has powers to intervene. Both members and officers are subject to codes of conduct. Additionally, where maladministration may have occurred, an aggrieved person may appeal either through their local councillor or directly to the ombudsman.

Supporting Principles	To meet the requirements of Principle 6, Cheshire East will:-
Exercising leadership through a robust scrutiny function which effectively engages local people and stakeholders, including partnerships, and develops constructive accountable relationships	• Make clear to all staff and the community to whom they are accountable and for what
	• Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required
	• Produce an annual report on the activity of the scrutiny function and promote a regular dialogue between executive and scrutiny functions
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning	• Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively
	• Hold meetings in public unless there are good reasons for confidentiality
	• Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise

	that sections of the community have different priorities and establish explicit processes for dealing with these competing demands
	• Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result
	• On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
	• Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnership, subject only to those specific circumstances where it is proper and appropriate to do so
Ensure that our staff are engaged in the objectives and ethos of the organisation	• Ensure that staff are fully informed and have an opportunity to feedback with comments and suggestions.

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Agenda Item 12

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

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Date of Meeting: 19 November 2009
Report of: Head of Internal Audit and Compliance
Subject/Title: Update on Risk Management

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1.0 Report Summary

1.1 The purpose of this report is to provide an update on implementation of the Risk Management Strategy for the Council. This strategy was recommended for approval by this Committee at its meeting on 25th June, 2009, and was approved by Cabinet on 14th July, 2009.

2.0 Recommendation

2.1 That the Committee note progress towards implementation of the Risk Management Framework.

3.0 Reasons for Recommendation

3.1 Risk Management is a fundamental element of Corporate Governance and a key contributor to ensuring a strong internal control environment. It is an integral part of the management of the Authority in supporting delivery of its objectives and outcomes. Consequently, it is critical that the framework is properly implemented, and this report aims to provide assurance that effective progress is being made.

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 Risk Management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and, where necessary, as part of the strategic risk register.

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 Risk Management and Business Continuity are key elements in ensuring that the Council continues to perform its statutory functions and legal obligations.

10.0 Risk Management

10.1 This report relates to overall risk management.

11.0 Background

11.1 Objectives

The objectives of the Risk Management Strategy are to:

1. Embed risk management into the ethos, culture, policies and practices of the Council.

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

3. Manage risk in accordance with all statutory and best practice requirements.

4. Ensure that risk management is a key and effective contributor to corporate governance and the Annual Governance Statement.

5. Clearly identify roles and responsibilities and ensure that all parties understand how they should contribute to the effective management of risk.

6. Ensure that risk management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

11.2 The Corporate Risk Management Group (CRMG) (see Appendix 1) is the group which is responsible for implementing the agreed strategy, with Internal Audit supporting and coordinating the activities of the group. CRMG is chaired by the Head of Policy and Performance, and comprises senior officers representing each of the Directorates and Services, as well as the Portfolio Holder for Performance and Capacity. This group has met on two occasions since July 2009 and has developed an initial Strategic Risk Register, which is attached to this report (see Appendix 2). Each senior officer is also responsible for coordinating the

management of risks within their own Directorate/Service. Development of the Strategic Risk Register is an ongoing process, and individual meetings have been held with all members of the CRMG to ensure that each of the risks is clearly defined and evaluated, with mitigating actions clearly specified. Discussions are currently taking place to further develop the current Risk Register, and to ensure that all Strategic Risks are captured.

11.3   A Risk Manager has recently been appointed within Internal Audit, and this manager is working in conjunction with the two Audit Managers to support Services in the development of their Service Risk Registers, in order to ensure a comprehensive and cohesive approach to the identification and management of the risks to achievement of the Council's objectives. Discussions are also underway with the Audit Commission to assist in the embedding of risk and ensure that the process is robust and effective.

11.4   As part of the Council's commitment to risk management, all audit staff have recently been on a risk based auditing course to start to embed the process by which the internal audit plan is based on the key risks of the authority, and, equally, to establish internal audit as a reviewer of the effectiveness of risk management at departmental level.

11.5   A great deal of work has been put into assisting services to establish their risks, include risks in their service delivery plans and to link their performance measures and targets to their risk management plans. Clearly, some of this work, at departmental level, is still in its infancy, but there is a recognition that risk management is integral to overall management and, as service plans develop, this will be further enhanced.

11.6   Strategies and processes relating to Business Continuity Strategy, which help to create a resilient organisation, are an essential element of risk management. Over the past months significant effort has been made in all services to develop business continuity plans to ensure that critical functions can continue to be delivered in an emergency. To date, the focus has been on developing plans for coping with a shortage of staff during the current Flu Pandemic, and services are in a strong position to respond should instances of Swine Flu increase over the coming months. Work is also in progress to adapt these plans to cover other emergencies, which might cause disruptions to service delivery, such as loss of premises, or loss of IT systems. Planning for the Flu Pandemic is currently overseen by the Council's Emergency Management and Response Team, in conjunction with Risk Management and the Joint Cheshire Emergency Planning Team. However, responsibility for monitoring the progress and status of business continuity planning and the Council's level of resilience lies with the Corporate Risk Management Group and a report will be provided to this Committee each quarter as part of the Risk Management Report.

11.7   In order to embed risk management, a series of training sessions are required, which are currently being planned, and further work to link the risk management process to the performance management system is being developed, as the business planning framework is being reviewed and enhanced.
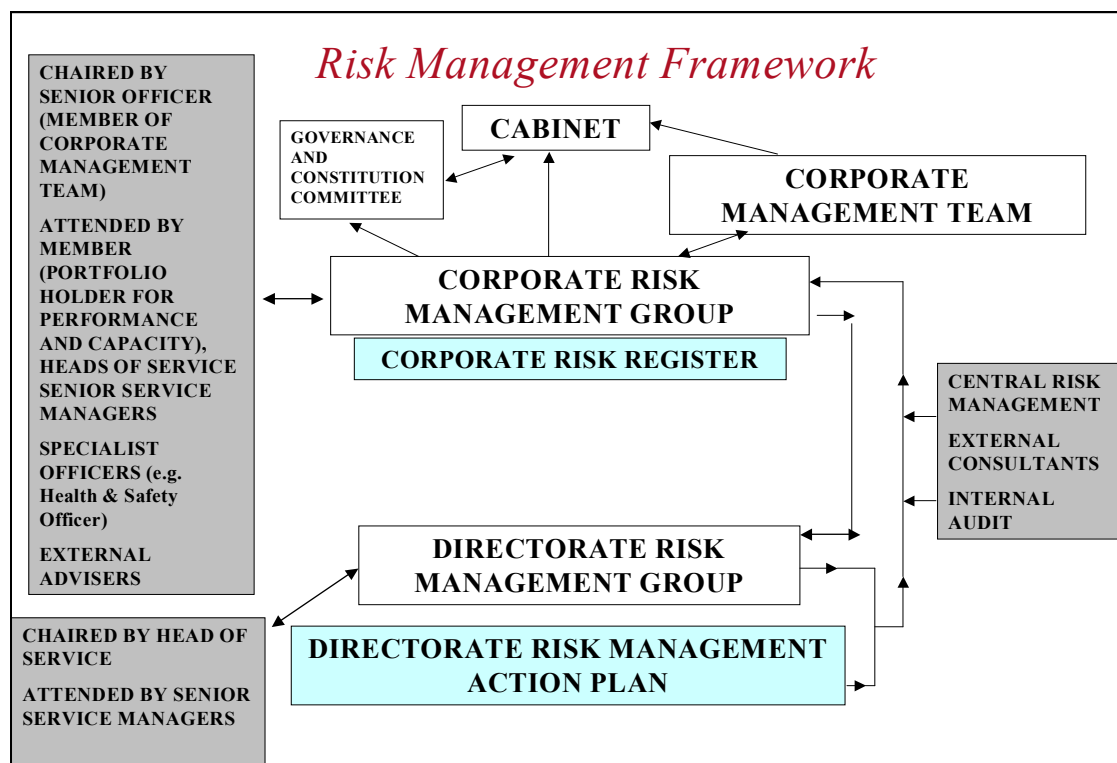
12.0   Overview of Year One and Term One Issues

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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Risk Management Framework

CHAIRED BY
SENIOR OFFICER
(MEMBER OF
CORPORATE
MANAGEMENT
TEAM)

ATTENDED BY
MEMBER
(PORTFOLIO
HOLDER FOR
PERFORMANCE
AND CAPACITY),
HEADS OF SERVICE
SENIOR SERVICE
MANAGERS

SPECIALIST
OFFICERS (e.g.
Health & Safety
Officer)

EXTERNAL
ADVISERS

CHAIRED BY HEAD OF
SERVICE

ATTENDED BY SENIOR
SERVICE MANAGERS

GOVERNANCE
AND
CONSTITUTION
COMMITTEE

CABINET

**CORPORATE
MANAGEMENT TEAM**

**CORPORATE RISK
MANAGEMENT GROUP**

CORPORATE RISK REGISTER

CENTRAL RISK
MANAGEMENT

EXTERNAL
CONSULTANTS

INTERNAL
AUDIT

**DIRECTORATE RISK
MANAGEMENT GROUP**

**DIRECTORATE RISK MANAGEMENT
ACTION PLAN**

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STRATEGIC RISKS AS AT 9th NOVEMBER, 2009

	RISK
TRANSFORMATION	1. Failure to effectively manage the transformation process, resulting in corporate priorities not being delivered.
COMMUNICATIONS	2. Inconsistent and poorly managed communications, resulting in reputational damage to the Authority
SHARED SERVICES	3. Lack of clarity and communication regarding CE needs, and ineffective monitoring of service delivery, leading to non-delivery or shortfall in delivery of CE requirements, and, ultimately, non-delivery of CE services.
SUPPORT SERVICES	4. Failure of Support Services to understand and meet the needs of front-line delivery services as well as corporate requirements, with the result that they provide little added value.
REGULATORY AND COMPLIANCE	5. Failure to develop and implement effective communication, training and monitoring mechanisms, resulting in non-compliance with legislation.
FINANCE	6. Financial constraints and lack of financial information, impacting upon the effective delivery of services.
PARTNERSHIPS	7. Ineffective partnership working, resulting in failure to achieve and deliver agreed benefits.
CULTURE	8. Failure to develop an effective culture and well-managed authority, resulting in low staff morale, loss of staff and poor service delivery.
LOCALISM	9. Failure to achieve effective local area working across the region, with the result that local needs are not identified or addressed.
FLU PANDEMIC	10. Inability of the Authority to respond effectively to a prolonged, sustained and more virulent Flu Pandemic, resulting in a significant reduction in service provision, an increase in costs and/or a reduction in income.

LOCAL DEVELOPMENT FRAMEWORK	11. Failure to achieve the LDF Core Strategy Deadlines, resulting in lack of year 2 Local Area Agreement targets.
CREWE MASTER PLAN	12. Failure to develop a high level vision for Crewe and a business case for major public sector investment, leading to a potential loss of investment and failure to influence the Local Development Framework and the emerging Regional Strategy.
WASTE MANAGEMENT	13. Failure to achieve proposed waste reduction and recycling targets, leading to non-achievement of statutory Landfill Allowance required by Government Landfill Allowance Reduction Scheme, resulting in need to purchase landfill permits, or large fines.
HIGHWAYS	14. Lack of investment in highways network, leading to decline in performance and reduction in value.
PEOPLE	16. Ineffective delivery of strategies for safeguarding children and adults, resulting in harm to service users.
PEOPLE	17. Failure to rebalance and redesign Children's Services, resulting in inability to ensure that services are targeted appropriately for better outcomes.
PEOPLE	18. Adult Services - Failure of Social Care Redesign programme, leading to non-personalised services and failure to control increasing care costs.
PEOPLE	19. Adult Services – Failure of market for external provision
PEOPLE	20. Health and Wellbeing - Failure to target services and exploit opportunities for prevention.
ASSETS	21. Failure to maintain value of property assets, resulting in accommodation which is not fit for purpose and which does not facilitate the delivery of services to the local community in accordance with the objectives set out in the Service Plans.
RELOCATION	22. Failure to effectively manage the relocation process, resulting in low levels of staff morale, high turnover and poor service delivery.