

Audit and Governance Committee

Agenda

Date: Thursday 24th September 2015
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 disclosable pecuniary and non-pecuniary interests in any item on the agenda.

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

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the body in question.

Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

It is not required to give notice of the intention to make use of public speaking provision, however, as a matter of courtesy, a period of 24 hours notice is encouraged.

For requests for further information

Contact: Cherry Foreman

Tel: 01270 686463

E-Mail: cherry.foreman@cheshireeast.gov.uk with any apologies

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

To approve as a correct record the minutes of the meeting held on 25 June 2015

5. **External Audit Findings Report 2014/15**

To follow.

6. **2014/15 Audit Findings and Action Plan**

To follow.

7. **Audited Statement of Accounts 2014/15**

To follow.

8. **Treasury Management Annual Report 2014/15** (Pages 7 - 26)

To note this report due to be considered by the Cabinet at its meeting on 29 September 2015.

9. **Annual Governance Statement 2014/15** (Pages 27 - 62)

To approve the Annual Governance Statement 2014/15 for signature by the Leader of the Council and the Chief Executive

10. **Report on Customer Feedback - Complaints, Compliments and the Local Ombudsman** (Pages 63 - 78)

To note this report and to make any further response as appropriate.

11. **Members Code of Conduct Standards Report** (Pages 79 - 84)

To note the numbers and outcomes of complaints under the Code of Conduct for Members between 1 March 2015 to the end of August 2015

12. **Review of Standards Arrangements for Dealing with Code of Conduct Complaints** (Pages 85 - 130)

To review the standards arrangements for dealing with Code of Conduct complaints

13. **Appointment of Independent Persons under the Localism Act 2011** (Pages 131 - 150)

To approve a procedure for the recruitment of three Independent Persons to Cheshire East Council

14. **Committee Work Programme** (Pages 151 - 166)

To consider the Work Plan for the coming months, and to make any changes to it considered necessary

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 25th June, 2015 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor L Smetham (Chairman)

Councillors C Andrew, G Baxendale, S Corcoran, R Fletcher, M Hardy,
M Simon and A Stott.

Councillors in attendance:

Councillors S Gardner, P Groves and A Moran.

Officers in attendance:

Peter Bates – Chief Operating Officer

Anita Bradley – Head of Legal Services and Monitoring Officer

Andrew North – Corporate Manager: Governance and Audit

Jon Robinson – Audit Manager

Judith Tench – Head of Corporate Resources and Stewardship

Alex Thompson – Corporate Manager Strategy and Reporting

Jo Wilcox – Corporate Finance Manager

Cherry Foreman – Democratic Services Officer

External Auditor (Grant Thornton)

Allison Rhodes

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Kolker and
D Marren.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PUBLIC SPEAKING TIME/OPEN SESSION

No members of the public wished to speak.

4 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 19 March 2015 be approved as a
correct record.

5 INTRODUCTION TO THE WORK OF THE COMMITTEE

The Chief Operating Officer introduced the Terms of Reference of the Committee and of its Sub-Committees, as set out in the Constitution. He reported that they had been updated a year ago and would continue to be reviewed to ensure they reflected the advice and guidance of bodies such as CIPFA.

The Committee was asked to agree to the inclusion of behaviour and performance in the Terms of Reference; this would require the approval of both the Constitution Committee and Council.

RESOLVED

That the Terms of Reference be noted and that approval be given to the proposal to include behaviour and performance.

6 EXTERNAL AUDIT UPDATE REPORT

Consideration was given to the update report from Grant Thornton on their work as External Auditors for the year ended 31 March 2015. Details were given of the work to be carried out as part of the statutory audit of the Council's financial statements and arrangements for securing value for money; it also included a summary of emerging national issues and developments relevant to the Council.

In response to questions from Members clarification was given as to when it would or would not be acceptable for any recommendations not being implemented by the due date; also that accounting for schools still required judgements to be made on whether to include non current assets for voluntary aided and voluntary controlled schools on the Council's balance sheets, this being the clearest guidance to date on the subject.

RESOLVED

That the update be noted.

7 INTERNAL AUDIT ANNUAL REPORT 2014/15

The Corporate Manager Governance and Audit presented a report on his opinion on the overall adequacy and effectiveness of the Council's control environment for 2014/15, which had been timed to support the Annual Governance Statement (AGS) in accordance with the requirements of the Public Sector Internal Audit Standards.

The opinion could be seen in full on page 4 of the Internal Audit Annual Report and it was confirmed that adequate management arrangements were in place to ensure that services were delivered, and that agreed savings proposals were being realised, against a background of transformation as part of the agenda to become a commissioning Council.

With reference to the implementation recommendations and agreed deadlines it was confirmed that in the event of a recommendation no longer being appropriate, due for example to wider structural change, then a more appropriate action was agreed with managers. It was, however, confirmed that changes of management structure were not an acceptable reason for deadlines not being met.

RESOLVED

- 1 That the Internal Audit Annual Report 2014/15 be noted.
- 2 That the Corporate Manager: Governance and Audit opinion on the Council's framework for 2014/15 be noted.

8 DRAFT ANNUAL GOVERNANCE STATEMENT 2014/15

Consideration was given to the draft Annual Governance Statement (AGS), explaining how the Council makes its decisions, manages its resources and promotes values and high standards of conduct and behaviour; the final AGS would be considered by the Committee at its meeting in September.

In February 2013 the Council had set out its three year plan to become a strategic commissioning council, the focus of which was to deliver sustainable, cost effective, services needed by residents and businesses. It was reported that the Council continued to develop its governance framework as it delivered its transformation programme. There were robust monitoring and reporting processes which included reference to controls where significant activities took place through a group entity including companies that the Council owned or part owned.

In response to points raised concerning some of the explanatory wording in the report the Committee was advised that considerable efforts had been made to be as succinct as possible and that the points raised would be looked at further.

The Chief Operating Officer, as the Council's Section 151 Officer, endorsed the Internal Auditor's opinion on the Council's control environment that *'The Councils framework of risk management, control and governance is assessed as adequate for 2014/15.'*

RESOLVED

That the draft Annual Governance Statement be noted and the final statement be considered by the Committee at its meeting on 24 September 2015 prior to its publication on the Council's website.

9 PRE AUDIT STATEMENT OF ACCOUNTS 2014/15

The Committee considered the draft Pre-Audit Statement of Accounts 2014/15 due to be published on the Council's website on 1 July 2015 along with the Annual Governance Statement; the external audit of the accounts would then begin and run until the end of September. This was the first year that group financial statements had been prepared, reflecting the major step forward in the way services were now managed, with the financial statements being a mixture of wholly and jointly owned subsidiary private interests.

It was reported that the financial statements showed an improving financial position despite targeted reductions in expenditure, and the overall financial health, performance and reliance were strong. The report highlighted a number of operational highlights and gave a resume of the headline messages which would help the Committee in advance of the formal responsibility to approve the accounts at its next meeting.

The Committee received a presentation from the Corporate Manager Strategy and Reporting and had the opportunity to ask questions and seek clarification on the balance sheets.

RESOLVED

That the summarised position of the accounts for the year ended 2015, and the publication dates, be noted.

10 WHISTLEBLOWING ARRANGEMENTS

The Head of Legal Services submitted an update report on the effectiveness of the Council's whistleblowing arrangements and a breakdown of the number of reports received during 2014/15. The Policy was intended to encourage and enable all staff to raise serious concerns within the organisation rather than not doing so for fear of being disloyal to colleagues or the organisation, or due to fear of harassment or victimisation.

The policy had been subject to regular review since it was first approved in 2008, it had last been updated in 2014, and would continue to be reviewed as an ongoing exercise. Seven whistleblowing reports had been received during 2014/15 and the report gave the investigation results. In each case sufficient information had been given to allow an investigation to be carried out and all appeared to be the result of genuine unease.

There had been a recent article in the Council's internal news 'Team Talk' to raise staff awareness. It was acknowledged, however, that it was impossible to know to what extent staff concerns went unreported although the existence of some reports could be taken as evidence that the Policy was understood and used.

RESOLVED

That the report be noted and the ongoing review of the Council's whistleblowing arrangements be endorsed.

11 CODE OF CORPORATE GOVERNANCE REVIEW AND UPDATE

(Councillor Margaret Simon left the meeting during discussion of this item and did not return.)

The Committee considered this report as part of its continuing responsibility for reviewing the Council's corporate governance arrangements. In promoting the principles of accountability and effective governance it provided stakeholders with greater awareness of its arrangements and clarity on the expected principles and behaviours to which the Council operated.

The Code had first been approved in 2009 and reviewed annually to reflect best practice and organisational change, and to be consistent with the CIPFA/SOLACE Framework. A major change had been the inclusion of evidence sources which then highlighted the various systems, policies and processes which demonstrated how the Council complied and fulfilled the requirements of its Code.

RESOLVED

That the revised Council's Code of Corporate Governance be noted.

12 OMBUDSMAN COMPLAINTS

The Corporate Manager: Governance and Audit gave a presentation on the arrangements for responding to the Local Government Ombudsman (LGO). He explained the process from when a resident first approached the LGO through to the issuing of a decision notice and final public report on the outcome of the investigation. Under the procedure the Council was given 28 days in which to consider and respond to the provisional view of the LGO.

Specific reference was made to a complaint concerning the green waste collection in 2013/14 and to the lessons to be learned and taken forward from this particular case. The Committee was assured that the need to consider fully the provisional view of the LGO had now been highlighted to colleagues by the compliance team and training given to ensure this happened.

RESOLVED

That the presentation, and the revised arrangements for considering the provisional view of the Local Government Ombudsman, be noted.

13 **WORK PLAN**

Consideration was given to the Committees Work Plan, and to membership of its various Member/Officer Working Groups. It was noted that the Work Plan needed to take into account that the Accounts and Audit Regulations 2015 revoked those for 2011, although they continued to have effect in relation to financial years ending on or before 31 March 2015.

It was agreed that the Working Groups should continue as they provided continuity of membership and in depth knowledge to be acquired in their areas. Members were invited to contact the Corporate Manager: Governance and Audit in respect of any areas in which they had particular interest, knowledge, expertise.

In considering the Work Plan discussion took place on the recent general/local elections count process. The Chief Operating Officer indicated that a review of the election arrangements was being dealt with elsewhere.

RESOLVED

That the Work Plan and updated membership of the Member/Officer Work Groups be considered further at the next meeting of the Committee.

The meeting commenced at 2.00 pm and concluded at 4.45 pm

Councillor L Smetham (Chairman)

CHESHIRE EAST COUNCIL

REPORT TO: AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 24th September 2015
Report of: Chief Operating Officer
Subject/Title: Treasury Management Annual Report 2014/15
Portfolio Holder: Councillor Peter Groves

1.0 Report Summary

1.1 The Treasury Management Policy requires regular reporting on the performance of the Council's treasury management operation.

1.2 This report contains:

- The Annual Report for 2014/15 to be considered by Cabinet on 29th September 2015 (Appendix A).

2.0 Decision Requested

2.1 To note the Treasury Management Annual Report for 2014/15 as detailed in Appendix A.

3.0 Reasons for Recommendations

3.1 To meet the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

4.0 Wards Affected

4.1 Not applicable

5.0 Local Ward Members

5.1 Not applicable

6.0 Policy Implications

6.1 None

7.0 Implications for Rural Communities

7.1 None

8.0 Financial Implications (Authorised by the Chief Operating Officer)

8.1 Contained within the report.

9.0 Legal Implications (Authorised by the Head of Legal Services)

9.1 As noted in paragraph C47 of the Finance and Contract Procedure Rules in the Council's Constitution, the Council has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities* as this is recognised as the accepted standard for this area. C47 to C52 provide further information relating to treasury management practice, and the Code itself will have been developed and based upon relevant legislation and best practice. This report is presented to Cabinet under rule C52.

10.0 Risk Management

10.1 The Council operates its treasury management activity within the approved Treasury Management Code of Practice and associated guidance.

10.2 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy as no treasury management activity is without risk. The aim is to operate in an environment where risk is clearly identified and managed.

10.3 To reduce the risk that the Council will suffer a loss as a result of its treasury management activities down to an acceptable level a number of risk management procedures have been put in place. The procedures cover liquidity risk, credit and counterparty risk, re-financing risk, legal and regulatory risk, and fraud, error and corruption risk. These are referred to within the borrowing and investment strategies, prudential indicators and the Treasury Management Practices Principles and Schedules.

10.4 The arrangements for the identification, monitoring and controlling of risk will be reported on a regular basis in accordance with the Strategy.

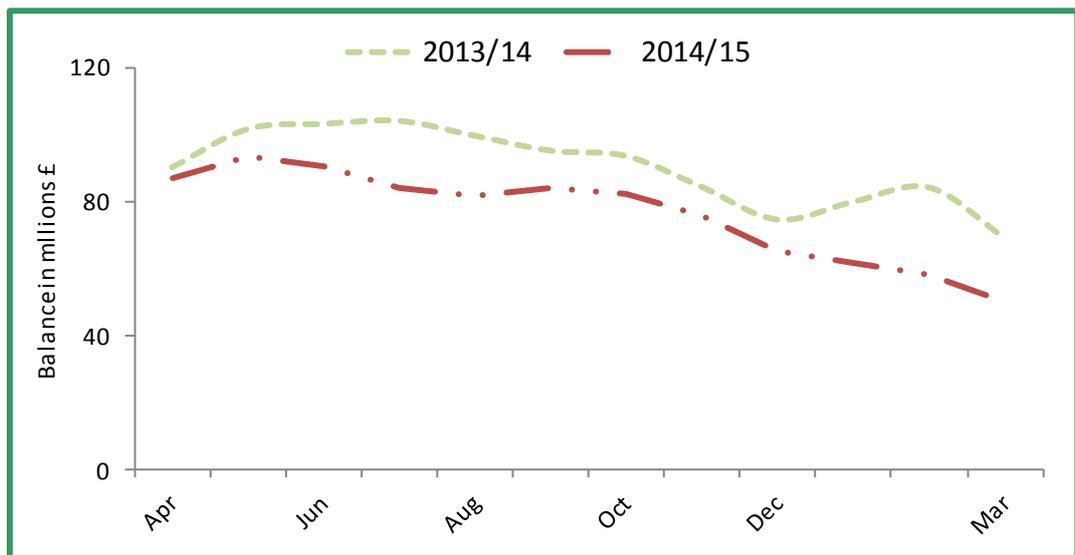
11.0 Background and Options

11.1 The Treasury Management Strategy for 2014/15 was approved by Council on 27th February 2014. Progress reports have been provided to Cabinet throughout the year as part of the Quarterly Financial and Performance Update Reports.

11.2 The Council complied with its legislative and regulatory requirements and remained within all of its Prudential Indicators during the year, further details are provided in Annex 1.

- 11.3 With current interest rates offering low investment returns relative to the cost of raising new long term loans the Council has maintained its overall strategy of using existing cash balances to fund the 2014/15 capital programme.
- 11.4 Cash balances remained stable throughout the year. The average lend position (the 'cash balance') for 2014/15 was £76.3m, (£89.6m in 2013/14).

Chart 1 – Average monthly cash balances available for investment

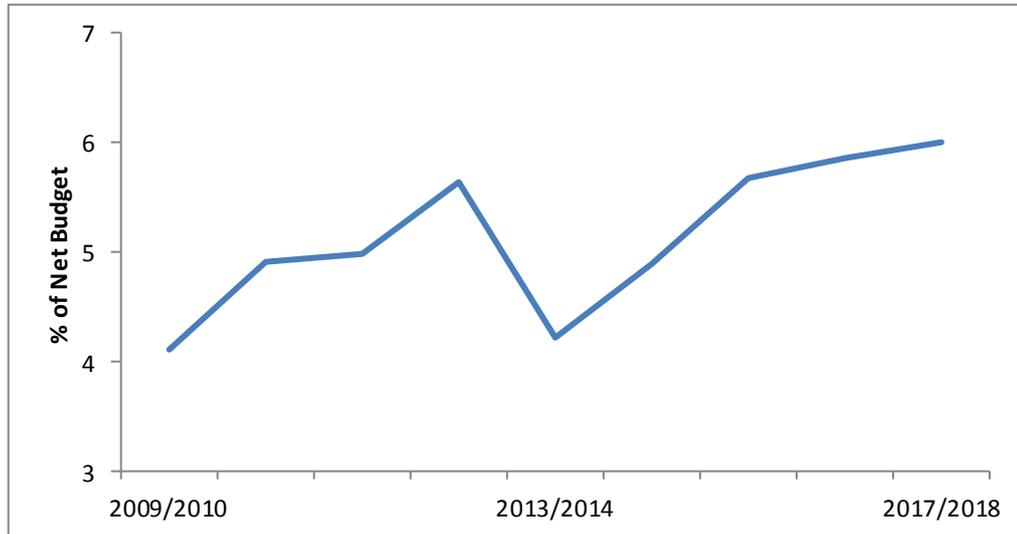


Source: Cheshire East Finance

- 11.5 Actual capital expenditure totalled £101.5m compared to the revised in-year budget of £132.7m. Some of the planned spending for 2014/15 has been re-profiled into 2015/16 and future years to ensure the Council maximises external investment and capital receipts opportunities; thereby reducing the level of the borrowing requirement in the future and the impact on the revenue budget.
- 11.6 The capital programme for 2015/18 is intentionally aspirational, reflecting the Council's priority to put Residents First and to promote local growth. To support this ambition the Council will pursue additional external funding, private sector investment and capital receipts. This approach allows flexibility, so that schemes can be phased, reviewed and if necessary put on hold until the resources required are identified and secured, or alternatively, brought on stream to take advantage of funding and market opportunities as they arise. Cheshire East resources will be utilised accordingly to allow flexibility within the programme.
- 11.7 The Council has set itself a limit of c£14m in relation to capital financing charges. This relates to the revenue charges associated with the amount of borrowing taken out. For example, for every additional £10m of borrowing the authority enters into, the

capital financing charges increase by £0.800m. The forecast for capital financing costs as a % of the net revenue budget is demonstrated in the chart below.

Chart 2: The cost of borrowing as a percentage of net budget



Source: Cheshire East Finance

11.8 The Council continues to reduce its overall level of external debt as no new external borrowing was undertaken and PWLB loans of £8.5m were repaid in year.

11.9 Other key points to note for 2014/15 are:

- The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates also remained at consistently low levels.
- Following a period of disappointing returns, the £20m investments in the managed pooled funds were withdrawn in October 2014. This was replaced with an initial investment of £5m in the CCLA property fund and a further £5m invested in Covered Bonds
- Started in January and continuing throughout 2015, a series of regulatory changes are being applied to banks to reduce the likelihood of them getting into financial difficulties. However, the same legislation means that if they do have a problem then the impact on Local Authority investments (chance of loss) will be worse. This is known as 'Bail-in' risk and to mitigate this the Council has made use of alternative investments, particularly covered bonds which are backed up by collateral
- During 2014 there was some uncertainty as to how the banking regulatory changes would affect the credit worthiness of banks. This meant that the maximum maturity period for new investments was kept shorter, in many cases reduced from 1 year to 6 months.
- Following a retendering exercise, the Council's merchant card services are in the process of being switched to Lloyds Bank.

11.10 This annual treasury report, detailed in Appendix A covers the:

- Council's capital expenditure and financing during the year;
- Impact of this activity on the Council's underlying Capital Financing Requirement (CFR);
- Treasury position at 31st March 2015 identifying how the Council has borrowed in relation to the CFR and the impact on investment balances;
- Economic factors;
- Detailed investment and debt activity;
- Reporting of the required prudential and treasury indicators.

12.0 Access to Information

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

Name:	Joanne Wilcox
Designation:	Corporate Finance Manager
Tel No:	01270 685869
Email:	joanne.wilcox@cheshireeast.gov.uk

This page is intentionally left blank

Treasury Management Annual Report 2014/15



Introduction

Treasury management is defined as: “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1. Treasury Year End Position

The amount of investments outstanding at 31st March 2015 was £47.7m (compared to £61.1m as at 31 March 2014) as follows:

	31/03/14	31/03/15
	£m	£m
UK BANKS		
Barclays Bank	5.0	5.2
Lloyds TSB	3.0	2.0
Santander (UK)	5.3	-
Close Bros	3.0	-
Standard Chartered Bank	2.0	-
FOREIGN BANKS		
Deutsche Bank (Germany)	-	6.0
Svenska Handelsbanken (Sweden)	-	5.0
BUILDING SOCIETIES		
Nationwide Building Society	2.0	5.0
Yorkshire BS (Covered Bond)	-	5.0
Coventry Building Society	-	1.0
Cumberland Building Society	-	1.0
Leeds Building Society	-	1.0
MONEY MARKET FUNDS		
Federated Investors	5.9	3.9
Morgan Stanley	4.5	3.5
IGNIS	7.6	2.5
Aberdeen Asset (formerly Scottish Widows)	1.5	1.6
Deutsche	0.9	-
MANAGED FUNDS		
Property Funds	-	5.0
Investec – Pooled Funds	20.4	-
TOTAL	61.1	47.7

The net investment income received in 2014/2015 after allowing for fees and interest due to the Growing Places fund was £1.1m. This is favourable compared to the budget of £200,000. However, this includes the full realised income from the sale of our externally managed investments of which £417,000 relates to previous years.

The overall average rate of interest on all investments in 2014/15 was 0.74% compared to the benchmark 7 day LIBID average return of 0.44%. The base rate remained at 0.50% for the full year.

Investment income forms part of the capital financing budget, which also includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. The capital financing budget for 2014/15 was £12.4m which accounts for 4.9% of the Council's total revenue budget. Additional investment income and lower external interest charges contributed to a £1.8m underspend on capital financing which has been transferred to reserves for funding future capital expenditure.

We will continue to monitor performance during 2014/15 through the benchmarking service provided by the Council's Treasury Management Advisors, Arlingclose.

2. Interest Rates and Prospects for 2014/15

The Councils' treasury advisors, as part of their service assisted in formulating a view on interest rates. However, there has been no change to the bank base rate since March 2009.

3. Compliance with Treasury Limits

During the financial year the Councils' operated within the treasury limits and Prudential Indicators set out in the Councils' Treasury Policy Statement and annual Treasury Strategy Statement (see section 7).

4. Investment Strategy for 2014/15

The Council had regard to the DCLG Guidance on Local Government Investments ("the Guidance") issued in March 2004 (revised in 2010) and the revised CIPFA Treasury Management Code and the revised Prudential Code ("the CIPFA TM Code").

Investment instruments identified for use in the financial year are set through the Councils' Treasury Management Strategy Statement and Investment Strategy. Different limits apply to counterparties based on a range of credit criteria which governs the maximum amount and the maximum maturity periods of any investments. This is kept under continual review with institutions added or removed from our list of counterparties during the year dependent on their qualification according to the credit criteria measures.

Investment Objectives

All investments were in sterling. The general policy objective of the Council was the prudent investment of its treasury balances. The Councils' investment priorities are the security of capital and liquidity of its investments.

The Council aimed to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The DCLG maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Credit Risk

Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.

The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and credit rated building societies this has been set at 10% of our total investments subject to a maximum value of £10m (now revised to £5m). These limits apply to the banking group that each bank belongs to.

Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 25% of total investments per fund although operationally this is limited to 10% in line with updated guidance. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments. Due to their smaller size, unrated Building Societies have a limit of £1m each.

Counterparty update

The European Parliament approved the EU Bank Recovery and Resolution Directive (BRRD) on April 15, 2014. Taking the view that potential extraordinary government support available to banks' senior unsecured bondholders will likely diminish, over 2014-15 Moody's revised the Outlook of several UK and EU banks from Stable to Negative (note, this is not the same as a rating review negative) and S&P placed the ratings of UK and German banks on Credit Watch with negative implications, following these countries' early adoption of the bail-in regime in the BRRD.

The Bank of England published its approach to bank resolution which gave an indication of how the reduction of a failing bank's liabilities might work in practice. The Bank of England will act if, in its opinion, a bank is failing, or is likely to fail, and there is not likely to be a successful private sector solution such as a takeover or share issue; a bank does not need to be technically insolvent (with liabilities exceeding assets) before regulatory intervention such as a bail-in takes place.

In October following sharp movements in market signals driven by deteriorating global growth prospects, especially in the Eurozone, Arlingclose advised a reduction in investment duration limits for unsecured bank and building society investments to counter the risk of another full-blown Eurozone crisis. Durations for new unsecured investments with banks and building societies which were previously reduced. Duration for new unsecured investments with some UK institutions was further reduced to 100 days in February 2015.

The outlawing of bail-outs, the introduction of bail-ins, and the preference being given to large numbers of depositors other than local authorities means that the risks of making unsecured deposits rose relative to other investment options. The Council therefore increasingly favours secured investment options or diversified alternatives such as covered bonds, non-bank investments and pooled funds over unsecured bank and building society deposits.

Liquidity

In keeping with the CLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds / overnight deposits/ the use of call accounts.

Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates also remained at very low levels which continue to have an impact on investment income.

Use of External Fund Managers

During 2014/15 the Council completed the planned withdrawal from Investec and redeemed its £20m investment. Alternative investments have since made including the CCLA Property Fund.

CCLA manage charity and public sector client investments and are regulated by the Financial Conduct Authority (FCA). Its clients include charities, churches and faith groups, local authorities and other public sector bodies.

The Local Authorities' Property Fund is a diversified commercial and industrial property portfolio available to all local authorities. It is suitable where long term funds are available to invest to achieve an attractive income and capital growth over time.

The Council invested £5m into the fund in October 2014. At close of business the value of the fund was £4,997,649 this is due to the difference in the purchase price of the units and the current selling price, there is normally a 7% difference between the two.

The dividends received in the five months to 31 March 2015, amount to £100k, an average rate of 4.8% return. This compares to the rest of the Council's investments, where the average return is currently forecast at around 1%.

CCLA also manage a Public Sector Deposit Fund (PSDF) which the Council uses as an instant access account with returns of around 0.4%.

A further investment of £2.5m has been made in the Property Fund in 2015.

5. Borrowing strategy

At the end of the year 2014/15 the Council had debt outstanding of £114.4m. Of this £17m represented loans raised from commercial banks whilst £97.4m represented loans from the PWLB.

The Council's capital financing requirement (CFR) currently exceeds the amounts actually borrowed with the shortfall being funded from cash balances.

In accordance with the Treasury Management Strategy the Council sought to finance its capital expenditure through the use of its own existing cash balances rather than through the raising of long term loans. The benefits of this are twofold; firstly by reducing the amount of cash balances held by the Council it reduces the credit risk and secondly, the interest foregone on the cash balances use to finance capital expenditure payments was less than the amount of interest payable on any new loans that would have been raised.

6. Economic events of 2014/15

The robust pace of GDP growth of 3% in 2014 was underpinned by a buoyant services sector, supplemented by positive contributions from the production and construction sectors. Resurgent house prices, improved consumer confidence and healthy retail sales added to the positive outlook for the UK economy given the important role of the consumer in economic activity.

Annual CPI inflation fell to zero for the year to March 2015, down from 1.6% a year earlier. The key driver was the fall in the oil price (which fell to \$44.35 a barrel a level not seen since March 2009) and a steep drop in wholesale energy prices with extra downward momentum coming from supermarket competition resulting in lower food prices. Bank of England Governor Mark Carney wrote an open letter to the Chancellor in February, explaining that the Bank expected CPI to temporarily turn negative but rebound around the end of 2015 as the lower prices dropped out of the annual rate calculation.

The UK labour market continued to improve and remains resilient across a broad base of measures including real rates of wage growth. January 2015 showed a headline employment rate of 73.3%, while the rate of unemployment fell to 5.7% from 7.2% a year earlier. Comparing the three months to January 2015 with a year earlier, employee pay increased by 1.8% including bonuses and by 1.6% excluding bonuses.

The Bank of England's MPC maintained interest rates at 0.5% and asset purchases (QE) at £375bn. Its members held a wide range of views on the response to zero CPI inflation, but just as the MPC was prepared to look past the temporary spikes in inflation to nearly 5% a few years ago, they felt it appropriate not to get panicked into response to the current low rate of inflation. The minutes of the MPC meetings reiterated the Committee's stance that the economic headwinds for the UK economy and the legacy of the financial crisis meant that increases in the Bank Rate would be gradual and limited, and below average historical levels.

Political uncertainty had a large bearing on market confidence this year. The possibility of Scottish independence was of concern to the financial markets, however this dissipated following the outcome of September's referendum.

Gilt Yields and Money Market Rates: From July, gilt yields were driven lower by a combination of factors: geo-political risks emanating from the Middle East and Ukraine, the slide towards deflation within the Eurozone and the big slide in the price of oil and its transmission though into lower prices globally. 5-, 10- and 20-year gilt yields fell to their lows in January (0.88%, 1.33% and 1.86% respectively) before ending the year higher at 1.19%, 1.57% and 2.14% respectively.

7. Prudential Indicators 2014/15

The Council can confirm that it has complied with its Prudential Indicators for 2014/15, approved on 27th February 2014 as part of the Council's Treasury Management Strategy Statement. Details can be found in Annex 1.

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2014/15. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Annex 1**Prudential Indicators 2014/15 and revisions to 2015/16 – 2017/18****1. Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.

The Chief Operating Officer reports that the Authority had no difficulty meeting this requirement in 2014/15, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Capital Expenditure:

- 3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2014/2015	2015/2016	2016/2017	2017/2018	Future years
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Total	101.5	153.4	114.3	110.5	92.7

Source: Cheshire East Finance

3.2 Capital expenditure has been and will be financed or funded as follows:

Capital Financing	2014/2015	2015/2016	2016/2017	2017/2018	Future years
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Capital receipts	4.4	17.0	23.0	24.0	20.0
Government Grants	55.7	42.0	50.8	61.3	56.6
External Contributions	9.5	15.8	19.4	6.9	15.7
Revenue Contributions	1.5	3.6	0.2	0.0	0.0
Total Financing	71.2	78.4	93.4	92.1	92.2
Prudential Borrowing	30.3	75.0	20.9	18.4	0.5
Total Funding	30.3	75.0	20.9	18.4	0.5
Total Financing and Funding	101.5	153.4	114.3	110.5	92.7

Source: Cheshire East Finance

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Estimate	Estimate	Estimate
	%	%	%	%
Total	4.90	5.68	5.86	6.00

Source: Cheshire East Finance

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital	2014/2015	2015/2016	2016/2017	2017/2018
Financing Requirement	Actual £m	Estimate £m	Estimate £m	Estimate £m
Total	229	261	253	260

Source: Cheshire East Finance

6. Actual External Debt:

- 6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2015	£m
Borrowing	114
Other Long-term Liabilities	39
Total	153

Source: Cheshire East Finance

7. Incremental Impact of Capital Investment Decisions:

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2015/2016 Estimate £	2016/2017 Estimate £	2017/2018 Estimate £
Band D Council Tax	16.28	23.51	0

8. Authorised Limit and Operational Boundary for External Debt:

- 8.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its

proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

8.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.5 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Authorised Limit for Borrowing	239	275	265	270
Authorised Limit for Other Long-Term Liabilities	39	39	38	36
Authorised Limit for External Debt	278	314	303	306
Operational Boundary for Borrowing	229	265	255	260
Operational Boundary for Other Long-Term Liabilities	39	39	38	36
Operational Boundary for External Debt	268	304	293	296

Source: Cheshire East Finance

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

- 10.1 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).
- 10.2 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

	Existing level (or Benchmark level) at 31/03/2015	2015/2016 Estimate	2016/2017 Estimate	2017/2018 Estimate
		%	%	%
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	0%	100%	100%	100%

Source: Cheshire East Finance

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority’s treasury management strategy.

11. Maturity Structure of Fixed Rate borrowing:

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
- 11.3 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs are can be called within 12 months the upper limit for borrowing maturing within 12 months is relatively high to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2015/16.

Maturity structure of fixed rate borrowing	Level as at 31 st March 2015(based on Current Borrowing)	Lower Limit for 2015/2016	Upper Limit for 2015/2016
	%	%	%
under 12 months	22%	0%	35%
12 months and within 24 months	5%	0%	25%
24 months and within 5 years	16%	0%	35%
5 years and within 10 years	4%	0%	50%
10 years and within 20 years	23%	0%	100%
20 years and within 30 years	7%	0%	100%
30 years and within 40 years	14%	0%	100%
40 years and within 50 years	9%	0%	100%
50 years and above	0%	0%	100%

12. Credit Risk:

12.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

12.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

12.3 The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

12.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

This page is intentionally left blank

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 24th September 2015
Report of: Corporate Assurance Group
Title: Annual Governance Statement (AGS) 2014-15
Portfolio Holder: Councillor Peter Groves

1.0 Report Summary

- 1.1 The purpose of the report is for the Committee to approve the Annual Governance Statement 2014/15 for signature by the Leader of the Council and the Chief Executive. Once approved, the AGS will accompany the Statement of Accounts and be published on the Council's website.
- 1.2 There is a strong correlation between effective governance and effective service delivery. The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority. This report and Appendix A are the results of that review.
- 1.3 The Council's assessment of its governance arrangements for 2014/15 has not identified any significant issues. (The CIPFA/SOLACE Good Governance Framework defines *significant issues* as those issues which may prevent the Council from achieving its vision.).
- 1.4 The AGS for 2014/15 summarises the Council's progress made in managing:
- the small number of governance issues first raised in 2013/14;
 - issues identified in the 2013/14 AGS as requiring further attention; and
 - emerging issues, identified during 2014/15, which require further attention to ensure they do not become significant governance issues in future, for example public sector reform and information governance,

2.0 Recommendation

- 2.1 That the Committee approves the Annual Governance Statement 2014-15.

3.0 Reasons for Recommendation

- 3.1 In accordance with the Accounts and Audit Regulations (2011), the Annual Governance Statement should be approved by Members of the Council meeting as a whole, or by a Committee, in this case the Audit and Governance Committee, at the same time as the Statement of Accounts is approved and no later than 30 September 2015.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 None.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

- 7.1 There are no specific financial implications. The production of the AGS aligns with the production of the Annual Accounts and is published alongside the audited accounts (approved by the end of September 2015).

8.0 Legal Implications (Authorised by the Head of Legal Services)

- 8.1 The production of the AGS is required by the Accounts and Audit Regulations 2011.
- 8.2 The Accounts and Audit regulations 2015 revoke the Accounts and Audit Regulations 2011 (S.I. 2011/817) although those regulations continue to have effect in relation to financial years ending on or before 31st March 2015. Therefore the AGS 2014/15 must fulfil the requirements of the Accounts and Audit Regulations 2011.
- 8.3 Statements for future years will be completed to fulfil the requirements of the Accounts and Audit regulations 2015; these requirements will be considered in due course by the Audit and Governance Committee.

9.0 Risk Assessment

- 9.1 The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations 2011. Failure to do so could result in non-compliance with the requirements of the Regulations.

10.0 Background and Options

- 10.1 As previously reported to the Audit and Governance Committee, the Council is required to prepare and publish an Annual Governance Statement (AGS). This requirement was introduced by the revised CIPFA/SOLACE Good Governance Framework (Delivering Good Governance in Local Government) and is necessary to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations 2011.
- 10.2 At the last meeting in June, the Committee considered the draft Annual Governance Statement. The AGS has been amended to take account of Members feedback from that meeting, and also any feedback received in the interim period from Members, Officers and the External Auditors. The AGS action plan has also been updated to be as current as possible.
- 10.3 Once finalised, the AGS will be published on the Council's website, along with the Statement of Accounts, for members of the public, Members, Officers and other stakeholders to view.

11.0 Access to information

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

Name: Peter Bates

Designation: Chief Operating Officer

Tel No: 01270 686013

Email: peter.bates@cheshireeast.gov.uk

This page is intentionally left blank

Annual Governance Statement

2014/15

Version Status: Proposed Final

Version Date: 24th September 2015

1. Executive Summary and Approval

- 1.1. Each year, the Council produces an Annual Governance Statement that explains how it manages its corporate governance arrangements, makes decisions, manages its resources and promotes values and high standards of conduct and behaviour.
- 1.2. The Annual Governance Statement reports on:
 - how the Council complies with its own governance arrangements;
 - how the Council monitors the effectiveness of the governance arrangements;
 - what improvements or changes in governance arrangements are proposed during the forthcoming year.
- 1.3. The Chief Operating Officer, as the Council's Section 151 Officer, has reviewed this statement together with the more detailed assessments that support its conclusions. He endorses the Internal Auditor's opinion on the Council's control environment:

The Council's framework of risk management, control and governance is assessed as adequate for 2014/15.

- 1.4. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 1.5. Our assessment of the effectiveness of our governance arrangements for 2014/15 has not identified any significant governance issues. We propose over the coming year to take all appropriate action to address the matters outlined in this Statement and any other issues to further enhance our overall governance and stewardship arrangements. We are satisfied that our plans will address the improvement areas identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.

Cllr Michael Jones
Leader, Cheshire East Council

Mike Suarez
Chief Executive, Cheshire East Council

2. Introduction and Background to the 2014/15 Annual Governance Statement

- 2.1. Corporate Governance generally refers to the processes by which organisations are directed, controlled, led and held to account. Cheshire East Council is committed to embedding and achieving a robust set of corporate governance arrangements. The Council is managed within arrangements set out in its Constitution. The Constitution outlines how the Council operates, how decisions are made and what procedures need to be followed to ensure it is efficient, transparent and accountable to its residents and stakeholders.
- 2.2. Like much of the public sector the Council continues to face on-going and unprecedented financial and service delivery challenges. Challenging decisions have been, and will continue to be made to remodel and redesign services that meet the needs of the residents of Cheshire East.
- 2.3. However, this process is not without risks to the Council and all changes will need to be managed in a structured and co-ordinated manner. Having a focus on governance issues, including processes for review and challenge within the Council will help it to manage risk and make the right decisions.
- 2.4. The Council has also reaffirmed its commitment to becoming a strategic commissioning council. An ambitious but measured approach has been taken to achieving the Council's aims whilst effectively dealing with the challenges of public sector budget reductions. In [May 2014](#), the Leader outlined further development of the commissioning Council approach, and the commitment to being "resident first." The Council's community based outcomes are set out in its [Three Year Plan - 2013-2016](#).
- 2.5. Against this background the Council has secured performance for its residents and businesses during 2014/15, including:
- £900k savings achieved on corporate contracts;
 - Connecting Cheshire Partnership now reaching 70,000 premises with fibre broadband; and
 - Strong financial performance continues to ensure that reserves are in line with assessed financial risks and also provides a strong platform for the financial challenges ahead.
- 2.6. Like all local authorities, this Council continues to be affected by reductions in Central Government funding. Whilst the Council has discretion to increase local taxes, it has not done so now for five consecutive years as it strives to play a key part in public sector reform and developing the economy in Cheshire and wider area with our partners.
- 2.7. Compared to most other English councils, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a higher proportion of the Council's overall funding. In this context it is important to note that total spending per head of population is below average compared to the nearest neighbours. This is an important indicator in demonstrating the effective targeted use of resources and value for money (VFM) provided by Cheshire East Council.
- 2.8. Through the reviews done to produce this Annual Governance Statement we have again been able to demonstrate that work within the Council is generally carried out to the high standards local people expect and need, for the delivery of excellent services. While there may be isolated exceptions, we can be confident that our culture, values, and ways of working will continue to reduce the opportunity

for poor or inappropriate practice to occur, and increase the likelihood of detection and rectification if they do.

3. Governance Framework

Scope of Responsibility

3.1. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Local Government Act 1999 also places a duty on all councils to secure continuous improvement and to demonstrate economy, efficiency and effectiveness.

3.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

3.3. The Council has approved and adopted a **Code of Corporate Governance** that is consistent with the six principles and requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework **Delivering Good Governance in Local Government** outlined below and summarised in Figure 1.

1. *Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local areas.*
2. *Members and officers working together to achieve a common purpose with clearly defined functions and roles.*
3. *Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.*

4. *Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.*
5. *Developing the capacity and capability of members and officers to be effective.*
6. *Engaging with local people and other stakeholders to ensure robust public accountability.*

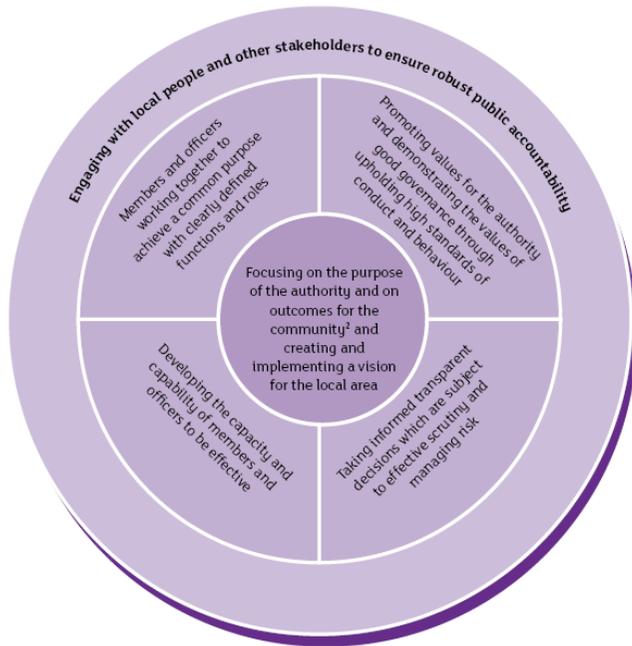
3.4. This Annual Governance Statement (AGS) explains how the Council:

- has complied with the Code; and
- meets the requirements of Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 (which requires all relevant bodies to prepare an Annual Governance Statement).

3.5. The draft AGS was reported to the Council's Audit & Governance Committee on 25th June 2015. The final document will be considered and approved by the Audit and Governance Committee on 24th September, prior to being signed by the Leader and Chief Executive. It will then be published alongside the Statement of Accounts in September 2015. It provides assurance that:

- governance arrangements are adequate and operating effectively in practice; or
- where reviews of the governance arrangements have revealed improvements required, action is planned to ensure effective governance in future.

Figure 1: Summary of the CIPFA/SOLACE Framework Principles



The Purpose of the Governance Framework

- 3.6. The Governance Framework comprises the systems, processes, cultures and values by which the Council is directed and controlled. It also includes the activities through which it is accountable to, engages with and leads the community. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 3.7. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable

and not absolute assurance of effectiveness. It is based on an on-going process designed to:

- identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives;
- to evaluate the likelihood of those risks being realised and the impact should they be realised;
- and to manage them efficiently, effectively and economically.

The 2014/15 Governance Framework

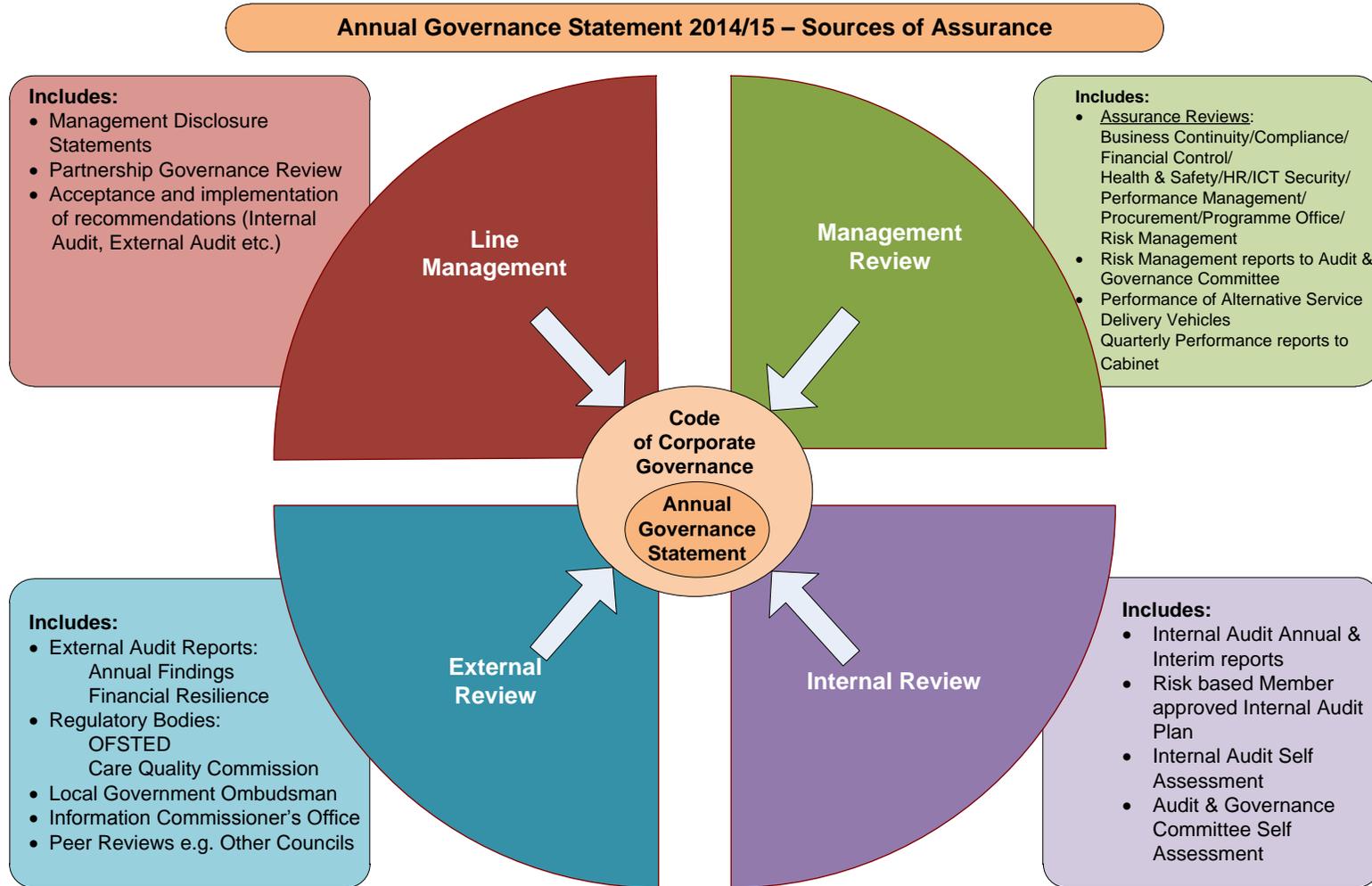
- 3.8. The Governance Framework shown in **Appendix 1** operated for the majority of 2014/15 and was in place at 31st March 2015 and up to the date of the approval of the AGS and Statement of Accounts on 24th September 2015. Changes to the 2014/15 Framework are described below.
- 3.9. Following the review of the Council’s Scrutiny function during 2014, six Overview and Scrutiny Committees were introduced and met regularly during the 2014/15 financial year. The organisation of the Overview and Scrutiny committees has been designed to align with strategic service delivery.
- 3.10. There are a small number of statutory requirements for Scrutiny Committees. During 2014/15, these requirements have been fulfilled as follows; the Communities Overview and Scrutiny Committee was designated for Community Safety. Health Scrutiny issues have been addressed through the Health and Adults Social Care Committee, and Flood Risk Management has been considered by the New Service Delivery Vehicles and Environment Committee. Corporate Scrutiny has an additional role in co-ordinating the overarching scrutiny work programme.
- 3.11. An annual report on the overall Scrutiny and Overview Committee work programme 2014/15 was reported to [Council on 23rd July 2015](#).

- 3.12. During the course of 2014/15, a number of “Alternative Service Delivery Vehicles” launched, transferring service delivery in a number of areas to Council owned and controlled companies.
- 3.13. Cheshire East Resident’s First Limited (CERF Ltd) was established in shadow form during the year and came into being on 1 April 2015 as a holding company for the following subsidiaries;
- Orbitas (established April 2014)
 - Ansa (established April 2014)
 - Transport Service Solutions Ltd. (established January 2015)
 - Civicance (established April 2015)
 - Engine of the North (established May 2013)
- 3.14. The Council’s move to a commissioning model strives to match the best fit supplier to the quality and value of services required. The Council is now part of a group of companies that are wholly or partly owned by the Council. The new group of companies focuses on putting the residents of Cheshire East first in providing high quality services, whilst moving towards a more commercially focused approach that maximises value for money.
- 3.15. In addition, the Council’s existing joint provider of business services with Cheshire West and Chester Council became a separate legal entity; “CoSocius”. Tatton Enterprises Ltd continues to provide catering provision at Tatton Park.
- 3.16. The Council transferred the management and operation of its leisure centres to Everybody Sport and Recreation Leisure (ESAR), a charitable trust, in May 2014. ESAR is governed by an experienced and dedicated board of trustees who act in a voluntary capacity, bringing their skills and knowledge from many diverse professional and personal backgrounds to give the trust its strategic direction and to ensure that it is governed in accordance with its charitable objectives.
- 3.17. The Council continues to develop and embed structures, systems, processes and supporting arrangements to ensure that these key relationships are well governed. The increasing use of alternative providers has resulted in the Council’s control environment being, to a degree, dependent upon those providers own systems, procedures and controls. The Council’s formal arrangements for the management of performance, finance, programmes and contracts contribute to the upholding of key elements of governance arrangements within these providers.
- 3.18. Detailed updates on the governance arrangements for the Alternative Service Delivery Vehicles have been provided to the Audit and Governance Committee throughout 2014/15, most recently to the March 2015 Committee. The effectiveness of these arrangements has been assessed as part of producing this Statement.

4. Review of Effectiveness

- 4.1. The Council undertakes an annual review of its governance arrangements co-ordinated by the Corporate Assurance Group. This process is informed by a range of sources. The various sources of assurance which inform the annual review are shown in Figure 2.

Figure 2: Where our assurance for the effectiveness of our governance arrangements comes from



4.2. Examples of the sources of assurance considered in preparing the Annual Governance Statement include:

- **Line Management** - Assurance on individual line managers' areas of responsibility are provided by Disclosure Statements, Partnership Governance Reviews and informed by the acceptance and implementation of recommendations from internal and external audit.
- **Management Review** - Assurance on the effective management of core function activities is provided by reviewing compliance with policies, including how this information is used to drive improvement, and how relevant risk management information is escalated up or cascaded down through the Council.
- **Internal Review** - The performance of Internal Audit and the Audit and Governance Committee, along with their assessments of the performance of individual service areas, and cross function service areas informs the preparation of the Statement.
- **External Review** - The findings and feedback from external inspectorates of the Council also provide assurance which is considered in preparing the Statement.

4.3. The Council's internal and external auditors are key sources of assurance. The Internal Audit opinion on the Council's control environment is set out in the Internal Audit Annual Report for 2014/15 and is as follows:

Head of Internal Audit Opinion

The Council's framework of risk management, control and governance is assessed as adequate for 2014/15

4.4. The Council continues to develop its governance framework as it delivers its transformation programme and seeks to achieve its significant savings targets. Our work has confirmed that there are adequate management arrangements in place which include robust monitoring and reporting processes.

4.5. Monitoring of the Annual Governance Statement continues through the newly formed Corporate Assurance Group and the Council is proposing to undertake further work to update its Constitution. This will be led by an all-party working group reporting back to the Constitution Committee.

4.6. Internal Audit's self-assessment against the Public Sector Internal Audit Standards (PSIAS) shows that the service is being delivered to the required standard. Some areas for development are being addressed, including the need to have an external assessment against the Standards carried out. This is due once every 5 years and will be completed in 2016/17. The self-assessment action plan will be shared with the Audit and Governance Committee in September 2015 as part of the AGS review process.

4.7. The Council is due to receive the opinion from its External Auditors on the Statement of Accounts and Value for Money for 2014/15, in September 2015.

4.8. In preparing the AGS we have examined reports, feedback and action plans from the Council's other review agencies and inspectorates, including a very recent four week Ofsted inspection of children services which has not highlighted any significant issues with the Council's governance arrangements.

4.9. The [Audit and Governance Committee](#) plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management,

- control and governance arrangements and it monitors the implementation of the AGS action plan.
- 4.10. The outcome of the Audit & Governance Committee’s self- assessment against the CIPFA guidance was reported in March 2015. The committee has confirmed that they have continued to improve performance and are now performing well across most areas.
- 4.11. The Committee assessed itself as compliant or partially compliant against all areas. In comparison to the previous assessment, there are now more areas of full compliance. Actions required to ensure the Committee becomes fully compliant are identified in the [March 2015 report](#). The 2013/14 Statement also referred to a number of emerging issues, which the Corporate Assurance Group monitored during 2014/15 to ensure that these areas were effectively managed, to ensure that they did not become significant issues in year.
- 4.12. As Local Government continues to make progress towards better value for money and put people in charge of the services they use, the ways in which public services have been delivered for the last 50 years are no longer affordable. In large part this is due to reductions in public spending, but there has also been a significant increase in demand for services and increased public expectation about the quality of services.
- 4.13. Councils are at the forefront of meeting these challenges and are driving transformational change and redesign of services, developing new partnerships and ways of working to break down silos to result in services that are fundamentally better, in terms of results, value for money and efficiency. Many of these national issues are mirrored in the Council’s transformation agenda.
- 4.14. Table 1 below sets out the progress made in managing issues first raised in the 2013/14 AGS as requiring further attention that the Council has been proactively monitoring during 2014/15.
- 4.15. Table 2 reports the progress made in managing emerging issues identified in the 2013/14 AGS; those requiring further action to ensure they do not become significant governance issues.
- 4.16. Table 3 sets out the progress made in managing issues first identified in the 2014/15 draft AGS as emerging areas which requiring action to ensure they do not become significant governance issues.
- 4.17. Monitoring all issues raised through the Annual Governance Statement production is an ongoing process and all actions are updated on a quarterly basis following discussion at Corporate Assurance Group meetings. In addition regular updates are provided to the Audit and Governance Committee.
- 4.18. A more detailed assessment against the individual principles set out in the Council’s Code of Corporate Governance is reported on in Appendix 2.

4.19. The table below sets out the progress made against the issues identified in the 2013/14 Annual Governance Statement, which were not identified as significant governance issues, but required further attention during 2014/15.

Table 1 – Progress against governance issues identified in 2013/14 Annual Governance Statement

Description of Issue	Proposed Action	Responsibility	Progress made during 2014/15 ¹
<p>Information Asset Register (Principle 3) The Council needs to further develop its Information Asset Registers in line with best practice.</p>	<p>To sign off information asset registers and agree arrangements for their ongoing maintenance and annual review.</p>	<p>Chief Operating Officer</p>	<p>An initial Information Asset Register was completed for the whole Council during 2014/15.</p> <p>The process of validating this version with individual services also commenced during 2014/15 and is now complete.</p> <p>The register is due to be published in September 2015. It will then be subject to regular monitoring by the Information Governance Group and updated by services as required. The Information Governance Group is a working group which reports into the Corporate Assurance Group.</p>
<p>Business Continuity Planning (Principle 1) Current and tested business continuity plans are not consistently in place across all service areas.</p>	<p>Develop Business Continuity Planning to ensure service delivery in the event of business disruption.</p>	<p>Corporate Manager Governance and Audit</p>	<p>Business Continuity Planning has been aligned with Risk Management and Governance arrangements.</p> <p>An exercise to review service’s “critical activities” is underway, and Business Continuity guidance is being updated and will be published separately from the Risk Management Policy. Training material will be developed to support the implementation of updated guidance.</p>

¹ The progress update shown across Tables 1, 2 and 3 has been updated again since the draft Statement to acknowledge, where necessary, further progress between June and September 2015.

Description of Issue	Proposed Action	Responsibility	Progress made during 2014/15 ¹
			<p>The outcome of this exercise will be reported to the Risk Management Sub Group which will begin meeting at the end of September 2015. This sub group will report on to the Corporate Assurance Group.</p> <p>Any issues arising will be escalated to Management Group Board, Audit and Governance Committee and Cabinet as appropriate. Progress will be reviewed by Internal Audit during 2015/16.</p>
<p>Local Economic Partnerships (Principle 1) Governance arrangements outlining the relationship between the Council, as accountable body, and the Local Economic Partnership (LEP) are out of date.</p>	<p>Governance arrangements need to be developed that are sufficiently 'future proofed' to accommodate further anticipated changes to the role of the LEP and its sub groups and the Council's relationship with it.</p>	<p>Director of Economic Growth and Prosperity/Chief Operating Officer</p>	<p>The Council, as the accountable body, has been working closely with the LEP core team to develop and 'bed-in' governance and stewardship arrangements appropriate to the management of Local Growth Funds.</p> <p>The LEP has the appropriate governance structure in place, aligned to the assurance framework required for the management of Local Growth Funds by the Department of Business Innovation and Skills. This framework is used by the LEP in relation to managing funds for which CEC is the accountable body. A project selection and approval process is now in place, managed and administered by the LEP.</p> <p>CEC has Member/Officer representation on the decision making groups, meetings are minuted with decisions recorded. The Jobs, Regeneration and Assets Scrutiny Committee have reviewed the</p>

Cheshire East Council – Annual Governance Statement 2014/15

Description of Issue	Proposed Action	Responsibility	Progress made during 2014/15 ¹
			<p>LEP growth plans and have an open line of communication with the LEP.</p> <p>An annual business case is produced, requesting funding support from the participating local authorities to contribute to the LEP. This is reviewed and agreed by the Council's Section 151 Officer.</p> <p>Internal Audit has recently carried out a governance review; a draft report has been shared with the LEP for their consideration and response. An update will be included in the next AGS update to Audit and Governance Committee.</p>

4.20. The 2013/14 Annual Governance Statement identified a limited number of emerging issues, which required further attention and monitoring to ensure they did not become significant governance issues. The table below provides details of the issues raised and the actions which have been taken during 2014/15.

Table 2 – Progress made in 2014/15 against emerging issues identified in 2013/14 Annual Governance Statement

Description of Issue	Proposed management action	Responsibility	Progress made during 2014/15
<p>Council Funding (Principle 1) On-going and future changes to the financial framework - including several changes to national funding regimes - will increase the Council’s reliance on self-financing. Many of these arise from changes to benefit administration, reductions in government grant and more schools becoming academies.</p> <p>While the Council is in a strong position it needs to accelerate its transition to a full commissioning model to ensure that the quality and cost base of services are appropriate and meet the needs of local residents and businesses within the future level of available resources.</p>	<p>The Chief Operating Officer considers the risk as part of the closure of accounts including his assessment of the need to make appropriate provisions in both the Collection Fund and General Fund. In addition, significant work is being undertaken with the Cabinet to develop budget proposals for 2016/17 and beyond.</p> <p>Proposals for a balanced budget for 2015/16 were presented to Corporate Overview and Scrutiny Committee on 21st July 2014 – significantly earlier than ever before. This provided residents and businesses with greater certainty and allowed the Council more time to focus on the financial challenges ahead.</p>	<p>Chief Operating Officer</p>	<p>Year-end reporting shows that the Council has again managed it’s expenditure within available funding.</p> <p>Significantly, General and Earmarked reserves have not been reduced to support in year core service expenditure.</p> <p>First quarter monitoring for 2015/16 shows that overall reductions in spending are being managed in this financial year.</p> <p>Planning for 2016/17 builds on the current strong base budget. Estimates show that reductions in general grant funding from government may be in the region of 20%. However, the Council’s strong growth agenda and limited reliance on grant income place the Council in a strong position.</p> <p>The annual business planning process is ongoing and options are being analysed to close potential funding deficits. The process recognises the growing tax base (from more homes and more jobs), integration with</p>

Description of Issue	Proposed management action	Responsibility	Progress made during 2014/15
			<p>health and a focus on early intervention. Other proposals feature improvements through technology such as a greater level of digital services.</p> <p>The overarching theme continues to be putting residents first.</p>
<p>Project Management (Principle 4) The Council has a significant number of key projects currently in implementation and planned for the future. These include</p> <ul style="list-style-type: none"> • ambitious economic regeneration plans; and • ongoing commissioning reviews leading to new improved service delivery arrangements. <p>The Council is aware that if any of these are not delivered as planned it could result in aspects of service failure for residents, reputational issues or increased financial pressure.</p>	<p>The Council’s revised project and programme management approach is now an established part of the governance framework. Through its member led Executive Monitoring Board (EMB), all major change programmes and projects are subject to scrutiny and challenge at both development and delivery stage.</p> <p>The Council’s new scrutiny committees also have an overview and help to highlight any issues and mitigate this risk.</p>	<p>Chief Operating Officer</p>	<p>Good progress has been made in a number of key areas on the PMO action plan, originally endorsed by EMB in July 14. This includes a Council wide survey, which has reaffirmed commitment to project management and identified some areas for further refinement.</p> <p>Additional resources for the PMO are now in place, standardised documents introduced, and revised guidance is available via Centranet.</p> <p>EMB operated effectively through 2014/15, meeting on 15 occasions and endorsing 32 projects, subject to issues identified via TEG.</p> <p>Work is now underway to improve links with the Business Planning cycle, improve project management training, and enhance the administration of recording EMB decisions, improving the overall audit trail.</p>

Description of Issue	Proposed management action	Responsibility	Progress made during 2014/15
			<p>Recent changes to the Council’s senior leadership structure and a planned review of the Constitution, including Finance Procedure Rules will have impact upon the current roles and responsibilities of EMB.</p> <p>The Chief Operating Officer is considering what, if any, changes need to be made to the Council’s arrangements for managing projects, including evaluation of a “Technical Design Authority” governance model. This work is being done in consultation with the Council’s all party constitution working group.</p>
<p>New Service Delivery Models (Principle 3)</p> <p>The Council launched four new service delivery vehicles in April and May 2014. Service areas transferred to these new companies were initially completed on a ‘lift’ and ‘shift’ basis to maintain existing arrangements. Further work is now being done to ensure that the Council maximises the benefit of these new arrangements.</p> <p>Two new vehicles were launched in early 2015: Transport Service Solutions Ltd (1st January 2015) and Civicance (1st April 2015)</p>	<p>Senior officers to continue to work with the directors of the new companies and the Leisure Trust to clarify roles and responsibilities and to ensure that the requirements of the commissioning plans and new contracts - and the benefit to residents - are fully achieved.</p>	<p>Chief Operating Officer</p>	<p>The Council’s ASDVs continue to operate under the agreed Governance arrangements.</p> <p>The Cheshire East Residents First (CERF) board met in shadow form during 2014/15 and received regular reports on performance from each of its planned subsidiaries.</p> <p>The Board held regular business meetings throughout the year and also met in public in December 2014 and March 2015.</p> <p>The Directors of CERF have been updated following recent changes to Cabinet and the Council’s senior leadership team.</p> <p>CERF became the major shareholder in its</p>

Description of Issue	Proposed management action	Responsibility	Progress made during 2014/15
			subsidiaries on 1 st April 2015. The Council continues to manage its contractual relationship with the companies via its Commissioning Managers.
<p>Health and Social Care Integration (Principle 2)</p> <p>The Council is a key partner in the delivery of integrated health and social care and is a signatory of the Better Care Fund (BCF) submission to NHS England. This is a high profile programme of change which the Council is working with the two Clinical Commissioning Groups, (CCGs), and the three acute providers in the Borough. BCF is part of a staged process to focus and increase joint working with the NHS seeking to improve the health and wellbeing outcomes for Cheshire East residents, with one of the initial aims of the work programme being to reduce non elective-admissions to hospitals locally.</p> <p>The initial Plans submitted in April 2014 did not include details of specific schemes, financial plans, risk assessment or fully developed key performance indicators.</p>	<p>The Council is continuing to develop the BCF arrangements with its CCG and acute provider partners, to ensure that a deliverable programme of work is in place by April 2015. The Council, along with its partners is continuing to develop, discuss and assess progress in line with Department of Health Guidance throughout 2014/15, which help to support further assessments of progress being undertaken by the Department of Health. More detailed plans will be submitted to the Department in September 2014.</p> <p>Specific actions being developed as part of the September submission, and continuing through the remainder of 2014/15 include:</p> <ul style="list-style-type: none"> • Developing the risk log and assessment process with partners. • Establishing appropriate governance arrangements for the BCF – with an overall budget of £23.8m - determined by Government, that are outlined in the submission alongside arrangements for risk sharing and contingency planning with partner 	<p>Director of Adult Social Care and Independent Living</p>	<p>There has been some slippage on the implementation of Better Care Fund Schemes, primarily due to challenges in agreeing joint operating practices. Revised launch dates for the Integrated Community Teams and Rapid response community services are being considered; schemes will be in place before the end of the financial year.</p> <p>Capacity issues at a senior level within CEC and across partner organisations have impacted upon progress. Significant progress has been made in developing operating models and implementation plans, but these are to be finalised. Budget availability and final costings are still to be resolved.</p> <p>There is now sufficient capacity in project management across all partner organisations.</p> <p>Governance arrangements have been impacted upon in both CCG areas due to a shift to a Commissioner and Provider split in the service transformation programmes impacting on delays in decision making. This</p>

Description of Issue	Proposed management action	Responsibility	Progress made during 2014/15
	<p>commissioners and providers.</p> <ul style="list-style-type: none"> • Assessing the financial risk between the partners, whilst understanding that significant risk falls to the CCG's as commissioners, in that if a reduction in emergency admissions is not achieved, they would bear the cost of these admissions as well as the cost of investment in BCF initiatives. • Ensuring that the performance framework provides sufficient intelligence and information to allow the overall performance of the BCF scheme to be monitored including the performance payment mechanisms being implemented by the Department of Health. 		<p>is now resolved and back on track.</p> <p>Better Care Fund progress reporting to NHS England provides national oversight and accountability of the integration schemes being funded by the BCF pooled budget.</p>

- 4.21. Table 3 below highlights the specific issues arising during the year that, going forward, will need action and monitoring by the Council to ensure that they do not become significant governance issues. They will continue to be monitored by the Corporate Assurance Group during 2015/16 and escalated to the Chief Operating Officer, Management Group Board, Audit and Governance Committee and Cabinet where necessary.
- 4.22. Over the next few years the Council will continue to respond to the unprecedented pace of change across the local government sector and in particular the administration’s ambition for Cheshire East in a continued climate of significant fiscal challenge. This will challenge everyone in the way services are delivered across the whole Council and will demand innovative and increasingly agile responses with less and less money. Across the sector, and in Cheshire East, elected members and local government officers generally do have high standards of conduct. During this time of significant change the Council will continue to challenge its culture, values, and ways of working and reduce the opportunity for poor or inappropriate practice to occur.

Table 3 – Emerging business issues impacting on 2015/16

Description of Issue	Proposed Management Action	Responsibility	Progress made since draft AGS
<p>Public Service Reform - The Care Act (Principle 4) Councils are now at the forefront of transformational change and redesigning public services, developing new partnerships and ways of working to break down silos to result in services that are fundamentally better, delivering economic prosperity, reformed public services, and value for money and improved efficiency. A key part of the reforms is The Care Act 2014, which took effect on 1st April 2015, bringing together the majority of legislation covering Adult Social Care. Cheshire East residents will benefit from the new legislation through the enhanced focus on ‘wellbeing’, the new national eligibility criteria for services, the recognition of the role of carers by ensuring they have equal</p>	<p>The Council will need to introduce a variety of new policies, as reported upon in the Cabinet paper to ensure compliance with the Care Act 2014 from the 1st April 2015.</p> <p>These include;</p> <ul style="list-style-type: none"> • Preparation for legislation which governs the financial contribution to care • Reviewing the use of its discretionary powers with regards to charging for care and associated services. • Introducing the new national eligibility criteria for carers • Ensuring care and support is made available to those carers with assessed eligible needs. 	<p>Director of Adult Social Care and Independent Living</p>	<p>All policies and procedures required for the implementation of the new legislation was in place for 1st April 2015.</p> <p>Work underway on the second phase of implementation of legislation in April 2016 has been halted in response to the Government’s decision to delay the implementation of Phase 2 until 2020.</p> <p>The integration agenda across health and social care continues at pace with the development of new models of care delivery across routine and crisis response services.</p> <p>Capacity at project management level is now resolved to ensure the support of further development and</p>

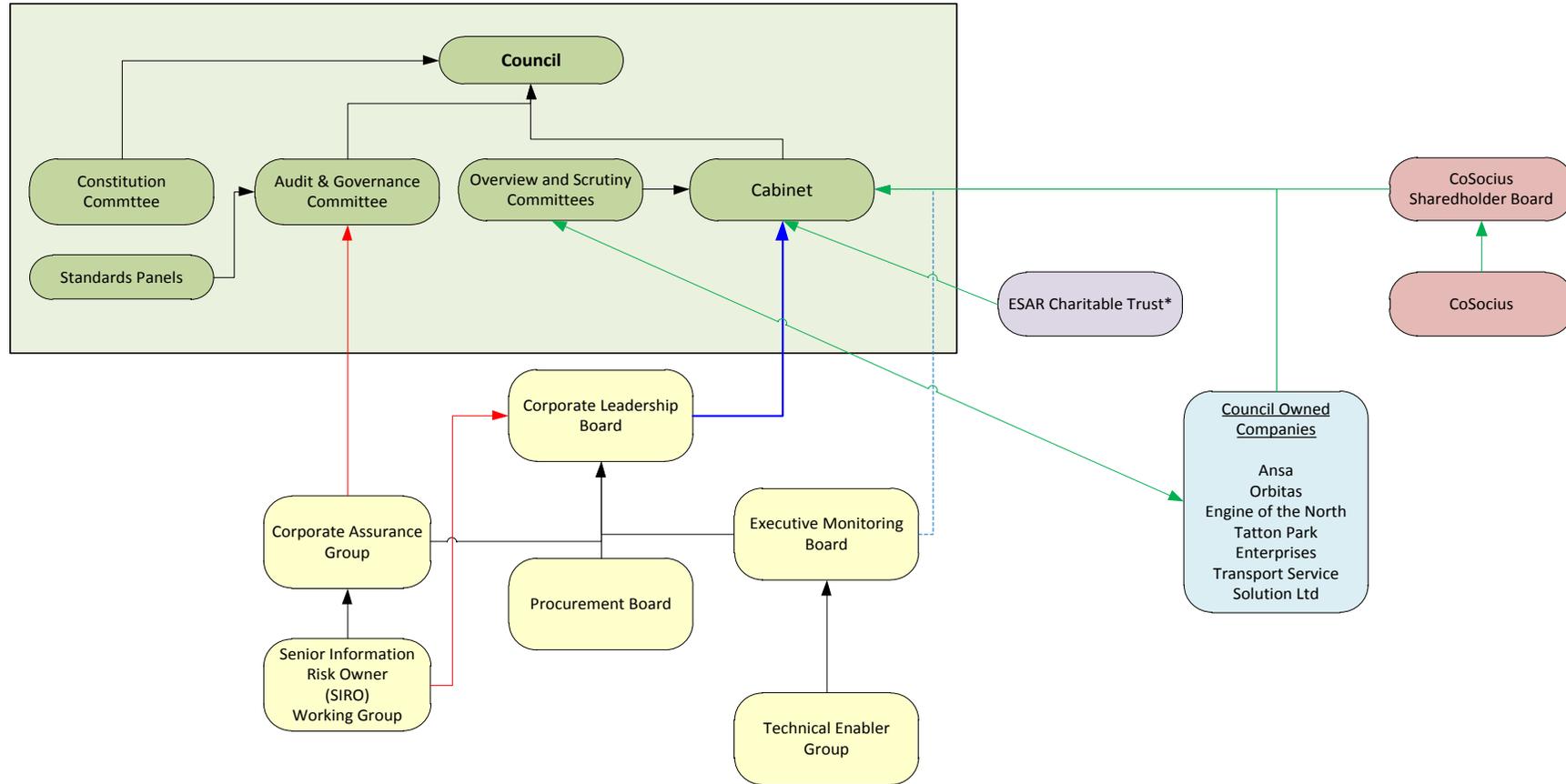
Description of Issue	Proposed Management Action	Responsibility	Progress made since draft AGS
<p>rights to access support and the many other changes included.</p> <p>Much of the Act is already embedded in policy and practice but there are a number of changes required by the Act. A Care Act Programme Board and project team has been established under the leadership of the Director of Adult Social Care and Independent Living. The Council received a one off allocation of funding from Central Government to support preparation for implementation and change management</p> <p>A number of individual projects have been working to deliver on the wide ranging requirements of the new legislation. Further details were reported to Cabinet on 3rd March 2015</p>			<p>implementation. Formal project management for the integrated service development and transformational change programmes have been secured and reporting will follow a formal project management structure.</p> <p>Capacity at a senior management level has impacted on the timeliness of delivering integration developments. This has not compromised the Care Act implementation, and a revised management structure is being considered to address the capacity issue.</p>
<p>Information Governance (Principle 3) Effective information governance practices are critical in an organisation like the Council which deals with significant amounts of personal and sensitive information every day. They ensure that data is handled in accordance with the relevant legislation, as well as providing accurate and available information for decision making purposes.</p>	<p>Continue to raise awareness about good information management practices across Service Management Teams, and general awareness amongst all Council staff and Members. Staff Induction, team meetings and personal development reviews will also be used to promote awareness and engagement.</p> <p>The adoption and validation of the Council’s Information Asset Register with individual services will improve understanding of data held, as well as clarifying ownership of data</p>	<p>Chief Operating Officer</p>	<p>Data Handling training and guidance is presented at Corporate Induction sessions.</p> <p>Facilitated training sessions on Data Handling have been held in a number of service sections.</p> <p>An e-learning module has been developed and is in initial test stages. It is expected that this will go live by November 2015 and become mandatory</p>

Description of Issue	Proposed Management Action	Responsibility	Progress made since draft AGS
<p>Within Cheshire East Council, the Chief Operating Officer is the Senior Information Risk Owner (SIRO), and the Corporate Manager ICT is the Deputy SIRO. The Deputy SIRO chairs the Information Governance group (formerly called the SIRO working group) which reports into the Corporate Assurance Group. Information Governance Group has a programme of work which includes improving information management practices in the Council.</p> <p>Breaches of the Data Protection Act have been reported to the Information Commissioners Office (ICO) in year. The ICO findings have not resulted in fines; they have required additional actions to be undertaken, including training. These have been completed as required.</p> <p>The Council has formalised and communicated an incident breach reporting process, and recognises that there is a need to improve compliance with information governance best practices. There have been regular Council wide communications reminding staff of the importance of good information management practices, and these have been supported by improved internal guidance on the Council’s intranet pages.</p>	<p>and associated roles and responsibilities.</p> <p>A training programme targeting information governance is in development and will be released across the Council in a phased manner during 2015. This aims to improve understanding of personal and corporate responsibilities in relation to data handling.</p>		<p>for all staff.</p> <p>The first Information Asset Register has been completed and will be published by the end of September 2015.</p> <p>The Information Governance Group continues to meet monthly and provides regular updates to the SIRO and the Corporate Assurance Group.</p>

5. Conclusion

- 5.1. The Chief Operating Officer also recognises that further work is needed to ensure that the Council's arrangements for risk management, control and governance are fully, and consistently, embedded across the Council. He will continue to work with the Council's Management Group Board (MGB) and Corporate Assurance Group (CAG) to ensure that these arrangements are regularly reviewed and refreshed so that it is fit for purpose to support the transition to a commissioning council that puts residents and businesses first.
- 5.2. Central Government has reaffirmed its ambition to continue its public service reform programme through increasing choice, opening services up to a wider range of providers, devolving decision making to the lowest appropriate level and improving transparency and accountability of public services. The Council has continued to make more progress towards better value for money and putting people in charge of the services they use.
- 5.3. Our assessment of the effectiveness of our governance arrangements for 2014/15 has not identified any significant governance issues. All of the issues recognised in Tables 1- 3 will be monitored by the Corporate Assurance Group during 2015/16 and escalated to the Chief Operating Officer, Management Group Board, Audit and Governance Committee and Cabinet where necessary.

Appendix 1: The Governance Framework in operation during 2014/15



Key:

- Black lines denote normal Committee reporting lines
- Blue lines denote groups reporting to Cabinet
- Red lines denote groups reporting to Audit and Governance Committee
- Green lines denote the reporting for ASDV arrangements
- Dashed blue line denotes individual scheme reports to Cabinet via the PMO process
- * Relationship between ESAR and the Council managed via the Contract.

Appendix 2 – The Council’s more detailed assessment against the six CIPFA/SOLACE principles of good governance

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.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
Continuing to develop and promote the Council’s purpose and long term vision, set out in the Sustainable Communities Strategy “Ambition for All” 2012/25 through the updated Medium Term Financial Strategy 2015/17 (MTFS) and the Leader’s Announcements to Council during 2014/15.	Medium Term Financial Strategy, Leader’s Report and Budget 2015/18 (Council, 26 th February 2015) Leader’s Announcements at Council (Council, 14th May 2014 , 17th July 2014 16th October 2014 11th December 2014 26th February 2015)
We have reviewed and restated the Council’s priorities for the local area and have reviewed, and continue to develop, the Council’s governance arrangements as we make the transition to operating as a strategic commissioning Council and delivering services in different ways.	Payments to Directors of Council Owned Companies (Audit and Governance Committee, 20 th November 2014) Alternative Service Delivery Vehicle and Governance and Stewardship (Audit and Governance Committee, 19 th March 2015)
Performance reports are discussed on a monthly basis at Corporate Leadership Board (CLB) and taken to Cabinet each quarter. The content of the reports demonstrate the Council’s progress in achieving against each of the five outcomes from the Council’s Three Year Plan and are used to highlight examples of excellence in service delivery, as well as monitoring areas requiring improvement.	First Quarter (Cabinet, 16 th September 2014) Mid-Year Review of Performance (Cabinet, 11 th November 2014) Third Quarter Review of Performance (Cabinet, 11 th February 2015) Final Outturn Review of Performance (Cabinet, 21 st July 2015)
The Council’s review of Community Governance arrangements continued during 2014/15, resulting in the parishing of all communities within the Cheshire East boundaries. Most recently, Macclesfield Town Council was established. Elections to the Council were carried out on 7 th May 2015.	Macclesfield Community Governance Review Macclesfield Community Governance Review –Final Outcome (Constitution Committee, 29 th January 2015)
Various parts of the Council also use other forms of social media, including Twitter , Facebook , YouTube and Flickr to engage and inform communities and stakeholders. The Communications team also provide related media releases, where appropriate.	The Council has 40 Twitter accounts, the most followed of which is @CheshireEast with around 11,100 followers. Other popular accounts are @CECRangers, @FISCheshireEast and @CECLibraries.

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.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
<p>The “My Cheshire East” phone application launched in March 2015. This provides residents access to localised information, news, an interactive map and the ability to “Report it”.</p> <p>The app has been downloaded 1,826 times so far.</p>	<p>My Cheshire East app</p>
<p>The Council provided an updated “Value for Money” overview in November 2014. This was shared at an all Members Finance briefing on 16th December 2014 and the documents and supporting data is available on the Council’s website. The purpose of this document is to provide evidence and analysis for interested stakeholders, increasing transparency around the Council’s financial position.</p>	<p>Value for Money 2014</p>
<p>CIPFA’s Prudential Code for Capital Finance in Local Authorities and their Treasury Management Code of Practice have been adopted in full. The Council receives specialist support from Arlingclose on all aspects of borrowing, lending and investments.</p> <p>An annual report on the Treasury Management Strategy for 2015/16, incorporating the Minimum Revenue Provision Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2015/18, required under Part 1 of the Local Government Act 2003 was approved by Audit and Governance Committee in January 2015.</p>	<p>Treasury Management Strategy and MRP Statement 2015/16</p>

Principle 2 – Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
<p>Following the completion of the senior level management restructure required to support the transition to commissioning Council status, a revised officer delegation scheme has been developed and the expectations of Members with regard to ASDV accountability have been outlined. Further work continues in updating Local Schemes of Delegation (financial and non-financial).</p>	<p>Revised Scheme of Delegation to Officers (Council, 14th May 2014).</p> <p>ASDV Scrutiny, Governance and Stewardship arrangements were reported to Corporate Scrutiny Committee on 31st March 2014.</p>
<p>The Chief Executive is responsible and accountable to the Council for all aspects of operational management.</p>	<p>Scheme of Delegation to Officers</p>
<p>The Chief Operating Officer (COO) (Section 151 Officer), reports directly to the Chief</p>	<p>Corporate Leadership Board</p>

Principle 2 – Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
Executive and is a member of the Corporate Leadership Board. The COO is responsible to the Council 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. The governance arrangements for the Council’s Chief Operating Officer comply with the arrangements set out in CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (2010) .	Scheme of Delegation to Officers
The Head of Legal Services and Monitoring Officer is responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.	Scheme of Delegation to Officers
The Business Planning Process has been undertaken from July 2014 to February 2015. This has included consultation with statutory groups, including the Schools Forum and businesses, as well as other stakeholders. This included consultation with Trade Unions, Town and Parish Councils, and local Chambers of Commerce. The process culminated in the Medium Term Financial Strategy 2015/18 report, presented to Cabinet in February 2015.	Medium Term Financial Strategy 2015/18 (Annex 2: Business Planning Process -Engagement) (Cabinet, 11th February 2015)
The Medium Term Financial Strategy clearly identifies how resources will be matched against the delivery of priorities established in the Council’s Three Year Plan. The Strategy also provides information on delivering financial stability, the budget setting process, and the Council’s Reserves Strategy.	Medium Term Financial Strategy 2015/18 (Cabinet, 11th February 2015) (Council, 26th February 2015)
Quarterly performance reports to Cabinet during 2014/15 covered a range of financial and non-financial performance indicators, supporting the achievement of corporate priorities and objectives	First Quarter (Cabinet, 16 th September 2014) Mid-Year Review of Performance (Cabinet, 11 th November 2014) Third Quarter Review of Performance (Cabinet, 11 th February 2015) Final Outturn Review of Performance (Cabinet, 21 st July 2015)
The Constitution includes a Member/Officer Relations Protocol, which was established to encourage effective communication between members and officers.	Member/Officer Relations Protocol in Cheshire East Constitution
The Council publishes a Pay Policy Statement by 31 st March on an annual basis. This provides transparency with regard to the Council’s approach to setting the pay of its employees and is in accordance with Section 38 of the Localism Act 2011. The Pay Policy in effect for 2014/15	Pay Policy Statement for 2014/15 approved by Council 27th February 2014 . Pay Policy Statement for 2015/16 approved by Council 26th

Cheshire East Council – Annual Governance Statement 2014/15

Principle 2 – Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
agreed by Council on Council 27th February 2014 and the Pay Policy Statement for 2015/16 was agreed by Council on 26th February 2015 .	February 2015 .
During 2014/15, Cheshire East Council has worked closely with a variety of other delivery partners, such as the Cheshire and Warrington Local Enterprise Partnership (LEP) and Council controlled companies.	Partnership Governance Reviews Cheshire and Warrington Local Enterprise Partnership Everybody Leisure Trust CoSocius

Principle 3 – Promoting the values of the authority and demonstrating the values of good governance, through upholding high standards of conduct and behaviour.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
The standards of conduct and personal behaviour expected of and between members, staff, associated partners and the community are defined and communicated through codes of conduct and protocols.	Members Code of Conduct and Staff Code of Conduct are included in the Council's Constitution .
The Council uses the Code of Conduct, the Anti-Fraud and Corruption Policy and Whistleblowing Policy to ensure that members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. Audit and Governance Committee received a "Fraud and Corruption Update Report" outlining progress in implementing key anti-fraud actions to protect the Council's interests and consider local and national developments to counter the threat of fraud and corruption.	Code of Conduct Anti Fraud and Corruption Policy Whistleblowing Policy Fraud and Corruption Update (Audit and Governance Committee, January 2015)
Internal Audit completed a review of 'Core Support Functions' to support this AGS. This review is an important element in ensuring the Council's organisational values are put into practice. It includes a high level assessment of the extent to which agreed policies are implemented. It will also help share best practice, ensure compliance and provide assurance and oversight to the Corporate Leadership Board.	There are no significant governance issues arising from this review. More detailed reviews have been included in the Internal Audit work plan for Procurement and Human Resources.
The Audit and Governance Committee promotes high standards of ethical behaviour by developing, maintaining and monitoring a Code of Conduct for Members of the Council. The Committee received the Standards Panels and Sub Committee Update Report on 20 th November 2014. This covered all complaints received under the Code from April to October 2014.	Members Code of Conduct: Standards Panels and Sub Committee update (Audit and Governance Committee, November 2014)

Principle 3 – Promoting the values of the authority and demonstrating the values of good governance, through upholding high standards of conduct and behaviour.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
<p>The Council had approved a new process for dealing with complaints in July 2014. The update report included complaints which had been dealt with under the previous scheme, and those being considered under the new process.</p>	
<p>Reviews of Council services have been carried out throughout the year by external inspectorates such as Ofsted and the Care Quality Commission. This includes reviews of services such as Children’s Centres, the Pupil Referral Unit and Children’s Homes; in some cases these are operated by private providers.</p> <p>Whilst some improvement measures have been identified, the majority of service provision was reported as being delivered to the required standards, and in some instances, delivering over and above.</p> <p>Action plans have been agreed to monitor the implementation of actions where required.</p> <p>There are no matters arising from these reviews which have led to the inclusion of a significant governance issue in the 2014/15 AGS.</p>	<p>Care Quality Commission Ofsted</p>

Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
<p>The Council’s project and programme management approach is now an established part of the governance arrangements and incorporated within the Constitution. This process allows all major change project objectives to be subject to scrutiny and challenge at both development and delivery stage.</p>	<p>A comprehensive PMO Action Plan was endorsed by the Executive Monitoring Board in July 2014. Progress is underway and is being regularly reviewed by the Portfolio Holder for Performance.</p>
<p>The agendas, papers and minutes of Committee meetings form the main mechanism for documenting evidence for decisions and recording the criteria, rationale and considerations on which key decisions are based. These are published on the Council’s website. Declarations of interests made by Officers and Members are routinely recorded in the minutes of Committee meetings.</p> <p>Decision makers are provided with information which is fit for purpose – clear, timely, relevant, accurate and complete, and gives clear explanations of issues and implications on</p>	<p>Cheshire East Council – Agendas, Minutes and Reports</p>

Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
both a financial and non-financial basis. Financial implications of all key decisions are signed off by Senior Finance Staff.	
The Council assessed the effectiveness of its Internal Audit function by self-assessing compliance with the Public Sector Internal Audit Standards (PSIAS). The review completed by the Audit Manager concluded that, although there are areas for improvement, (included in a separate action plan); the internal audit service is being delivered to the required standard.	Internal Audit Annual Report (and Governance Committee, June 2015)
The Council has processes in place to enable Officers and Members to record and register pecuniary and non-pecuniary interests. Some improvements notified in the previous year via an Internal Audit report have been implemented, improve ownership of and enhance the robustness of the declarations process.	Individual Member Register of Interests are published on the Council's website
The outcome of the Audit & Governance Committee's self- assessment against the CIPFA guidance was reported in March 2015. There has been an improvement in the Committee's performance as a result of previously identified actions being implemented. The Committee assessed as compliant or partially compliant against all areas; in comparison to the previous assessment, there are now more areas of full compliance. Actions required to ensure the Committee becomes fully compliant are identified in the March 15 report . Training for new Committee members will take place on 25 th June.	Audit & Governance Committee Self Assessment (Audit and Governance Committee, March 2015)
The COO attends all CLB, Cabinet and Council meetings, clears all Committee decision papers with material financial implications and has direct access to the Audit and Governance Committee and External Audit. The COO meets regularly with the Resources Portfolio holder.	Cheshire East Council – Agendas, Minutes and Reports
The Finance Reporting Centre provides CEC managers self-service access to a consistent set of well presented, timely, complete and accurate reports on the financial performance of the Council to budget managers and senior officers.	Financial Reporting Centre (available to CEC managers)
As a Commissioning Council, the need for financial information to be presented in varying	

Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
formats has increased. A new reporting system called Collaborative Planning has been procured to fulfil this requirement and is currently being developed. Collaborative Planning will generate a system based expenditure forecast and will also allow the option for an interactive forecasting from Budget Managers. The system should be available to all Senior Officers and Budget Managers from Autumn 2015.	
Reserves strategy and forecasts are clearly set out in the Medium Term Financial Strategy (Annex 12) and are monitored through the quarterly Finance updates. Opportunities for strengthening the reserves position are routinely considered as part of the account closure exercise.	Medium Term Financial Strategy 2015/18 (Council, 26 th February 2015)
The Council’s Whistleblowing Policy is available on its website and intranet site together with an email address. A review against best practice was carried out and reported to the June 2014 Audit and Governance Committee.	Whistleblowing Policy (Audit and Governance Committee, June 2014)
We annually report on our compliance with the Regulation of Investigatory Powers (RIPA) Act 2000 to the Audit & Governance Committee. The report explains the use of the legislation and the arrangements in place to ensure the Council is compliant. An external inspection report on the Council’s use of RIPA in May 2013 was very positive and all recommendations have been implemented. The Council is due for re-inspection before the end of 2016.	Compliance with the Regulation of Investigatory Powers Act (2000) (RIPA) (Audit and Governance Committee, January 2015)

Principle 5 – Developing the capacity and capability of Members and Officers to be effective	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
The COO is a qualified CCAB accountant, with extensive local government experience. The COO is supported by a Finance team which includes a high number of qualified/part qualified accountants and qualified/part qualified accounting technicians. Cheshire East is accredited as training employer by CIPFA (Platinum Status) as well as the AAT and ACCA.	
All staff with access used the Oracle Performance Development module to carry out the performance review process. This provides an assessment against the achievement of objectives, corporate behaviours, and an overall performance rating for the year. It also informs skill development requirements. The ‘Towards Excellence’ Training Programme is a collection of training courses and	Performance Development Plans

Principle 5 – Developing the capacity and capability of Members and Officers to be effective	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
development programmes offered to all staff in the Council. Opportunities are also available to participate in training and development courses for qualifications from “The Management Institute of Excellence”	
The Council has an established apprenticeship scheme allowing young people to obtain varied work experience whilst training for qualifications. The Council has approximately 50 apprentices at any time, working across the Council and it’s arms-length operating companies. The Council’s scheme was recognised with a “Highly Commended” award from the North West Apprenticeship Awards in September 2014.	CEC Apprenticeships North West Apprenticeship Award
The roles and responsibilities of Councillors in monitoring financial performance are outlined in the Constitution, the Scheme of Delegation and in Committee Terms of Reference.	Constitution Schemes of Delegation Committee Terms of Reference.
Members have completed a “Skills Audit” process which provides information to the Party Whips on the skills and qualifications of their Members. This can then be used in considering appointments to Committees. These will be updated for Members following the May 2015 elections.	
Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
The “Media Hub” part of the Council’s website draws together the latest news and information about the Council, and also provides information on ways of communicating with the Council. It includes links to press releases and the Council’s social media channels.	CEC – Media Hub
Six Overview and Scrutiny Committees operated during 2014/15, with the Corporate Overview and Scrutiny Committee, made up of the Chair and Vice Chair of the 5 Committee, leading on coordinating the overarching work programme. The statutory responsibilities of the Scrutiny Committees have all been fulfilled during 2014/15. An annual scrutiny report for 2014/15 is in production and due to be reported to Council in July 2015.	Corporate Overview and Scrutiny Committee Jobs, Regeneration and Assets Overview and Scrutiny Committee New Delivery Vehicles and Environment Overview and Scrutiny Committee Health and Adults Social Care Overview and Scrutiny Committee

Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability.	
How we can demonstrate that Cheshire East Council meets this principle	Assurance Received and Issues Identified
	Children and Families Overview and Scrutiny Committee; and Communities Overview and Scrutiny Committee
The Council is committed to openness and transparency. “Part 2” Meeting items are rare, and only if they absolutely cannot be discussed in any other way. Cabinet Meetings continue to be broadcast live on the internet, and are available online to be watched after the event.	Webcast Cabinet Meetings.
Engaging with our communities is essential to ensure that we are a resident led Council. Consultation exercises are carried out as required, including statutory consultation processes for areas such as Planning and Licensing. The Council also has a citizen’s consultation panel; “Influence Cheshire East”. The panel is comprised of invited participants who are asked to complete surveys which provide valuable and constructive feedback. By working on an “invitation” basis, the membership is designed to reflect the profile of the borough. In addition, the Council has a “Digital Influence Panel” which is based entirely online and open to any resident of Cheshire East. Members of this panel area also asked to complete consultations and surveys, in many cases these will be the same as those sent to the Influence Cheshire East panel members.	Consultations in Cheshire Licensing Planning Influence Cheshire East Digital Influence Panel
Council employees receive a weekly internal newsletter (Team Talk) in addition to service specific communication and briefings. Information is cascaded from the Corporate Leadership Board through Department Management Team meetings to Team/Unit meetings as necessary. Opportunities for staff to provide feedback exist through line management supervision, team meetings, and an online “Staff Suggestion Box”	CEntranet – ‘Team Talk’

This page is intentionally left blank

CHESHIRE EAST COUNCIL

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting:	24 th September, 2015
Report of:	Compliance and Customer Relations Manager
Subject/Title:	Report on Customer Feedback – Complaints, Compliments and referrals to Local Government Ombudsman 2014-2015

1.0 Report Summary

- 1.1 Feedback from customers is welcomed and encouraged by Cheshire East Council, in order that the information can be used to drive service improvements. This report summarises the formal feedback received from customers during the course of 2014/15, together with a summary of the cases dealt with by the Local Government Ombudsman. It also reflects on the trends, issues and responses across all council services.
- 1.2 During 2014/15 the Council received 2962 instances of customer feedback - 1346 were compliments, 181 were suggestions and 1435 were complaints. (Details are attached at **Appendices 1a, b and c.**) Complaints have reduced by 35% compared with 2013/14 (2231), although 34% of the complaints received in 2013/14 specifically related to the changes to green waste collections (749 out of 2231).
- 1.3 The number of recorded compliments was 1346, compared with 1140 in 13/14. 50% of these related to Adult Social Care. The Council also recorded 181 suggestions (117 in 2013/14). These are neither complaints nor compliments but often suggested changes to policy or working practice.
- 1.4 In addition, there was a significant reduction in complaints from MP's on behalf of their constituents received by the Chief Executive's office (77 in 2014/15 compared with 188 in 13/14). These are not formally recorded on the Council's corporate feedback system, but are referred directly by the Chief Executive's office to the services to respond.

2.0 Recommendation

- 2.1 That the Committee notes the contents of this report and makes any further response it considers appropriate.

3.0 Reasons for Recommendations

- 3.1 The Terms of Reference for the Audit and Governance Committee include seeking assurance that customer complaint arrangements are robust.

4.0 Wards Affected

4.1 All wards.

5.0 Local Ward Members

5.1 Not applicable.

6.0 Policy Implications

6.1 Adherence to the Corporate Complaints, Suggestions and Complaints Policy, the Children's Social Care Complaints Policy and the Adults Social Care Complaints Policy is key to ensuring that customers have an effective means of feeding back about our services. This is to ensure that we understand what we are doing well and where we may need to improve services we deliver.

7.0 Financial Implications

7.1 If fault causing injustice is found, Cheshire East Council can be asked to pay compensation to a complainant. The Council made three compensation payments in 2014/15 amounting to £4150.

8.0 Legal Implications

8.1 There are no specific legal issues associated with this report.

9.0 Risk Management

9.1 Robust complaint tracking, handling and monitoring arrangements enable the Council to quickly identify potential internal control issues and areas of regulatory, financial and reputational risk. It is important, therefore, that the action the Council takes following the feedback it receives from customers is appropriate, relevant, implemented and promotes wider learning where necessary. In receiving this report, considering the implications in respect of governance, risk management or control, and supporting the development of robust arrangements, the Audit & Governance Committee makes an important contribution to the Council's assurance process.

10.0 Background and Options

10.1 Once a formal complaint has been recorded it is passed to the Service Manager to respond. The customer has a right of appeal (Stage 2) if he/she is not satisfied with the reply. Stage 2 appeals are handled by an officer independent of the service being complained about. With Adults Social Care complaints, customers are encouraged to come back to the Service Manager if they remain unhappy with the response to their initial complaint. All customers have the right to appeal to the Local Government Ombudsman (LGO) at any stage of the process but the Ombudsman prefers the customer to have exhausted the organisation's complaints procedure first.

10.2 Stage 2 complaints

Corporate – of the 1244 corporate complaints received in 2014/15, 74 (6%) customers requested a Stage 2 investigation and 17 (1%) went straight to Stage 2 (for example in cases where there may have already been lengthy e-mail communications between the service and the customer). This compares with 2013/14, when 50 (2.5%) customers requested a Stage 2 investigation and 11 (0.5%) went straight to Stage 2. However, in 2013/14, there was an exceptionally high number of Stage 1 complaints (22%) relating to green waste collection. The main areas which received requests for Stage 2 investigations were Council Tax and Business Rates, Development Management and Highways.

Children's Social Care – 98 new complaints were received in 2014/15, compared with 79 received in 2013/14. Of the 98 complaints, 4 were ultimately taken to Stage 2.

Adults Social Care – 93 new complaints were received in 2014/15, compared with 107 in 2013/14.

10.3 LGO referrals

All customers are offered the opportunity to appeal to the LGO if they are unhappy with the way in which the Council has handled their complaint. **Appendices 2 and 3** show the number of Decision Notices issued to the Council during 2013/14 (75) and 2014/15 (90). In 2014/15 the LGO closed 133 cases relating to Cheshire East. Of these 133 cases, 43 were not directly referred back to the Council¹, 39 cases were closed after the initial enquiry, 30 were not upheld and 21 were upheld.

10.4 LGO Annual Report 2014/15

Headlines from the LGO's latest Annual Report reveal that, for all local authorities, they experienced a 10% increase in Social Care Complaints, they upheld 46% of all complaints where they carried out a detailed investigation and they received an 11% decrease in complaints about benefits and tax. They report that, as a proportion of their total work, education and children's services remained the most complained about area, but that, overall, the number of local authority complaints and enquiries they received remained largely static to 2013/14. A copy of the report can be accessed via the LGO's website at <http://www.lgo.org.uk/publications/annual-reviews/>. Their classification of outcomes differs slightly to that of Cheshire East, in that the Council records the number of Decision Notices received and the outcomes contained within these, whereas the LGO do not detail their outcomes in terms of Decision Notices, but in terms of number of 'detailed investigations'.

Comparisons with other local authorities

Cheshire East Council has the 14th largest population of the 325 local authorities compared in the LGO report and ranked 28th highest for

¹ In these cases, the complainant is given advice, referred back for local resolution or advised that the complaint is incomplete or invalid.

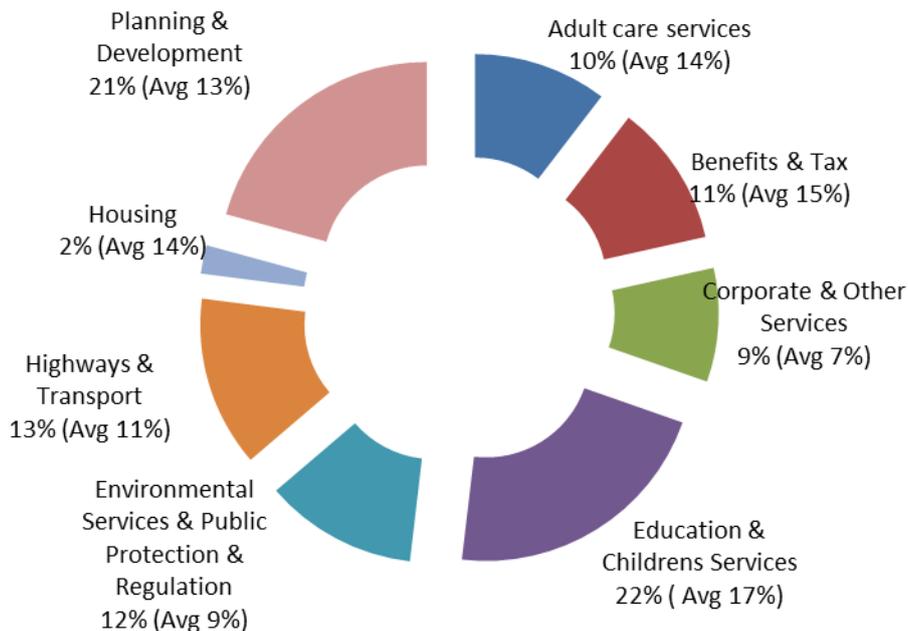
complaints/enquiries to the LGO in 2014-15. (In 2013-14 the Council had the 13th largest population and ranked 27th highest.)

	2014-15 Cheshire East	2014-15 Other LA's	2013-14 Cheshire East	2013-14 Other LA's
Complaints/enquiries to LGO per 10000 population	3.6	2.9	3.5	3.1
Ranking	48th		50th	

In 2014/15 the highest number of referrals related to Education and Children's services (29) and Planning and Development (28), ranked 11th and 3rd respectively. (In 2013/14 the highest was Planning and Development with 38 referrals.)

The chart below shows the distribution of referrals to the LGO in 2014-15 relating to Cheshire East, compared with those for other local authorities.

Distribution of referrals to LGO relating to Cheshire East Council - averages for other local authorities in brackets



10.5 Frequent Complaints

The most frequent complaints received by the Council in 2014/15 are as follows:

Service Area	Most frequent cause for complaint	%age change from 2013/14
Waste and Recycling (Ansa)	Inconsistent collections. Bin replacement/delivery. Attitude/actions of waste operatives.	-15% (excluding green waste complaints in 2013/14)
Highways Operations	Lack of contact/action following report.	-22%
Council Tax, Business Rates and Billing	Recovery/bailiff action. Level of service delivered. Account processing.	+34% (50% of the increase related to complaints about bailiff action. Changes to enforcement legislation in April 2014 resulted in more Council taxpayers being subject to costs not previously charged. Improvements are also being made to the handling of telephone enquiries, which should improve customer service significantly.)
Development Management	Lack of contact/response from Case Officer. Level of service delivered (delays in processing applications). Disagreement with decision.	+37% (2014/15 was a particularly challenging year for Development Management with high levels of planning applications and also an unprecedented number of planning appeals. This, coupled with difficulties with staff retention and recruitment, resulted in high staff caseloads. Currently there is a significant push on improving communication with customers and additional resource has been allocated to the teams. A wider review of customer service and how the customer interacts with Development Management is due to take place before the end of 2015/16.)

Adults Social Care	Charging. Lack of communication. Direct payments (in 2014/15, 51% of complaints concerned these issues compared with 43% in 2013/14).	-13%
Children's Social Care	Inaccuracies and delays in minutes, reports and assessments. Lack of information and updates. Lack of notice about meetings.	+24% (Whilst complaints have increased, there has also been a significant increase in compliments, reflecting improved customer satisfaction. Only 4 of the complaints were not resolved at Stage 1, demonstrating that the service is listening to customers. Children in need plans are now completed at meetings and copies provided to attendees. The service has also invested in a new business support process to deliver enhanced logistical support.)

10.6 MP's complaints

Responses to complaints from MP's on behalf of their constituents are coordinated by the Chief Executive's Office. The table below details the MP's complaints received during 2014/15 compared with 2013/14:

Service	2014/2015	2013/2014
Highways and Transport	19	74
Other	13	11
Planning	9	18
Children's Services	6	9
Environmental Health, Licensing and Trading Standards	6	15
Adults Services	5	7
Compliance	5	0
ANSA/Waste	3	18
Council Tax and Business Rates	3	10
Communities	2	0
Housing/Housing Benefit	2	13
Assets	1	1
Orbitas	1	6
Regeneration	1	0

Parking	1	0
Development Management	0	2
Legal and Democratic Services	0	2
Leisure	0	2
Total	77	188

10.7 Training and benchmarking

Three one-day training sessions on Effective Complaints Handling have been delivered by the LGO this year to managers, Stage 2 investigators and Complaints Coordinators across the organisation. These were very well received and further training days are planned during the remainder of 2015/16.

External benchmarking is also undertaken and members of the Customer Relations and Compliance team meet with their counterparts in other authorities to ensure that the Council is learning from best practice elsewhere. Regular meetings take place with senior management teams to discuss feedback and agree learning points, actions and follow up of these actions.

11.0 Access to Information

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

Sandra Smith
 Customer Relations and Compliance Manager
 01270 685865
Sandra.smith@cheshireeast.gov.uk

This page is intentionally left blank

Appendix 1a - Complaints

Service Area	Complaints Received 2014 / 2015	Complaints Received 2013 / 2014	Complaints Received 2012 / 2013
Waste & Recycling (Ansa)	235	1026	339
Highway Operations	227	291	212
Council Tax Business Rates & Billing	208	155	160
Development Management	177	129	109
Adult Services	100	109	136
Children's Services	100	87	91
Housing Benefits	74	51	32
Customer Services	47	82	51
Parking Enforcement	35	50	26
Grounds Maintenance (Ansa)	29	42	27
Transport (TSS)	29	28	42
Democratic Services	24	10	8
Licensing	24	2	9
Environmental Protection	23	21	13
Education Complaints	12	9	16
Library & Cultural Services	11	17	24
Street Cleansing (Ansa)	11	1	0
Housing	10	9	10
Assets	10	10	3
Community Safety	9	2	0
Mixed Service Area	8	12	5
Spatial Planning	5	2	1
Building Control	5	3	0
Bereavement (Orbitas)	4	6	1
Legal Services	4	3	0
Land Charges	4	1	2
HR	2	1	1
Leisure	2	57	70
Highways Strategy	1	0	7
Visitor Economy incl. Tatton Park	1	0	0
Regeneration & Economic Development	1	0	3
Finance General	1	0	3
Procurement	1	0	0
Internal Audit	1	0	0
Communications & PR	0	10	3
Green Spaces	0	3	3
ICT	0	1	0
Transformation	0	1	0
Planning & Performance	0	0	3
Partnerships Business Manager	0	0	0
Shared Services	0	0	1
Total Complaints	1435	2231	1411

This page is intentionally left blank

Appendix 1b - Compliments

Service Area	Compliments Received 2014 / 2015	Compliments Received 2013 / 2014	Compliments Received 2012 / 2013
Adult Services	669	685	792
Children's Services	170	25	29
Customer Services	99	127	82
Waste & Recycling (Ansa)	86	60	54
Council Tax Business Rates & Billing	75	63	39
Highway Operations	62	47	24
Grounds Maintenance (Ansa)	56	49	16
Street Cleansing (Ansa)	50	0	0
Housing Benefits	43	54	66
Development Management	10	3	10
Library & Cultural Services	10	11	16
Environmental Protection	4	4	0
Building Control	3	1	2
Parking Enforcement	2	3	0
Regeneration & Economic Development	2	1	0
Education Complaints	2	0	0
Licensing	1	2	0
Community Safety	1	0	0
Housing	1	0	0
Visitor Economy incl Tatton Park	0	0	0
Leisure	0	4	4
Assets	0	1	0
Transport (TSS)	0	0	3
Green Spaces	0	0	1
Finance General	0	0	1
Democratic Services	0	0	1
Total Compliments	1346	1140	1140

This page is intentionally left blank

Appendix 1c - Suggestions

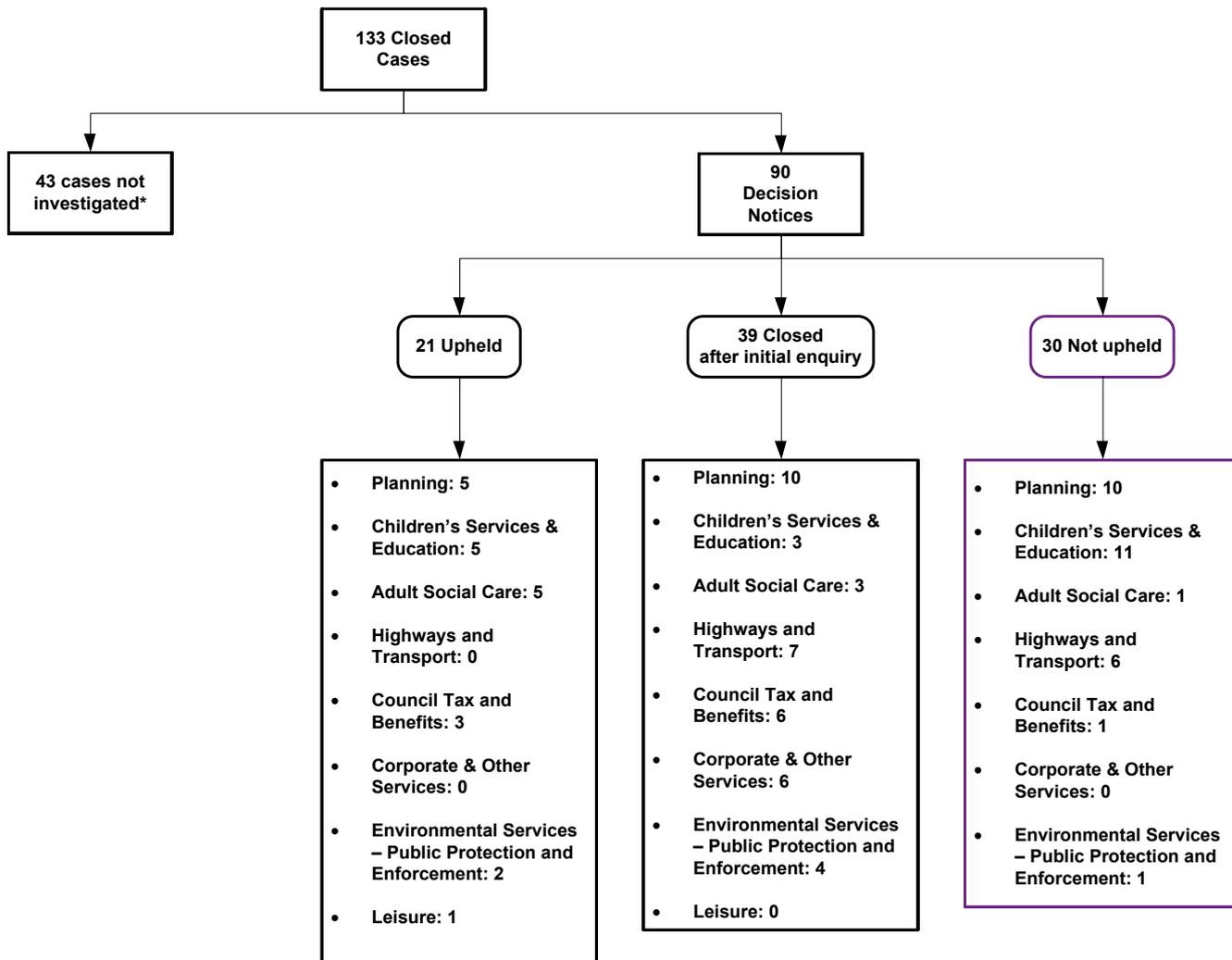
Service Area	Suggestions Received 2014 / 2015	Suggestions Received 2013 / 2014	Suggestions Received 2012 / 2013
Adult's Services*	57	35	57
Children's services*	49	40	15
Waste & Recycling (Ansa)	21	21	10
Highway Operations	16	6	9
Grounds Maintenance (Ansa)	11	0	2
Customer Services	5	1	0
Parking Enforcement	4	0	3
Council Tax Business Rates & Billing	4	1	1
Development Management	3	0	1
Street Cleansing (Ansa)	2	0	0
Community Safety	2	0	0
Visitor Economy incl Tatton Park	2	0	0
Library & Cultural Services	1	3	2
Building Control	1	0	0
Housing	1	0	0
Green Spaces	1	0	1
Leisure	1	4	6
Partnerships Business Manager	0	2	1
Licensing	0	1	0
Environmental Protection	0	1	0
Spatial Planning	0	1	0
Highways Strategy	0	1	0
Mixed Service Area	0	0	0
Bereavement (Orbitas)	0	0	0
Land Charges	0	0	0
Transport (TSS)	0	0	0
Regeneration & Economic Development	0	0	2
Education Complaints	0	0	1
Democratic Services	0	0	2
Total Suggestions/Comments	181	117	113

**In Children's/Adult's Services these can be concerns which have not been dealt with as a formal complaint.

This page is intentionally left blank

Appendix 2

LGO Decision Notices 2014/15



*Complainant either given advice / referred back for local resolution, or complaint was incomplete / invalid

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting: 24 September 2015
Report of: Head of Legal Services and Monitoring Officer
Subject/Title: Members' Code of Conduct: Standards Report
Portfolio Holder: Councillor Paul Findlow

1.0 Report Summary

- 1.1 The purpose of the report is to advise the Committee of the number of complaints received under the Code of Conduct for Members which have been considered by the Monitoring Officer and the Independent Person and to note the outcome, where complaints have been concluded.
- 1.2 The report previously considered by the Committee contained details of complaints received up to and including 28 February 2015. This report covers the period 1 March 2015 to the end of August 2015.

2.0 Recommendation

- 2.1 To note the report.

3.0 Reasons for Recommendations

- 3.1 To assist the Audit and Governance Committee in fulfilling its responsibility for promoting high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The Localism Act places a statutory duty upon the Council to promote and maintain high standards of conduct amongst its own elected members, co-opted members and town and parish council members within the borough. Strong ethical governance is critical to the corporate governance of the authority and also supports the Council's decision-making processes across the organisation.

7.0 Financial Implications

7.1 None identified.

8.0 Legal Implications

8.1 The Localism Act 2011 requires the Council to have a Code of Conduct which sets out the standards expected of members whenever they act in their official capacity. The Council must also have in place a suitable procedure at a local level to investigate and determine allegations against members.

8.2 The Code of Conduct also covers co-opted members.

8.3 The Council is also responsible for having arrangements in place to investigate and determine allegations against town and parish councillors.

9.0 Risk Management

9.1 If the Council fails to adopt and maintain a Code of Conduct and process for the investigation of complaints which is fit for purpose, robust and transparent then there are risks to the Council's reputation and also to the integrity of its corporate governance and decision-making processes.

10.0 Background

10.1 Cheshire East Council adopted a new Members' Code of Conduct in July 2012. It is the responsibility of the Audit and Governance Committee to monitor this Code.

10.2 The report sets out details of the complaints received under the Members' Code of Conduct from March 2015 to August 2015 and, where concluded, the outcome.

10.3 Of the complaints received before 1 March 2015 and reported to the last meeting; one complaint remains ongoing; which was referred for external investigation.

11.0 Summary of Complaints received March 2015 to August 2015

11.1 Between 1 March 2015 to 31 August 2015, 14 complaints were received by the Monitoring Officer i.e.

No. of complaints against a member of Cheshire East Council	3
No. of complaints against a member of a Town/Parish Council within the Borough	11

11.2 The complaints can be broken down as follows.

12.0 Complaints made against Cheshire East Councillors

12.1 Of the three complaints received between March and August, the following paragraphs of the Cheshire East Council Members' Code of Conduct were identified as allegedly having been breached:

Paragraph

1	selflessness	0
2	integrity	2
3	objectivity	2
4	accountability	0
5	openness (a) transparency	0
	openness (b) disclosure	0
6	honesty (a) declaring interests	1
	honesty (b) use of resources	1
7	respect for others (a) courtesy	1
	respect for others (b) equality	0
	respect for others (c) impartiality	0
	respect for others (d) bullying	1
8	leadership	1
9	gifts and hospitality	0

[Note: the numbers do not tally to the number of complaints received as a complainant may list none or more than one paragraph in his/her complaint.]

12.2 Of the cases received, the decision of the Monitoring Officer was as follows:

Complaints awaiting initial assessment	1
No further action to be taken	2
Referred to the Monitoring Officer for informal resolution	0
Referred to Group Leader for informal action	0
Referred by the Monitoring Officer for external investigation	0
Referred to the Police or other regulatory agency	0

13.0 Complaints made against Town/Parish Councillors

13.1 Of the eleven complaints received between March and August, the following paragraphs of the relevant Town/Parish Code of Conduct were identified as allegedly having been breached:

Paragraph

1	selflessness	12
2	integrity	0
3	objectivity	2
4	accountability	1
5	openness (a) transparency	2
	openness (b) disclosure	2
6	honesty (a) declaring interests	1
	honesty (b) use of resources	0
7	respect for others (a) courtesy	3
	respect for others (b) equality	3
	respect for others (c) impartiality	3
	respect for others (d) bullying	3
8	leadership	3

[Note: the numbers do not tally to the number of complaints received as a complainant may list none or more than one paragraph in his/her complaint]

13.2 Of the cases received, the decision of the Monitoring Officer was as follows:

Complaints awaiting initial assessment	4
No further action to be taken	6
Referred to the Monitoring Officer for informal resolution	0
Referred to Group Leader for informal action	0
Referred by the Monitoring Officer for external investigation	1
Referred to the Police or other regulatory agency	0

14.0 Administering the process

14.1 The revised procedure for dealing with standards complaints, adopted by Council in July 2014 and which is the subject of a separate report on the agenda, has significantly increased the speed by which complaints have been dealt with.

14.2 Notwithstanding this, the Monitoring Officer continues to receive a steady number of complaints. Dealing with these complaints and often the preliminary advice and interaction with complainants before a formal complaint is received, takes a significant number of officer hours. The process itself by its very nature is detailed and requires a clear record of all decisions and complaints to be maintained.

15.0 Access to information

There are no background papers relating to this report.

Name: Anita Bradley
Designation: Head of Legal Services and Monitoring Officer
Tel No: 01270 685850
Email: MonitoringOfficerCEC@cheshireeast.gov.uk

This page is intentionally left blank

CHESHIRE EAST COUNCIL

REPORT TO: AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 24 September 2015
Report of: Head of Legal Services and Monitoring Officer
Subject/Title: Review of standards arrangements for dealing with Code of Conduct complaints
Portfolio Holder: Councillor Paul Findlow

1.0 Report Summary

1.1 The Council on 17 July 2014 approved procedures to be followed when considering a complaint that an elected member of the Council or of a town or parish council within its area has failed to comply with the Council's Member Code of Conduct. This report reviews those arrangements and recommends improvements to them.

2.0 Decision Requested

2.1 That the following recommendations be made to **Council**

(a) That the proposed revised arrangements for dealing with complaints about members who are alleged to have breached their Council's code of conduct for members are recommended to the Council.

(b) That the plain English version of the guidance "How to make a complaint" at **Appendix 3** of this report replaces the current version of that guidance on the council website.

(c) That the amended complaint form set out at **Appendix 2** be adopted.

(d) That the amended overview document set out at **Appendix 4** and the amended hearing procedure set out at **Appendix 5** be adopted.

3.0 Wards Affected

3.1 All wards.

4.0 Local Ward Members

4.1 Not applicable.

5.0 Policy Implications

5.1 One of the purposes of this committee is to promote high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted members and other persons acting in a similar capacity). Strong ethical governance, including clear policies and protocols supporting and underpinning the Member Code of Conduct, are critical for the ethical governance of the Council and for public confidence in the Council's decision making processes.

6.0 Financial Implications

6.1 There should be no financial implications associated with the recommendations contained in this report.

7.0 Legal Implications

7.1 The legislation covered by this report is set out in the Localism Act 2011. The proposed changes to the standards processes and procedures set out in this report are accommodated within the legal framework set out in the Act.

8. Risk Management

8.1 The integrity of the standards regime within the councils operating in Cheshire East is important to ensure that the public maintains confidence in the way in which those councils operate and the provision of public services. The Council must have robust processes in place both if it is to safeguard its reputation and the integrity of the Council's corporate governance and decision making processes as a whole.

9.0 Background

9.1 At its meeting on 19 July 2012, Council approved the adoption of a new Code of Conduct for elected members of Cheshire East Council together with a procedure relating to the investigation of complaints under the, then, new Code. The Council on 17 July 2014 approved a revised set of documents to be followed when considering a complaint that an elected member of the Council or of a town or parish council within its area has failed to comply with the Council's Member Code of Conduct. The revised procedures were less complex than the previous ones and allowed for complaints that did not warrant investigation to be dealt with more quickly.

- 9.2 In recommending approval of the new procedures to Council in 2014, Audit and Governance Committee decided that the revised arrangements should be reviewed 12 months after implementation. After operating the new procedures there has been a significant increase in the speed with which complaints have been considered. The backlog of cases which existed last year has been cleared and current complaints are being dealt with more efficiently and effectively. The initial assessment of cases, in particular, takes place more quickly and few complaints get beyond the initial assessment phase to be investigated. Dealing with this phase efficiently significantly reduces the overall time taken to deal with a complaint.
- 9.3 This report sets out proposals to further improve the efficiency of the process and add clarification where it is needed. The report considers the two main documents used in the standards process and the complaints form. These are the "*How to make a complaint*" guidance¹ for those wishing to make a complaint which is currently on the council's website but was not reviewed as part of the decisions made in 2014 and the "*Overview for considering complaints that members have breached the code of conduct*" which was adopted in 2014.

How to make a complaint – Appendix 1

The changes to this document are in tracked changes and additions are in differently coloured text.

- 9.4 Section 3 - It is proposed that the complaint process stipulates that the Monitoring Officer will not consider a complaint unless a complaint form has been received.

The procedure states that complaints must be in writing but it does not specify that a form has to be completed before it can be treated as a code of conduct complaint. Although this approach may appear overly bureaucratic, the advantage of compelling complainants to fill in a form is that, in so doing, they are required to address what the code of conduct actually says and how the member has acted in breach of it. As not all complainants send in a form in the first instance and have to be contacted requesting that they do so, it is suggested that this wording be included in the procedure. This will allow the Monitoring Officer (MO) to insist that only complaints returned on a form are assessed and will help to speed up the initial assessment process. Help would be given to anyone who has a disability or who otherwise needs help to fill in the form.

- 9.5 Section 3 - Where a complaint is about more than one member the complainant will be asked to explain what each individual has done that they believe breaches the code. The addition of this text (which is present on the complaint form) would assist the Monitoring Officer and Independent Person when considering the complaint and applying the assessment criteria. It is also suggested that a new section be added to the complaint form (**appendix 2, section 4**) to help identify which paragraphs have allegedly been breached.

¹ aka arrangements for dealing with standards allegations under the Localism Act 2011

- 9.6 Section 3 – On occasion, a complaint will be received which names more than one complainant. Corresponding with multiple complainants can be time consuming. It is therefore proposed that a single point of contact be sought and that wording to this effect should be included in the procedure.

It is proposed that the sanctions available as part of the standards procedures are set out at this point in the guide to manage expectations about what the process can achieve.

- 9.7 Section 4 - Complaints have been received which concerned both the behaviour of a councillor (code of conduct) and their actions when carrying out council business. The second element may not engage the code of conduct but might still need dealing with under the corporate complaints procedure. For example if a councillor fails to respond to emails, letters or phone messages about a particular issue this does not engage the code of conduct but may lead to poor service from the council. As the outcome of any corporate review could have a bearing on the matter under consideration by the MO, it has proved useful for the corporate element to be resolved first, the outcome of which has then been considered by the MO and Independent Person during their deliberations. It is suggested that this approach be formally adopted as part of the procedure.
- 9.8 Section 4 - When a form is received, preparatory work often has to be undertaken before the member receives notification of the complaint to ensure that the MO has sufficient information before her to be able to effectively carry out her assessment. As the subject member has the right of response but will not be told about the complaint until they receive formal notification by way of a letter; any delay in issuing this letter shortens the 20 day deadline within which the assessment must take place and has, on occasion, led to either an assessment meeting having to be held before the member's response deadline has expired or the deadline being missed. By changing the calculation of the deadline to the despatch date of the notification letter rather than the date the complaint is received, this would provide the flexibility needed and would enable the deadline to be met more readily.
- 9.9 Section 4 - Where the MO requires additional information in order to complete her initial assessment, she may ask the complainant or subject member for more information; which may extend the assessment period by a maximum of 15 working days. It is suggested that the procedure should formally recognise that the parties are informed as a matter of course when this happens.
- 9.10 Section 4 - The MO does not, as a matter of course, notify a town or parish clerk of a complaint at the initial assessment stage of the process unless information is specifically requested from them, or when deciding what action to take. It is suggested that the wording "whether the complaint merits formal investigation" should be changed to "what action to take" to give the MO more flexibility.

It is also suggested that the outcomes of an initial assessment are included at this point since these do not currently appear anywhere in the document.

- 9.11 Section 5 – The proposed additional wording in this section would clarify the fact that the MO might seek to informally resolve a complaint that she might otherwise be minded to send for investigation but that if an informal resolution is not possible the matter might still be investigated. Also the timescale for an investigation has been added to clarify that it is aimed to complete them within 8 weeks of the decision being made to refer a complaint for investigation. Likewise the timescale for responding to a draft investigation report has been added and the fact that each report will include a finding about whether or not the investigator believes there has been a breach of the code of conduct.
- 9.12 Section 6 – The involvement of the Independent Person has been added for clarity along with the timescale of 15 working days for being notified of a “no breach” finding and the fact that the clerk of a parish council will only be informed if they have previously been involved in the case.
- 9.13 Section 7 – The guidance at paragraph 7.1 refers to an informal resolution step which as currently drafted can be instigated without the need for a hearing. It is recommended that the Independent Person should be consulted about each option available at this point in the process.
- 9.14 Section 7 – It is suggested that the wording in paragraph 7.2 is changed to make it clear that any pre-hearing meeting will normally be held in private without any parties present. This should enable the meetings to take place more quickly and prevent the possibility of the subject member seeking to present their case prematurely.
- 9.15 Section 7 – It is also suggested that this section should include the ability to bring the case to an end where it is in the public interest to do so. If at any point during the investigation or hearing process, the subject member has resigned or lost their seat, is seriously ill or has died, it is suggested that the MO or Hearing Sub-Committee ought to be able to bring the case to an end. Also paragraph 7.2 should explicitly state that the investigation and hearing process are confidential up to the point at which the papers for the hearing become public as part of the hearing process.
- 9.16 Section 8 – At present the range of sanctions appears to include the ability to remove a subject member from outside bodies that the council has appointed him/her to. This power is not included within the terms of reference of the Hearing Sub-Committee by the council’s constitution and is inconsistent with the other sanctioning powers it has which largely consist of the power to make recommendations. Therefore, it is proposed that this power is altered to one of making recommendations to the council which would bring it into line with the other sanctioning powers available.
- 9.17 Section 9 – There has been some uncertainty about how the decisions of the Hearing Sub-Committee should be publicised. The council currently has no area on its website which specifically hosts past decisions. It is suggested that the decision should be made available for public inspection by way of the published minutes since the council is obliged to make these public in any event.

- 9.18 Between paragraphs 9 and 10, a heading has been inserted entitled “Informative Notes” to differentiate the information in paragraph 10 onwards from the actual process outlined in paragraphs 1-9 of the document. This has meant that the information in Paragraph 12 containing details about procedural issues has been moved to paragraphs 3 and 8 and the reference in paragraph 12 to the selection of a chairman for the Hearing Sub-committee has been moved to paragraph 10 which deals with information about that sub-committee.
- 9.19 The current guidance is worded in fairly administrative language. Therefore a plain English version of the guidance is attached as **Appendix 3** and it is recommended that it replace the current version.

Overview for considering complaints that members have breached the code of conduct – Appendix 4

- 9.20 This overview document was approved by the Council on 17 July 2014. The document has been amended to take account of the changes set out and proposed above. The content of paragraph 7.1 of Appendix 1 is not reflected in the current version of the overview document. Appendix 4 has been amended to ensure that it now is (paragraph 9). This paragraph allows the MO to informally resolve a case even where an investigation has found that the subject member is in breach of the code. This allows the MO to deal with appropriate cases quickly and efficiently.
- 9.21 The MO has delegated power, in consultation with the Independent Person and the Chair of the Audit and Governance Committee or in his/her absence the Vice Chair of Audit and Governance, to approve a departure from the standards arrangements when she considers it is expedient to do so to secure the effective and fair consideration of any matter. An addition is recommended to the start of the document to allow the MO to depart from the procedure in consultation with the Chairman of the Hearing Sub-Committee rather than the Chairman or Vice Chairman of the Audit and Governance Committee once a hearing is contemplated. The Chairman of the sub-committee is the person with responsibility for running the hearing effectively, therefore it makes sense for that person to be consulted rather than the Chairman of the main committee.
- 9.22 At present there is no retention period specified for documents relating to a case. The recommendation is that the period for both no breach cases and for cases where a breach of the code was found should be the same as the document retention process for committee papers which is 6 years. The minutes of the Hearing Sub-Committee would be kept in the same way as the minutes of other council decision-making bodies.

Hearing Procedure – Appendix 5

- 9.23 The hearing procedure approved by the Council on 17 July 2014 has been amended. It is recommended that it include a pre-hearing process section which will enable issues in dispute to be identified and clarified before the hearing; relevant witnesses and documents to be identified and directions issued about how the hearing should be conducted. The apparently absolute requirement to hold a hearing within 3 months of the Investigator's report being issued has been amended to reflect the reality of the situation which is that the timescale is a target timescale.
- 9.24 A provision has been added so that if at any point during the hearing process, the subject member has resigned or lost their seat, is seriously ill or has died; the sub-committee will only refer the matter for a hearing, or continue with a hearing which is already underway, if it considers it is in the public interest to do so. This provision is already applicable in any event as part of the overall standards process but it makes sense to refer to it in the hearing process too.
- 9.25 The proposed hearing process document showing substantive amendments to the current document in red is attached as **Appendix 5**.

10.0 Access to Information

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

Name: Mark Jones
Designation: Legal Team Manager
Tel No: 01270 686421
E-mail: mark.jones@cheshireeast.gov.uk

This page is intentionally left blank



CESHIRE EAST COUNCIL: ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011

1 Context

These “arrangements” set out how you may make a complaint that an elected or co-opted member of this authority or of a Town or Parish Council within its area has failed to comply with the authority’s Code of Conduct. They also set out how the authority will deal with allegations of a failure to comply with the Authority’s Code of Conduct.

Under Section 28(6) and (7) of the Localism Act 2011 the Council must have in place “arrangements” under which allegations that a member or co-opted member of the authority or of a Town or Parish Council within the authority’s area, or of a Committee or Sub-Committee of the authority, has failed to comply with that authority’s Code of Conduct can be investigated and decisions made on such allegations.

Such arrangements must provide for the authority to appoint at least one Independent Person, whose views must be sought by the authority before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member or a member or co-opted member of a Town or Parish Council against whom an allegation has been made.

2 The Code of Conduct

The Council has adopted a Code of Conduct for members, which is available for inspection on the authority’s website and on request from the Monitoring Officer at Cheshire East Borough Council.

Each Town or Parish Council is also required to adopt a Code of Conduct. If you wish to inspect a Town or Parish Council’s Code of Conduct, you should look on their website in the first instance. You may also ask the Town or Parish clerk to allow you to inspect the Code of Conduct.

3 Making a complaint

Complaints must be submitted to **Cheshire East Borough Council’s Monitoring Officer using the** ~~If you wish to make a complaint, please complete the standard Complaint Form.~~

When completed, please send your complaint form to:

The Monitoring Officer
Cheshire East Borough Council
Westfields
Middlewich Road
Sandbach, CW11 1HZ

Or email: MonitoringOfficerCEC@cheshireeast.gov.uk

~~The complaint process will not commence until a form has been received. The Monitoring Officer will not consider a complaint unless a complaint form has been received.~~

The Monitoring Officer is a senior officer of the authority with statutory responsibility for maintaining the register of members' interests and who is responsible for administering the system in respect of complaints of member misconduct and is the Council's Proper Officer for all such matters.

In order to ensure that we have all the information which we need to be able to process your complaint you need to provide us with:

- the name of the member(s) you believe have breached the Code of Conduct
- the name of their authority
- what the member has done that you believe breaches the Code of Conduct. **If you are complaining about more than one member you should clearly explain what each individual person has done that you believe breaches the Code of Conduct.**
- **which paragraphs of the code you believe are engaged**

It is important that you provide all the information you wish to have taken into account regarding your complaint. For example:

- You should be specific, wherever possible about exactly what you are alleging the member said or did. For instance, instead of writing that the member insulted you, you should state what it was that they said.
- You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates it is important to give a general timeframe.
- You should confirm whether there are any witnesses to the alleged conduct and provide their names and contact details if possible.
- You should provide any relevant background information.

Whilst not acknowledging that your complaint is justified and without prejudice, it would help in dealing with your complaint to know what your desired outcome of ~~this complaint~~ might be. If you feel able to provide this information please do so.

The sanctions that can be imposed are;

- (a) Censure or reprimand the member;
- (b) Publish its findings in respect of the member's conduct.
- (c) Report its findings to Council or the Town or Parish Council for information and make any recommendations ;
- (d) Recommending to the member's Group Leaders (or in the case of ungrouped members, recommending to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
- (e) Recommend to the Leader of the Council that the member be removed from the Executive, or removed from particular Portfolio responsibilities.
- (f) Instruct the Monitoring Officer to, or recommend that the Town or Parish Council arrange training for the member;
- (g) ~~Remove or~~ recommend to Authority Town or Parish Council that the member be removed from all outside appointments to which he/she has been appointed or nominated by the Authority or by the Town or Parish Council;
- (h) Withdraw, or recommend to the Council or Town or Parish Council that it withdraws facilities provided to the Member by the Council, such as a computer, website and/or email and Internet access; or
- (i) Exclude the Member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

There is no power to suspend or disqualify a member, withdraw a member's allowance or change a decision that a member has made or has been involved in making as part of this process.

Please do provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. **If you are making a complaint on behalf of a number of individuals, please nominate one person as the single point of contact to whom all correspondence will be addressed.**

If you want to keep your name and address confidential, please ensure that you complete section 5. You must also provide good reasons why you believe we should withhold your details. ~~It is expected that it is only in exceptional circumstances that~~ we will withhold your details from the member complained about~~the right for confidentiality will be granted~~, as this may prejudice the right of the subject member to respond to the complaint.

Please note that requests for confidentiality will not automatically be granted. The Monitoring Officer in consultation with an Independent Person will consider the request alongside the substance of your complaint. We will then contact you with the decision. If your request for confidentiality is not granted, we will usually allow you the option of withdrawing your complaint.

However, it is important to understand that in certain exceptional circumstances where the complaint is about a very serious matter, we can proceed with an investigation or other action and disclose your name even if you have expressly asked us not to.

Each rRequests for confidentiality will be considered on its merits and we will normally use using the following criteria -

- The complainant has reasonable grounds for believing that they will be at risk of physical harm if their identity is disclosed;
- The complainant is an officer who works closely with the Subject Member(s) and they are afraid of the consequences to their employment or of losing their job if their identity is disclosed;
- The complainant suffers from a serious health condition and there are medical risks associated with their identity being disclosed. Medical evidence may be requested in support of this criterion;
- Whether the complaint can be investigated without revealing the complainant's identity.

4. Will your complaint be investigated?

The Monitoring Officer has delegated power, in consultation with the Independent Person and the Chair of the Audit and Governance Committee or in his/her absence the Vice Chair of Audit and Governance, to approve a departure from the following arrangements when he/she considers it is expedient to do so to secure the effective and fair consideration of any matter. If a hearing is likely to be held, the Monitoring Officer will consult the Independent Person and the Chair of the hearing sub-committee.

The Monitoring Officer will acknowledge receipt of your complaint within 5 working days of receiving it, and will keep you informed of progress. A full copy of your complaint will then, subject to any ruling on disclosure, ordinarily be sent to the ~~m~~Member concerned inviting their written comments within 5 working days of receipt. The member will be asked not to talk to you about the complaint.

If the matter complained about also concerns a council service, your complaint may first need to be dealt with under the corporate complaints procedure before it is considered as a code of conduct matter. This is so that the outcome and any proposed action can be considered by the Monitoring Officer, in consultation with the Independent Person, when assessing the code of conduct complaint.

The Monitoring Officer will review every complaint received against the assessment criteria and, after consultation with the Independent Person, take a decision as to whether it merits formal investigation. This decision will normally be taken within 20 working days from the date of your notification letter, or 5 working days thereafter if the Subject Member has responded to the complaint. ~~receipt of your complaint.~~ Where the Monitoring Officer has taken a decision, he/she will inform you of his/her decision and the reasons for that decision.

Where he/she requires additional information in order to come to a decision, he/she may come back to you or the subject member for such information; which may extend the assessment period by a maximum of 15 working days. You will be notified if this occurs. ~~He/she may also request information from the member against whom your complaint is directed.~~ Where your complaint relates to a Town or Parish Councillor, the Monitoring Officer may also inform the Clerk of the Town or Parish Council of your complaint and may seek the views of the Town or Parish Council before deciding what action to take. ~~whether the complaint merits formal investigation.~~

The decisions that can be made are:

(a) That no further action be taken – This might be because the complaint does not come within the remit of the code of conduct, it is not sufficiently serious to warrant an investigation, it is obsessive, vexatious, malicious or frivolous, it is broadly similar to a complaint against the same member about the same alleged incident, the complaint should not be investigated because there is a clear ulterior/political motive for it or it is just a tit for tat complaint, or that it is not in the public interest to investigate the complaint.

(b) That the Monitoring Officer will seek to resolve the complaint without the need for an investigation by informal resolution (e.g. by an apology, mediation, or training by the subject member).

(c) The complaint should be referred to the Group Leader for informal action (N.B. for complaints against Cheshire East Borough Councillors only and not generally an appropriate action if the complaint is from a member of the public).

(d) An investigation should take place.

(e) Refer the matter to the Police or other regulatory agency.

In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation for example, through mediation. Such informal resolution may involve the member accepting that his/her conduct was unacceptable and offering an apology, or other remedial action suggested by the Monitoring Officer Authority. Where the member or the Monitoring Officer Authority make a reasonable offer of local resolution, but you are not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.

~~If your complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to call in the Police and other regulatory agencies.~~

5 How is the investigation conducted?

If the Monitoring Officer decides that his or her attempts to resolve the matter informally have failed or that a complaint merits formal investigation, he/she will appoint an Investigating Officer. This may be another senior officer of the council Authority, an officer of another a Authority or another external investigator. The Investigating Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can:

- explain your understanding of events
- suggest what additional documents the Investigating Officer needs to see
- suggest who the Investigating Officer needs to interview.

The Investigating Officer will normally write to the member against whom you have complained and provide him/her with a copy of your complaint. He/she will also ask the member to provide his/her explanation of events, and to identify what documents the member thinks he/she needs to see and who the member thinks he/she needs to interview. In exceptional cases, where it is appropriate the Monitoring Officer will keep your identity confidential and may decide not to disclose of details of the complaint to the member if this might prejudice the investigation, ~~the Monitoring Officer can delete your name and address from the papers given to the member or.~~ In exceptional circumstances only, the Monitoring Officer, may decide to delay notifying the member initially.

At the end of his/her investigation, usually no later than 8 weeks from the date of referral, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to you and to the member concerned. This provides you both with the opportunity within 5 working days of the report being sent to you to identify any matter, in that draft report, that you disagree with or that you consider requires more consideration.

Having received and taken account of any comments which you may have made on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer. The report will include the investigator's findings about whether or not the code of conduct has been breached.

6 What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report in consultation with the Independent Person and, if he/she is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to you and to the member concerned within 15 working days of receiving the report and to the member concerned notifying you that he/she is satisfied that no further action is required. He/she will also give you both a copy of the Investigating Officer's final report. Where your complaint relates to a tTown or pParish cCouncillor and the clerk has been informed about the complaint by the Council, the Monitoring Officer will also write to the Clerk of that council Authority.

If the Monitoring Officer is not satisfied that the investigation has been conducted properly, he/she may ask the Investigating Officer to reconsider his/her report. This may involve the Investigating Officer carrying out further investigations and producing an amended report.

In any event the Monitoring Officer, in consultation with the Independent Person, may decide to refer the report to the Audit and Governance Hearing Sub-Committee.

7 What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report and after consulting the Independent Person will then send the matter for informal resolution or, ~~after consulting the Independent Person~~ seek a local hearing before the Hearing Sub-committee.

7.1 Informal Resolution

The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he/she will consult with the Independent Person and with you as complainant to seek to agree what you consider to be a fair resolution and which also helps to ensure higher standards of conduct for the future. Such resolution may include the member accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action agreed by the Authority. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the Audit and Governance Committee and the Town or Parish Council (where relevant) for information, but will take no further action. However, if you tell the Monitoring Officer that any suggested resolution would not be adequate, the Monitoring Officer may (but is not required to) refer the matter for a local hearing.

The emphasis, wherever possible, will be placed on the Monitoring Officer dealing with complaints in a timely manner. Where complaints do not raise serious issues the Monitoring Officer will seek informal resolution rather than refer them for investigation.

Consistent with his/her duty to uphold standards of conduct, the Monitoring Officer will seek the simplest and most cost-effective way of resolving the issue. This informal resolution process will not include a public hearing.

7.2 Local Hearing

If the Monitoring Officer considers that local resolution is not appropriate, or the member concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will arrange for the investigation report ~~the Investigating Officer's report~~ to be considered by the Hearing Sub-Committee. That sub-committee will then conduct a local hearing before deciding whether the member has failed to comply with the Code of Conduct.

The Monitoring Officer will normally conduct a "pre-hearing process" **within 3 months of receiving the Investigating Officer's report**, requiring the member to give his/her response to the ~~Investigating Officer's~~ report. This is done to establish what is likely to be agreed and what is likely to be in contention at the hearing. The Chair of the Hearing Sub-committee may also issue directions as to the manner in which the hearing will be conducted, for example agreeing the number of witnesses. Directions may be given either before or at the hearing taking account of the advice of the Monitoring Officer. **Any meeting to deal with pre-hearing process issues will be held in private without you or the Subject Member present.**

If at any point during the investigation or hearing process, the Subject Member has resigned or lost their seat, is seriously ill or has died, the Monitoring Officer may terminate the investigation and the Hearing Sub-committee will only refer the matter for a hearing if it considers that the public interest will be served by so doing.

Prior to a hearing, any documentation sent out during the process must be treated by all recipients as confidential information until such time (if any) as the Investigator's report is made available to the press and public or the Sub Committee agrees that the press and public should not be excluded from the meeting at which the allegations are

going to be heard. This is because meetings of the Hearing Sub Committee are subject to the normal rules for publication of agendas and access to information.

At the hearing, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask you, as the complainant, to attend and give evidence to the Hearing Sub-committee. The subject member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Hearing Sub-committee ~~abouts to~~ why he/she considers that he/she did not fail to comply with the Code of Conduct.

If the Subject Member is not present, then the Sub Committee ~~0000~~ shall consider whether or not to proceed and may either proceed to consider the matter and make a determination in the absence of the Subject Member, or adjourn the hearing to another time or date unless the Subject Member has indicated that the hearing should proceed in his or her absence.

Should the Member's representative not be present, then the Sub Committee may proceed or adjourn as it considers appropriate in the particular circumstances.

The Hearing Sub-committee will decide, with the benefit of any advice from the Independent Person, whether they agree with the Investigating Officer that there has been a breach of the Code of Conduct. If it and may concludes that the subject member did not fail to comply with the Code of Conduct, it will and so dismiss the complaint. However if the Sub Committee still has some concerns it will issue a finding of no breach of the Code of Conduct, but may then proceed to consider whether it should make any general recommendations to bring to the attention of ~~this~~ Council, any tTown or pParish cCouncil or its members

Where the Hearing Sub-committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the member of this finding. The Hearing Sub-committee will explain the reasons why any advice from the Independent Person has or has not been followed in giving its decision. The Hearing Sub-committee will then consider what action, if any, it should take as a result. The Hearing Sub-committee will give the member an opportunity to make his/her representations and will consult the Independent Person, but will then decide what action, if any, to take in respect of the matter.

8. What action can the Hearing Sub-committee take where a member has failed to comply with the Code of Conduct?

The Council has delegated to the Hearing Sub-committee such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly the Hearing Sub-committee may –

- Censure or reprimand the member.
- Publish its findings in respect of the member's conduct;
- Report its findings to Cheshire East Borough Council or to the Town or Parish Council for information and make any recommendations;

- Recommend to the member's Group Leader (or in the case of un-grouped members, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
- Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- Instruct the Monitoring Officer to, or recommend that the Town or Parish Council, arrange training for the member;
- ~~Remove, or~~ recommend to the Authority, or Town or Parish Council to remove, the member from all outside appointments to which he/she has been appointed or nominated by the Authority or by the Town or Parish Council;
- Withdraw or recommend to the Authority, or Town or Parish Council that it withdraws facilities provided to the member by the Council, such as a computer, website and/or email and Internet access if relevant to the subject matter of the complaint;
- Exclude, or recommend that the Authority, or Town or Parish Council exclude, the member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings if relevant to the subject matter of the complaint.

The Hearing Sub-committee has no power to suspend or disqualify the member or to withdraw members' special responsibility allowances.

The Chair of the Hearing Sub-committee has the right to depart from the Hearing Sub-committee procedure, in consultation with the Monitoring Officer, at any hearing where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

9 What happens at the end of the hearing?

At the end of the hearing, the Chair will state the decision of the Hearing Sub-committee and any actions which the committee resolves to take.

As soon as reasonably practicable thereafter, **or in any event within 10 working days** the Monitoring Officer will prepare a formal decision notice in consultation with the Chair of the Hearing Sub-committee and send a copy to you, to the member, and to the ~~t~~Town or ~~p~~Parish Council, **if relevant**. He/she will also make that decision notice available for public inspection **by way of published minutes** and report the outcome ~~decision~~ to the ~~next convenient meeting of~~ the Audit and Governance Committee,

Informative Notes:

10 Who are the Hearing Sub-~~C~~committee?

The Hearing Sub-~~C~~committee is a Sub-Committee of the Council's Audit and Governance Committee. The Council has decided that it will be made up of 3 members and be drawn from a panel of 15 members of the Council

The Chair of the Hearing Sub-~~C~~committee is appointed by the three members who will sit at the particular hearing either in advance of the hearing or by vote at the start of the hearing.

The Independent Person is invited to attend all meetings of the Hearing Sub-Committee and his/her views are sought and taken into consideration before the Hearing Sub-Committee takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

11 Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement. He/she is appointed by Council.

A person cannot be "independent" if he/she –

- 11.1 Is, or has been within the past 5 years, a member, co-opted member or officer of the Authority;
- 11.2 Is or has been within the past 5 years, a member, co-opted member or officer of a Town or Parish Council within the Authority's area, or
- 11.3 Is a relative or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, "relative" means –
 - 11.3.1 Spouse or civil partner;
 - 11.3.2 Living with the other person as husband and wife or as if they were civil partners;
 - 11.3.3 Grandparent of the other person;
 - 11.3.4 A lineal descendent of a grandparent of the other person;
 - 11.3.5 A parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;
 - 11.3.6 A spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or
 - 11.3.7 Living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.

12 Revision of these arrangements

~~The Monitoring Officer has delegated power, in consultation with the Independent Person and the Chair of the Audit and Governance Committee or in his/her absence the Vice Chair of Audit and Governance, to approve a departure from these arrangements when he/she considers it is expedient to do so to secure the effective and fair consideration of any matter.~~ **Moved to section 3**

~~The Chair of the Hearing Sub-committee has the right to depart from the Hearing Sub-committee procedure, in consultation with the Monitoring Officer, at any hearing where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.~~ **Moved to end of section 8**

~~The Chair of the Hearing Sub-committee is appointed by the three members who will sit at the particular hearing either in advance of the hearing or by vote at the start of the hearing.~~
Moved to section 10

13 Is there an Appeals process?

There is no right of appeal for you as complainant or for the member against a decision of the Monitoring Officer or of the Hearing Sub-committee. If you feel that the [Council Authority](#) has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman.

COMPLAINT FORM

Code of Conduct – Council, Town & Parish Councillors and Co-opted Member(s).

Your details-

1. Please provide us with your name and contact details.

Title:	
First name:	
Last name:	
Address:	
Daytime telephone:	
Evening telephone:	
Mobile telephone:	
Email address:	

Please indicate if you would prefer us to use your email address instead of your postal address for correspondence purposes _____

2. Please tell us which complainant type best describes you:

- Member of the public
- An elected or co-opted Member(s) of an Authority or a Town and Parish Council
- Local Authority Monitoring Officer
- Other Council Officer or employee of the Council
- Other - please specify _____

3. Please provide us with the name of the Member(s) you believe have breached the Code of Conduct and the name of their Authority:

Title	First name	Last name	Council or Authority name

--	--	--	--

4. Please identify which paragraphs of the Code of Conduct you believe have been breached:

1 Selflessness		6 Honesty sub paragraph b	
2 Integrity		7 Respect for others sub paragraph a	
3 Objectivity		7 Respect for others sub paragraph b	
4 Accountability		7 Respect for others sub paragraph c	
5 Openness sub paragraph a		7 Respect for others sub paragraph d	
5 Openness sub paragraph b		8 Leadership	
6 Honesty sub paragraph a		9 Gifts and Hospitality	

5. Please explain in this section (or on separate sheets) what the Member(s) has/have done that you believe breaches the Code of Conduct. If you are complaining about more than one Member you should explain clearly what each individual person has done which you believe breaches the Code of Conduct.

Please provide us with details of your complaint. Continue on a separate sheet if there is not enough space on this form.

6. Only complete this section if you are requesting that your identity is kept confidential

In the interests of fairness and natural justice, the Council believes that Member(s) who are complained about have a right to know who has made the complaint. ~~The Council also believes they have a right to be provided with a copy of the complaint.~~ We are unlikely to withhold your identity or the details of your complaint unless you have good reason. **Please refer to page 2 of the 'How to make a complaint' guide.**

Please provide us with details of why you believe we should withhold your name and/or the details of your complaint:

7. Signature:

I understand that by signing this form I am giving Cheshire East Borough Council permission to pass a copy of this complaint and any evidence supplied in support, to the individual ('the Subject Member') against whom the complaint has been made.

Signed: _____

Date: _____

8. Additional Help

Complaints must be submitted in writing. You may post, fax or email your signed, completed form to the Monitoring Officer. However, in line with the requirements of the Equality Act 2010, we can make reasonable adjustments to assist you if you have a disability that prevents you from making your complaint ~~in writing~~ **this way**.

We can also help if English is not your first language.

**If you need any support in completing this form, please contact
XXXXXXXXXXXXXXXXXXXXX**

This page is intentionally left blank

CHESHIRE EAST COUNCIL: ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS ABOUT COUNCILLORS AND CO-OPTED MEMBERS

1 How to make a complaint

These “arrangements” set out

- (1) how you can make a complaint that an elected or co-opted member of this council or of a town or parish council within its area has failed to comply with his or her council’s code of conduct, and
- (2) how the council will deal with allegations.

In this document the term “member” means an elected or co-opted member of this council or of a town or parish council within its area

Cheshire East Council must have arrangements for dealing with allegations that a member or co-opted member of the council or of a town or parish council within the council’s area, or of a committee or sub-committee of the council, has failed to comply with that council’s code of conduct. The arrangements must include how those allegations will be investigated and how decisions about them will be made.

The council must appoint at least one Independent Person and seek their views before it takes a decision on an allegation which it has decided to investigate. The Independent Person’s views can also be sought by the council on any other issue, or by a member against whom an allegation has been made.

2 The Code of Conduct

The council has adopted its Code of Conduct for Members, which is available for inspection on the council’s website and on request from the Monitoring Officer at Cheshire East Borough Council.

Each town and parish council must also adopt a Code of Conduct. If you wish to inspect a town or parish council’s code of conduct, you should look on their website in the first instance. You may also ask the town or parish clerk to allow you to inspect it.

3 Making a complaint

Complaints must be submitted to Cheshire East Borough Council’s Monitoring Officer using the standard complaint form.

When completed, please send your complaint form to:

The Monitoring Officer
Cheshire East Borough Council
Westfields
Middlewich Road
Sandbach, CW11 1HZ

Or email: MonitoringOfficerCEC@cheshireeast.gov.uk

The Monitoring Officer will not consider a complaint unless a form has been received. If you have a disability which prevents you from filling in the form please contact **XXXXXXXXXX** and you will be helped to fill it in.

In order to ensure that we have all the information which we need to be able to process your complaint you need to provide us with:

- the name of the member(s) you believe have breached the code of conduct
- the name of their council
- what the member has done that you believe breaches the code of conduct. If you are complaining about more than one member you should clearly explain what each individual person has done that you believe breaches the code of conduct.
- which paragraphs of the code you believe they have breached

It is important that you provide all the information you want taken into account about your complaint. For example:

- Wherever possible you should be specific about exactly what you are alleging the member said or did. For instance, instead of writing that the member insulted you, you should state what it was that they said.
- You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates it is important to give as accurate a timeframe as you can.
- You should confirm whether there are any witnesses to the alleged conduct and provide their names and contact details if possible.
- You should provide any relevant background information.

It would help in dealing with your complaint to know what your desired outcome might be. If you feel able to provide this information please do so. See paragraph 8 which sets out all the sanctions available to the council.

There is no power to suspend or disqualify a member, withdraw a member's allowance, or change a decision that a member has made, or has been involved in making, as part of this process.

Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you are making a complaint on behalf of a number of individuals, please nominate one person as the single point of contact to whom all correspondence will be addressed.

If you want to keep your name and address confidential, please ensure that you complete section 5 of the complaint form. You must have good reasons for asking us to withhold your details. It is only in exceptional circumstances that we will withhold your details from the member complained about (who we refer to as the subject member), as this may prejudice the right of that member to respond to the complaint.

Please note that requests for confidentiality will not automatically be granted. The Monitoring Officer in consultation with an Independent Person will consider the request alongside the substance of your complaint. We will then contact you with the decision. If your request for confidentiality is not granted, we will usually allow you the option of withdrawing your complaint.

However, it is important to understand that in certain exceptional circumstances where the complaint is about a very serious matter, we will proceed with an investigation or other action and may have to disclose your name even if you have expressly asked us not to.

Each request for confidentiality will be considered on its merits and we will normally use the following criteria -

- You have reasonable grounds for believing that you will be at risk of physical harm if your identity is disclosed;
- You are an officer who works closely with the subject member(s) and you are afraid of the consequences to your employment or of losing your job if your identity is disclosed;
- You suffer from a serious health condition and there are medical risks associated with your identity being disclosed. Medical evidence may be requested in support of this criterion;
- Whether the complaint can be investigated without revealing your identity.

4. Will your complaint be investigated?

The Monitoring Officer has the power, in consultation with the Independent Person and the Chairperson of the Audit and Governance Committee or in his/her absence the Vice Chairperson, to approve a departure from the following arrangements when he/she thinks it is sensible to do so to make sure the case is dealt with fairly and effectively. If a hearing is likely to be held, the Monitoring Officer will consult the Independent Person and the Chairperson of the Hearing Sub-Committee.

The Monitoring Officer will acknowledge receipt of your complaint within 5 working days of receiving it, and will keep you informed of progress. A copy of your complaint will then be sent to the member concerned inviting their written comments within 5 working days of receipt unless we have agreed to your request for anonymity in which case your identity will be withheld. Where your identity is disclosed the subject member will be asked not to talk to you about the complaint.

If your complaint also concerns a council service, your complaint may first need to be dealt with under the corporate complaints procedure before it is considered as a code of conduct case. This is so that the outcome and any proposed action can be considered by the Monitoring Officer, in consultation with the Independent Person, when assessing the code of conduct complaint.

4.1 Initial assessment

The Monitoring Officer will review every complaint received against the assessment criteria. These are:

- It is a complaint against one or more named Members of Cheshire East Borough Council or a town or parish council within Cheshire East Borough;
- The named Member was in office at the time of the alleged conduct and the Code of Conduct was in force at the time;
- The complaint, if proven, would be a breach of the code under which the member was operating at the time of the alleged misconduct.

If the complaint fails one or more of these tests it will not be investigated.

If the above tests are met the Monitoring Officer will consider the following criteria when deciding whether or not to investigate:

1. Adequate information – The Monitoring Officer will want to be satisfied that he/she has sufficient information to decide whether the complaint should be referred for investigation or other action;
2. Official capacity - The member was acting in an official capacity.
3. Timescale – The Monitoring Officer will take into account when the events took place and will not normally investigate if the events occurred more than 6 months prior to the complaint being submitted;
4. Seriousness of the complaint – The Monitoring Officer will not normally refer a matter for investigation or other action if it is considered trivial, malicious, politically motivated or tit-for-tat;
5. Public interest - If the complaint relates to an ex-member of Cheshire East Council or one of its town or parish councils who is now a member of another council the Monitoring Officer may ask that council to consider it.

If the member has resigned, is seriously ill or has died the Monitoring Officer will only refer the matter for investigation or other action if he/she considers that it is in the public interest to do so.

After consultation with the Independent Person, the Monitoring Officer will take a decision about whether your complaint merits formal investigation. This decision will normally be taken within 20 working days from the date of the notification letter we send you acknowledging your complaint, or 5 working days later if the subject member has responded to the complaint. Where the Monitoring Officer has taken a decision, he/she will inform you of that decision and the reasons for it.

Where the Monitoring Officer needs more information in order to come to a decision, he/she may come back to you or the subject member for that information; which may extend the assessment period by up to 15 working days. You will be notified if this occurs. Where your complaint relates to a town or parish councillor, the Monitoring Officer may also inform the clerk of that town or parish council of your complaint and may seek the views of the town or parish council before deciding what action to take.

The decisions that can be made are:

- (a) That no further action be taken – This might be because the complaint does not come within the remit of the code of conduct, it is not sufficiently serious to warrant an investigation, it is obsessive, vexatious, malicious or frivolous, it is broadly similar to a complaint against the same member about the same alleged incident, it should not be investigated because there is a clear ulterior/political motive for it or it is just a tit for tat complaint, or it is not in the public interest to investigate the complaint.
- (b) That the Monitoring Officer will seek to resolve the complaint informally without the need for an investigation (e.g. by an apology, mediation, or training of the subject member).
- (c) That the complaint is referred to the leader of the political party the member belongs to for informal action (N.B. this is for complaints against Cheshire East Borough Councillors only and is not generally an appropriate option if the complaint is from a member of the public).
- (d) An investigation should take place.
- (e) Refer the matter to the Police or other regulatory agency.

In appropriate cases, the Monitoring Officer may try to resolve the complaint informally, without the need for a formal investigation, for example, through mediation. Informal resolution may involve the member accepting that his/her conduct was unacceptable and offering an apology, or other remedial action suggested by the Monitoring Officer. Where the member or the Monitoring Officer makes a reasonable offer of local resolution, but you are not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation

5 How is the investigation conducted?

If the Monitoring Officer decides that his or her attempts to resolve your complaint informally have failed or that it merits formal investigation, he/she will appoint an Investigating Officer. This may be another senior officer of the council, an officer of another council or an external investigator. The Investigating Officer will decide whether he/she needs to meet or speak to you to understand the nature of your complaint and so that you can:

- explain your understanding of events
- suggest what additional documents the Investigating Officer needs to see
- suggest who the Investigating Officer needs to interview.

The Investigating Officer will normally write to the member against whom you have complained and provide him/her with a copy of your complaint. He/she will also ask the member to provide his/her explanation of events and to identify what documents the member thinks he/she needs to see and who the member thinks he/she needs to interview. In exceptional cases, where it is appropriate the Monitoring Officer will keep your identity confidential and may decide not to disclose details of the complaint to the member if this might prejudice the investigation. In exceptional circumstances only, the Monitoring Officer may decide to delay notifying the member initially.

At the end of his/her investigation, usually within 8 weeks of being asked, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to you and to the member concerned. This provides you both with the opportunity within 5 working days of the report being sent to you to identify any matter, in that draft report, that you disagree with or that you consider requires more consideration.

Having received and taken account of any comments which you or the member concerned may have made on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer. The report will include the investigator's findings about whether or not the code of conduct has been breached.

6 What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report in consultation with the Independent Person and, if he/she is satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to you and to the member concerned within 15 working days of receiving the report notifying you that he/she is satisfied that no further action is required. He/she will also give you both a copy of the Investigating Officer's final report. Where your complaint relates to a town or parish councillor and the clerk has been informed about the complaint by the council, the Monitoring Officer will also write to the clerk of that council.

If the Monitoring Officer is not satisfied that the investigation has been conducted properly, he/she may ask the Investigating Officer to reconsider his/her report. This may involve the Investigating Officer carrying out further investigations and producing an amended report.

In any event the Monitoring Officer, in consultation with the Independent Person, may decide to refer the report to the Audit and Governance Hearing Sub-Committee.

7 What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report and after consulting the Independent Person either try and informally resolve the case or, seek a local hearing before the Hearing Sub-Committee.

7.1 Informal Resolution

The Monitoring Officer might think that the case can reasonably be resolved without the need for a hearing. In that case, he/she will consult with the Independent Person and with you to seek to agree what you consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. Any resolution may include the member accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action agreed by the council. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the Audit and Governance Committee and the town or parish council (where relevant) for information, but will take no further action. However, if you tell the Monitoring Officer that any suggested resolution would not be adequate, the Monitoring Officer may (but is not required to) refer the matter for a local hearing.

The Monitoring Officer will aim to deal with complaints quickly. Where they do not raise serious issues the Monitoring Officer will try and resolve them informally rather than refer them for investigation.

Consistent with his/her duty to uphold standards of conduct, the Monitoring Officer will seek the simplest and most cost-effective way of resolving the case. This informal resolution process will not include a public hearing.

Local Hearing

The Monitoring Officer will arrange for the investigation report to be considered by the Hearing Sub-Committee. That sub-committee will then conduct a hearing before deciding whether the member has failed to comply with the code of conduct.

The Monitoring Officer will normally conduct a "pre-hearing process" within 3 months of receiving the Investigating Officer's report, requiring the member concerned to give his/her response to the report. This is done to establish what is likely to be agreed and what is likely to be in dispute at the hearing. The Chairperson of the Hearing Sub-Committee may also issue directions about the way in which the hearing will be conducted, for example agreeing the number of witnesses. Directions may be given either before or at the hearing taking account of the advice of the Monitoring Officer. Any meeting to deal with pre-hearing process issues will be held in private without you or the subject member present.

If at any point during the investigation or hearing process, the subject member has resigned or lost their seat, is seriously ill or has died, the Monitoring Officer may terminate the investigation and the Hearing Sub-Committee will only refer the matter for a hearing if it considers it is in the public interest to do so.

Prior to a hearing, any documentation sent out during the process must be treated by all recipients as confidential information until the Investigator's report is made available to the press and public or the sub-committee agrees that the press and public should not be excluded from the meeting at which the allegations are going to be heard. This is because meetings of the Hearing Sub-Committee are subject to the normal rules for publication of council agendas and access to information.

At the hearing, the Investigating Officer will present his/her report, call witnesses and make representations to substantiate his/her conclusion that the member has failed to comply with the code of conduct. For this purpose, the Investigating Officer may ask you, as the complainant, to attend and give evidence to the Hearing Sub-Committee. The subject member will then have an opportunity to give his/her evidence, to call witnesses and to make representations about why he/she considers that he/she did not fail to comply with the code of conduct.

If the subject member is not present, then the sub-committee will consider whether or not to proceed and make a decision about the case anyway, or whether to adjourn the hearing to another time or date. If the subject member has indicated that the hearing should carry on without him/her this will normally happen.

If the subject member has a representative but they do not turn up, then the sub-committee can decide to go ahead or adjourn the hearing.

The Hearing Sub-Committee will decide, with the benefit of any advice from the Independent Person, whether they agree with the Investigating Officer that there has been a breach of the code of conduct. If it concludes that the subject member did not breach the code of conduct, it will dismiss the complaint. However if the sub-committee still has some concerns it will issue a finding of no breach but might then make general recommendations to this council, any town or parish council or its members.

Where the Hearing Sub-committee concludes that the member did fail to comply with the code of conduct, the Chairperson will inform the member of this finding. The Hearing Sub-Committee will explain the reasons why any advice from the Independent Person has or has not been followed in giving its decision. The Hearing Sub-Committee will then consider what action, if any, it should take as a result. The Hearing Sub-Committee will give the member an opportunity to make representations about that and will consult the Independent Person, but will then decide what action, if any, to take.

8. What action can the Hearing Sub-Committee take where a member has failed to comply with the Code of Conduct?

The Council has delegated to the Hearing Sub-Committee such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly the Hearing Sub-Committee may –

- Censure or reprimand the member.
- Publish its findings in respect of the member's conduct;

- Report its findings to Cheshire East Borough Council or to the town or parish council for information and make any recommendations;
- Recommend to the member's Group Leader (or in the case of un-grouped members, recommend to Council or to committees) that he/she be removed from any or all committees or sub-committees of the Council;
- Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular portfolio responsibilities;
- Instruct the Monitoring Officer to, or recommend that the town or parish council, arrange training for the member;
- Recommend to the Council, or town or parish council to remove, the member from all outside appointments to which he/she has been appointed or nominated by the Council or by the town or parish council;
- Withdraw or recommend to the Council, or town or parish council that it withdraws facilities provided to the member by the Council, such as a computer, website and/or email and Internet access if relevant to the subject matter of the complaint;
- Exclude, or recommend that the Council, or town or parish council exclude, the member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Cabinet, committee and sub-committee meetings if relevant to the subject matter of the complaint.

The Hearing Sub-Committee has no power to suspend or disqualify the member or to withdraw a member's allowances.

The Chairperson of the Hearing Sub-Committee has the right to depart from the Hearing Sub-Committee procedure, in consultation with the Monitoring Officer, at any hearing where he/she considers that it is sensible to do so to deal with the case fairly and effectively.

9 What happens at the end of the hearing?

At the end of the hearing, having consulted with and considered the views of the Independent Person, the Chairperson of the Hearing Sub-Committee will announce the decision of the sub-committee on the day.

As soon as possible but in any event within 10 working days the Monitoring Officer will prepare a formal decision notice in consultation with the Chairperson and send a copy to you, to the member concerned, and to the town or parish council, if relevant. He/she will also make that decision notice available for public inspection by publishing the minutes of the meeting and will report the outcome to the Audit and Governance Committee,

Informative Notes:

Who is the Monitoring Officer?

The Monitoring Officer is a senior officer of the council who is responsible for keeping the register of members' interests and dealing with complaints about member misconduct.

Who are the Hearing Sub-Committee?

The Hearing Sub-Committee is a sub-committee of the Council's Audit and Governance Committee. The Council has decided that it will be made up of 3 members and be drawn from a panel of 15 members of the Council.

The Chairperson of the Hearing Sub-Committee is appointed by and from the three members who will sit at the particular hearing.

Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement. He/she is appointed by Council.

A person cannot be "independent" if he/she –

- 1 Is, or has been within the past 5 years, a member, co-opted member or officer of the Council;*
- 2 Is or has been within the past 5 years, a member, co-opted member or officer of a Town or Parish Council within the Council's area, or*
- 3 Is a relative or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, "relative" means –*
 - 3.1 Spouse or civil partner;*
 - 3.2 Living with the other person as husband and wife or as if they were civil partners;*
 - 3.3 Grandparent of the other person;*
 - 3.4 A lineal descendent of a grandparent of the other person;*
 - 3.5 A parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;*
 - 3.6 A spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or*
 - 3.7 Living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.*

The Independent Person is invited to attend all hearings of the Hearing Sub-Committee and his/her views are sought and taken into consideration before they take any decision about whether the member's conduct constitutes a failure to comply with the code of conduct and about any action to be taken following a finding of failure to comply with that code.

Is there an Appeals process?

There is no right of appeal for you or for the member concerned against a decision of the Monitoring Officer or of the Hearing Sub-Committee. If you feel that the Council has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman.

This page is intentionally left blank

OVERVIEW FOR CONSIDERING COMPLAINTS THAT MEMBERS HAVE BREACHED THE CODE OF CONDUCT

Note: The Monitoring Officer has delegated power, in consultation with the Independent Person and the Chair of the Audit and Governance Committee or in his/her absence the Vice Chair of Audit and Governance, to approve a departure from these arrangements when he/she considers it is expedient to do so to secure the effective and fair consideration of any matter. Where a hearing is anticipated the Monitoring Officer will consult with the Independent Person and the Chairman of the Hearing Sub-Committee.

1. Complaints must be submitted to Cheshire East Borough Council's Monitoring Officer (MO) using the Council's Standard Complaint Form setting out in sufficient detail why the complainant considers there has been a failure to comply with the relevant Code of Conduct.

MO acknowledges receipt of the complaint within 5 working days

2. MO informs the Subject Member of:

- (a) the complaint, and provides the Subject Member with a copy of part 4 of the Complaint Form and the name of the Complainant, unless in exceptional circumstances where the Monitoring Officer, in consultation with the Independent Person has granted the Complainant's request for confidentiality. Under no circumstances must the Subject Member contact the Complainant direct regarding any of the issues raised.
- (b) his/her right to consult the Independent Person (IP) appointed by the Council, through the MO.
- (c) his/her right to provide the MO with his/her written response to the complaint. Any such response to be received by the MO within 5 working days after dispatch of the formal notification letter to receipt of the complaint by the subject member.

Should the complaint concern matters relating to Council services, it may be necessary to deal with this part of the complaint first in accordance with the Council's corporate complaints procedure.

3. Initial Assessment

MO, in consultation with IP, will make his/her initial assessment based on the adopted criteria, within 20 working days of dispatch of the formal notification letters receipt of the complaint and if applicable, an additional 5 working days from receipt of the written response, if one is received required, from the subject member. That initial assessment will determine one or more of the following outcomes:

- (a) The complaint does not come within the remit of the Code of Conduct.
- (b) The complaint is not sufficiently serious to warrant an investigation.
- (c) That it is not in the public interest to investigate the complaint.
- (d) He/she should seek to resolve the complaint without the need for an investigation by informal resolution (e.g. by an apology, mediation, or training by the subject member).
- (e) The complaint should be referred to the Group Leader for informal action (NB for complaints against Cheshire East Borough Councillors only and not generally an appropriate action if the complaint is from a member of the public).

- (f) The Complaint should not be investigated because it is obsessive, vexatious, malicious or frivolous.
 - (g) The Complaint should not be investigated because it is broadly similar to a complaint against the same Member about the same alleged incident.
 - (h) The Complaint should not be investigated because there is a clear ulterior/political motive for it or it is just a tit for tat complaint.
 - (i) An investigation should take place.
 - (j) Refer the matter to the Police or other Regulatory Agency.
4. Before coming to his/her decision under para 3 the MO may request further information and/or clarification from the complainant and/or the subject member. Where this is the case time period may be extended up to a maximum of a further 15 working days, **notification of which will be sent to both parties.**
5. If the MO decides that the complaint should be investigated, or his/her attempts to resolve the complaint without an investigation do not succeed, then he/she will carry out an investigation or appoint an investigator to carry out an investigation on his/her behalf.
6. Investigation:
The Investigator appointed under para 5 by the MO may be;
- (a) A senior officer of the Town or Parish Council.
 - (b) A senior officer of Cheshire East Borough Council.
 - (c) An external investigator with relevant experience and appropriately trained.
7. Before finalising his/her report the investigator shall send a copy of it to both the complainant and subject member and give them at least 5 working days to comment on it.
8. A report into an investigation shall include the investigator's findings on whether the Code has been breached. If the investigator's final report finds there has not been a breach of the Code the MO can **within 15 working days of receipt of the report and, following** consultation with IP, decide to
- (a) Take no action.
 - (b) Refer the report to the Audit and Governance Hearing Sub-Committee (Hearing Sub-Committee).
9. If the investigator's report finds there has been a breach of the Code then the MO must refer the matter to the Hearing Sub-Committee **unless satisfied that an informal resolution of the case is possible.** ~~That committee will meet in public~~
10. A "pre-hearing process" will take place **within 3 months of receipt of the Investigating Officer's report to** establish what is likely to be agreed or contended at the hearing. The Chair of the Hearing Sub-Committee will also issue directions as to the manner in which the hearing will be conducted. **The meeting will be held in private in the absence of the Complainant and the Subject Member.**
11. **If during the investigation, the Subject Member has resigned/lost their seat, was seriously ill or had died, the Hearing Sub-committee would only refer the matter for a hearing if it considers that the public interest will be served by so doing.**
12. **The documentation sent out must be treated by all recipients as confidential information until such time (if any) as the Investigating Officer's report is made available to the press and public or the Sub Committee agrees that the press and public should not be excluded from the meeting at which the allegations are heard.**

13 Hearing Sub Committee:

When the matter has been referred to the Hearing Sub Committee by the MO, it will:

- (a) Allow the investigator to present his/her report and call witnesses, including the complainant.
- (b) Allow the subject member to make representations and call witnesses.
- (c) Decide if the subject member has or has not breached the Code of Conduct.
- (d) Decide what sanction should be imposed if they decide the Code has been breached.

14. The sanctions the Hearing Sub Committee can impose, if they find a breach of the Code are;

- (a) Censure or reprimand the member;
- (b) Publish its findings in respect of the member's conduct.
- (c) Report its findings to the Council or the town or parish council for information and make any recommendations ;
- (d) Recommending to the member's Group Leader (or in the case of ungrouped members, recommending to the Council or to committees) that he/she be removed from any or all committees or sub-committees of the Council;
- (e) Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular portfolio responsibilities.
- (f) Instruct the Monitoring Officer to, or recommend that the town or parish council arrange training for the member;
- (g) Remove or recommend to the Council or to the town or parish council that the member be removed from all outside appointments to which he/she has been appointed or nominated by the Council or by the town or parish council;
- (h) Withdraw, or recommend to the Council or town or parish council that it withdraws facilities provided to the member by the Council, such as a computer, website and/or email and Internet access; or
- (i) Exclude the member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Cabinet, committee and sub-committee meetings.

The Hearing Sub Committee has no power to suspend or disqualify a member or to withdraw a member's allowance.

15. In reaching a decision as to whether there has been a breach of the Code and if so what sanction should be imposed the Hearing Sub Committee will consult and consider the views of IP and that decision will be announced on the day.

16. Following any final decision by the MO or the Hearing Sub Committee (at whatever stage) the MO shall inform the complainant and the subject member of the decision and the reasons for it within 10 working days.

17. Wherever there has been a decision that the subject member has breached the Code of Conduct that decision and the reasons for it shall, by way of published minutes, be put on the Council's website in a prominent position. Wherever there is a decision that the subject member has not breached the Code of Conduct that decision shall be put on the Council's website, in a prominent position if the subject member wishes it to be.

18. Any decision of the MO or Hearing Sub-Committee shall be final and binding.
19. The MO will present a report to the Audit and Governance Committee twice a year giving;
 - (a) the number of complaints received and brief details.
 - (b) how they are progressing.
 - (c) what decisions have been made.
 - (d) what action has, where appropriate, been taken.
19. ~~The MO has delegated power, in consultation with the IP and the Chair of the Audit and Governance Committee or, in his/her absence, the Vice Chair of Audit and Governance Committee, to approve a departure from these arrangements when he/she considers it is expedient to do so to secure the effective and fair consideration of any matter. (moved to beginning of the procedure)~~
20. In all cases where the MO is unable to perform his/her role his/her deputy will do so.
21. The documentation relating to a case will be retained for 6 years, irrespective of whether the finding is no breach or one of breach, in line with the document retention procedure for committee papers. For the avoidance of doubt, minutes of the Hearings Sub-Committee will be retained in the same way as the minutes of other council decision-making bodies.

MEMBERS' CODE OF CONDUCT HEARING SUB-COMMITTEE – HEARING PROCEDURE

1. Pre-hearing procedure

- 1.1 Any pre-hearing process must aim to begin within 3 months of the date of the Investigator's report. The purpose of the process is to:
 - a. Identify the agreed facts and any factual disputes the subject member has with the findings in the report.
 - b. Identify the witnesses and documents relevant to the hearing.
 - c. Give directions about the way in which the hearing will be conducted.
- 1.2 The subject member will be asked by the Monitoring Officer to identify, within 21 days of the request, any factual disputes that member has with the content of the Investigator's report using the form appended to this document – form A. The subject member will also be asked by the Monitoring Officer within the same timescale to identify any witnesses he/she proposes to call at the hearing and give a brief summary of the evidence each witness would give.
- 1.3 The Investigator will be invited to comment on that information within 14 days of receiving it from the Monitoring Officer.
- 1.4 The Chairman of the sub-committee will issue such directions as appear necessary or expedient about the way in which the hearing will be conducted. Such directions may relate to any aspect of the hearing including the documentation to be produced in evidence, the witnesses the sub-committee would wish to hear from and the timescale within which specified actions are to be taken.

2. Date of Hearing

- 2.1 The Monitoring Officer will arrange a convenient time and date for the sub-committee to meet and determine the matter. It is anticipated that a hearing will be dealt with on a single day. In any event, the hearing must **aim to** take place within three months of receipt of the Investigating Officer's report by the Monitoring Officer.
- 2.2 At least five clear working days before the hearing, the subject member and Investigator shall be notified of the date, time and place of meeting.
- 2.3 At least five clear working days before the hearing, the Monitoring Officer will send to each member of the sub-committee, the subject member and the Investigator:
 - The agenda for the meeting; and
 - A copy of the investigation report.

2.4 The documentation sent out must be treated by all recipients as confidential information until such time (if any) as the report is made available to the press and public or the sub-committee agrees that the press and public should not be excluded from the meeting at which the allegations are heard.

2.5 The date of the meeting and the outline agenda **will be** ~~is~~ published on the Council's website.

3. Representation

3.1 The subject member may be represented or accompanied during the hearing by another person as long as the sub-committee or its intended Chairman has given prior consent.

3.2 The subject member may make representations (orally or in writing) or present evidence in accordance with this procedure either personally or through his or her representative. The sub-committee will not normally permit the subject member and his or her representative to both make representations, although the subject member may present evidence him or herself whether or not represented.

4. Legal Advice

4.1 The sub-committee may take legal or procedural advice at any time during the hearing or its deliberations. The substance of any such advice should generally be shared with the subject member and/or his representative and the Investigator if they are present.

5. Introductions at the Hearing

5.1 The Chairman will introduce each of the members of the sub-committee, and shall also introduce any of the officers present. The subject member, his or her representative, the Independent Person, and the Investigator shall introduce themselves.

6. Procedural Issues

6.1 Disclosure of Interests

The Chairman shall ask members of the sub-committee to disclose the existence and nature of any interests which they have in relation to any items on the agenda. Members are required to disclose any such items under the terms of the Council's Code of Conduct.

6.2 The Chairman will then explain the procedure which the sub-committee intends to follow and resolve any issues or disagreements over how the hearing will be run, calling upon the Monitoring Officer to assist if appropriate.

6.3 Quorum

At least three members of the sub-committee together with an Independent Person must be present for the duration of the hearing.

The members of the sub-committee are all elected members of Cheshire East Borough Council, (drawn from a pool of 15 members constituted on a politically proportionate basis, which includes the 10 members of the Audit and Governance Committee).

6.4 The Chairman will satisfy him/herself that the sub-committee is quorate before proceeding.

6.5 Absences

If the subject member is not present, then the sub-committee shall consider whether or not to proceed. If the sub-committee is not satisfied that there is sufficient reason for the subject member's absence, it may either proceed to consider the matter and make a determination in the absence of the subject member, or adjourn the hearing to another time or date. If the sub-committee is satisfied there is sufficient reason, it shall adjourn the hearing to another date unless the subject member has indicated that the hearing should proceed in his or her absence.

6.6 Should the subject member's representative not be present, then the sub-committee may proceed or adjourn as it considers appropriate in the particular circumstances.

6.7 The sub-committee and the Monitoring Officer must in any event ensure that the hearing is held within three months from the date when the Monitoring Officer received the investigation report from the Investigator.

6.8 Exclusion of Press and Public

Hearings should normally be held in public unless there are proper reasons to exclude the press and public from all or any part of the hearing in accordance with the Council's Access to Information Rules. The Chairman will ask the parties present for their views and take any appropriate advice from the Monitoring Officer and/or Independent Person. The sub-committee will then decide whether to exclude the press and public from all or any part of the hearing. The sub-committee may reconsider this issue at any point in the hearing.

7. Hearing the Matter

7.1 The sub-committee will consider whether the member failed to comply with the Code of Conduct as set out in the Investigator's report. The sub-committee will adopt as far as reasonably practicable an inquisitorial approach to the hearing rather than permit an adversarial or hostile approach to develop.

8. Presenting the Investigator's Report

- 8.1 The Investigator, if present, will be asked to present his or her investigation report, paying particular regard to any points in dispute identified by the subject member and why the Investigator considers that the subject member had failed to comply with the Code of Conduct.
- 8.2 Should the Investigator not be present, the sub-committee will consider whether it is appropriate in all circumstances to proceed with the hearing. The Investigator may, with the consent of the Chairman, call such witnesses as he/she considers necessary.
- 8.3 No cross-examination of the Investigator or any witness shall be permitted, but at the conclusion of the Investigator's presentation of his or her report and at the conclusion of the evidence of any witness, the Chairman may permit the Independent Person, subject member or his or her representative to ask appropriate questions through the Chairman in order to clarify evidence or conclusions.

9. The Subject Member's Reply

- 9.1 The subject member (or his or her representative) will then be invited to make representations on the matter. The subject member may, with the consent of the Chairman, call such witnesses as he/she considers necessary.
- 9.2 No cross-examination of the subject member or witness shall be permitted, but at the conclusion of the subject member's presentation of his or her representations and at the conclusion of the evidence of any witness, the Chairman may permit the Investigator and Independent Person to ask appropriate questions through the Chairman in order to clarify evidence or conclusions.

10. Evidence

- 10.1 The sub-committee may decide not to hear any evidence if it is not satisfied that the evidence will assist its decision making.
- 10.2 The sub-committee may at any time seek or accept additional evidence or comment from the Investigator, the subject member, or any other person. The sub-committee may at any time arrange for the attendance of such witnesses as it considers appropriate and if necessary may adjourn the hearing to allow this to happen.
- 10.3 Members of the sub-committee may ask questions of any persons present at any point in the proceedings. The sub-committee is entitled to rely upon hearsay evidence but will give such weight to it as it deems appropriate.

11. Determination of the Matter

- 11.1 At the conclusion of the subject member's reply and any questions, the Chairman may ask the Investigator and/or subject member if they wish to make any brief concluding remarks. The Chairman will check that Members of the sub-committee are satisfied that they have sufficient information to enable them to determine whether or not there has been a failure to comply with the Code of Conduct as set out in the Investigator's report. If not, then each member of the sub-committee may ask further questions to gather sufficient information.
- 11.2 Unless the subject member has accepted there was a failure to comply with the Code of Conduct as set out in the Investigator's report, the sub-committee shall retire with the Monitoring Officer to determine in private whether or not there was such a failure on the balance of probabilities. The sub-committee will seek the views of the Independent Person before making its determination.

12. Decision

- 12.1 Having made its determination, the sub-committee shall return and the Chairman will state the sub-committee's principal findings on matters in dispute and its decision on whether there has been a failure to comply with the Code of Conduct.

12.2 No Failure to Comply with the Code of Conduct

If the sub-committee decides that the subject member has not failed to comply with the Code of Conduct as set out in the investigation report, the hearing is concluded - on the basis of no breach of the Code of Conduct and no case to answer. However if the sub-committee considers that there has been no breach of the Code of Conduct but still has some concerns it will issue a finding of no breach of the Code of Conduct, but may then proceed to consider whether it should make any general recommendations. This would include bringing to the attention of the Council, town or parish council or its members any learning points and recommendations for training to the Council, town or parish council, or its Members, with a view to promoting high standards of conduct in the light of concerns raised.

12.3 Failure to Comply with the Code of Conduct

If the sub-committee decides that the member has failed to comply with the Code of Conduct, the sub-committee has to decide either that:

12.3.1 No action needs to be taken in respect of the matter; or

12.3.2 A sanction be imposed

- 12.4 Before deciding whether to impose a sanction, the sub-committee will consider any representations from firstly the Investigator and then the subject member. They will also consider any officer advice and the views of the Independent Person as to:

12.4.1 Whether or not the sub-committee should impose any sanction; and

12.4.2 What form any sanction should take from those available;

- (a) Censure or reprimand the member;
- (b) Publish its findings in respect of the member's conduct.
- (c) Report its findings to Council or the town or parish council for information and make any recommendations ;
- (d) Recommending to the member's Group Leader (or in the case of ungrouped members, recommending to Council or to committees) that he/she be removed from any or all committees or sub-committees of the Council;
- (e) Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular portfolio responsibilities.
- (f) Instruct the Monitoring Officer to, or recommend that the town or parish Council arrange training for the member;
- (g) ~~Remove or~~ Recommend to Council, or the town or parish council that the member be removed from all outside appointments to which he/she has been appointed or nominated by the Council or by the town or parish council;
- (h) Withdraw, or recommend to the Council or town or parish council that it withdraws facilities provided to the member by the Council, such as a computer, website and/or email and Internet access if relevant to the subject matter of the complaint; or
- (i) Exclude the member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, committee and sub-committee meetings if relevant to the subject matter of the complaint.

12.5 Members of the sub-committee may ask questions of the Investigator and subject member or any other relevant person and take any necessary advice to make sure they have sufficient information in order to make an informed decision.

12.6 The sub-committee shall then retire with the Monitoring Officer to determine in private whether to impose one or more sanctions and, if so, what and when it will take effect. It may also consider whether it should make any recommendations to the Council or members with a view to promoting high standards of conduct and highlight any learning points for the future.

12.7 The sub-committee will then return, and as far as is practicable, the Chairman will announce the sub-committee's decision to the parties on the day and provide a short written confirmation. The sub-committee will issue a formal written decision together with supporting reasons as soon as practicable after the end of the hearing and in any event within ten working days.

13. Public interest test

13.1 If at any point during the hearing process, the subject member resigns, loses their seat, is seriously ill or has died, the sub-committee will only refer the matter for a hearing, or continue with a hearing which is already underway, if it considers it is in the public interest to do so.

This page is intentionally left blank

Paragraphs of the report where the subject member has identified a factual dispute

Please identify which paragraphs of the report contain **facts** (not opinions) you disagree with and your reasons for disagreeing with those facts.

Paragraph number of the report	Reason for disagreeing with the content of that paragraph

This page is intentionally left blank

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 24 September 2015
Report of: Head of Legal Services and Monitoring Officer
Title: Appointment of Independent Persons under the Localism Act 2011
Portfolio Holder: Cllr Paul Findlow

1.0 Report Summary

1.1 To approve a procedure for the recruitment of three Independent Persons to Cheshire East Council.

2.0 Recommendation

2.1 That the proposed recruitment process outlined in the report for the appointment of Independent Persons to Cheshire East Council be approved; and

2.2 The Head of Legal Services and Monitoring Officer, submit a report to Council on 17 December 2015, setting out the names of the nominated candidates to the posts for approval.

3.0 Reasons for Recommendation

3.1 To comply with the provisions of the Localism Act 2011 (the Act) which prescribes the process to be followed in the recruitment and appointment of Independent Persons.

3.2 The Act specifically requires the Council to appoint at least one Independent Person to help it discharge its duty to promote and maintain high standards of conduct.

4.0 Wards Affected

4.1 All wards

5.0 Local Wards Affected

5.1 All wards

6.0 Policy Implications

6.1 The Act places a statutory duty upon the Council to promote and maintain high standards of conduct amongst its own elected Members and any co-opted members. Strong ethical governance is critical to the corporate governance of the authority and also supports the Council's decision making processes across the organisation.

7.0 Financial Implications

7.1 Independent Persons are entitled to claim reasonable travel and subsistence costs; together with a £30 meeting allowance.

8.0 Legal Implications

8.1 The Act requires that the Council not only adopts a Code of Conduct but also has in place effective procedures to enable the investigation of any complaints or allegations that a member has been in breach of the code of conduct. There is a specific requirement to appoint an Independent Person to have involvement in this process.

9.0 Risk Assessment

9.1 If the Council fails to adopt an effective code of conduct together with an appropriate process for the investigation of complaints which is not only fit for purpose but robust and transparent then there are risks to the Council, not only from a reputational management view point, but also to the integrity of the Council's corporate governance and decision making processes as a whole.

10.0 Background

10.1 The Localism Act requires that the authority appoints 1 or more Independent Persons to the Audit and Governance Committee:

- Whose views must be sought and taken into account by the authority before it makes a finding that any member has failed to comply with the Code of Conduct or impose any sanction
- Whose views may be sought on whether to investigate a complaint and how to deal with a particular allegation
- In addition any member against whom an allegation has been made (including a town and parish councillor) may consult him or her regarding the allegation.

- 10.2 The Council also need to make arrangements for Independent Persons to sit on any committee/panel that deals with the potential dismissal of the Head of Paid Service (i.e. Chief Executive), the Chief Financial Officer and Monitoring Officer. Therefore it is anticipated that the Council will need to appoint at least three individuals to the role.

11.0 Recruitment of Independent Persons

- 11.1 The term of office for the three Independent Persons (Roger Pomlett, Robert Fousert and Peter Bryant are the current Council appointees) will end on 31 December 2015. Accordingly, arrangements need to be put in place to recruit and appoint individuals to this position from January 2016 for a four year period.
- 11.2 The Act requires that the Council follows a robust recruitment process for the appointment of Independent Persons. The vacancy must be advertised, application forms must be submitted and the individual appointments must be approved at full Council by a majority of the members of the authority.
- 11.3 Individuals are not eligible to be appointed or re-appointed as Independent Persons if they are a relative or close friend of any member, co-opted member or officer of Cheshire East Council and/ or any town or parish council within the area. Although it was not the case in 2012 when the present incumbents were appointed, an individual cannot now be re-appointed if they were a co-opted member serving on any Council committee within 5 years of their re-appointment, including being an independent member of the Standards Committee. Accordingly, of the three current Independent Persons, one will be ineligible for re-appointment.
- 11.4 To comply with the Act, an application pack and application form has been prepared (attachments 1 and 2). To ensure that the Monitoring Officer can complete the process in order to submit her report to the December Council meeting, a proposed timeline has been drafted to help manage the recruitment process (attachment 3).
- 11.5 The Committee is invited to approve the arrangements proposed for the recruitment of three Independent Persons to Cheshire East Council.

12.0 Access to information

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

Name: Anita Bradley
Designation: Head of Legal Services and Monitoring Officer
Tel No: 01270 685 850
Email: monitoringofficerCEC@cheshireeast.gov.uk



CESHIRE EAST BOROUGH COUNCIL

Localism Act 2011

Appointment of Independent Person

APPLICATION PACK

September 2015

Dear Applicant,

APPOINTMENT OF INDEPENDENT PERSON

Thank you for your expression of interest in the appointment to the Council of an Independent Person. I have pleasure in enclosing an application pack which sets out:

1. Background to Cheshire East Council
2. The Council's ethical governance arrangements
3. Applicant information: role description and role specification
4. Cheshire East Council: Members' Code of Conduct 2012
5. Application process and form

Section 28 of the Localism Act 2011 requires the Council to appoint at least one Independent Person to help it discharge its duty to promote and maintain high standards of conduct. You may find it useful to refer to this section of the Act which can be located on the website www.legislation.gov.uk.

Restrictions on Appointment

Certain individuals are restricted from applying for this position. You cannot be an Independent Person if you are:

- (a) A councillor, co-opted member or officer of Cheshire East Council;
- (b) A councillor, co-opted member or officer of a parish or town council which falls within Cheshire East; or
- (c) A relative or close friend of a person in (a) or (b) above.

A relative is defined as:

- (a) The candidate's spouse or civil partner;
- (b) Any person with whom the candidate is living as if they were spouses or civil partners;
- (c) The candidate's grandparent;
- (d) Any person who is a lineal descendent of the candidate's grandparent;
- (e) A parent, brother, sister or child of anyone in paragraphs (a) or (b);
- (f) The spouse or civil partner of anyone within paragraphs (c), (d) or (e); or
- (g) Any person living with a person within paragraphs (c), (d) or (e) as if they were spouse or civil partner to that person.

The appointment process will be undertaken by senior members of the Council. Interviews are expected to be held the week commencing **23 November 2015**. Final confirmation of the appointments will be made by Council on 17 December 2015. The successful applicant(s) will receive specific training to enable them to undertake their new role effectively.

May I point out that this is not a job vacancy, and should you be appointed as an Independent Person, you will not be an employee of the Council.

The closing date for receipt of applications is 5pm on Friday 6th November 2015.

If you require further assistance please contact my PA, Paula Randles on 01270 686 003 or via email paula.randles@cheshireeast.gov.uk.

Thank you again for your interest and I look forward to hearing from you.

Anita Bradley, Head of Legal Services and Monitoring Officer

CHESHIRE EAST COUNCIL

Background

Cheshire East Council was established in April 2009 as part of the structural changes to local government in England. It brought together the boroughs of Macclesfield, Congleton and Crewe and Nantwich which, with part of Cheshire County Council, helped to form the third largest unitary authority in the North West with around 372,700 residents.

The Council is responsible for, amongst other things, maintaining the roads, providing transport services, commissioning school places and specialist support services for vulnerable children and their families, educating children, providing social care to elderly and vulnerable people and looking after waste and recycling.

Macclesfield and Crewe are our largest towns, followed by Wilmslow and Congleton. Smaller towns of Sandbach, Poynton, Nantwich, Middlewich, Knutsford and Alsager provide market centres for local people and play an important role in local life.

Putting Residents First

Providing a great public service in a radically changing world is something that we are passionate about in Cheshire East. Our promise of 'Putting Residents First' is at the centre of this and can only be delivered upon by its members and officers all consistently living our five core values (flexibility, innovation, responsibility, service, teamwork) which we believe underpin our success.

Our elected members have a pivotal role in bringing about improvements to the quality of life of people living in the Borough. They do this by making decisions, delivering change, challenging and scrutinising proposed actions and taking up issues raised with them by their constituents.

Standards of Conduct

The Localism Act 2011 introduced a new regime for Councils in promoting and maintaining high standards of conduct amongst Councillors and co-opted members, both at Borough and parish level. This included having in place a process for dealing with complaints made under the Council's Code of Conduct.

At Cheshire East Council, the code of conduct complaints function is carried out by the Monitoring Officer in consultation with the Independent Person; and the Audit and Governance Committee, through an ad hoc hearings sub-committee dealing with standards and conduct issues.

Allegations of Misconduct

Cheshire East Council is divided into 52 wards and is represented by 82 ward councillors.

Within the borough, there are one hundred and eight Town and Parish Councils; the members of which are expected to abide by their Council's Code of Conduct.

In accordance with the Localism Act, principal councils such as Cheshire East Council are required to deal with allegations that parish councillors are in breach of their codes of conduct. Complaints made against any member of a borough, town or parish council within Cheshire East may be dealt with by the hearings sub-committee, if they pass the initial assessment stage.

ETHICAL GOVERNANCE ARRANGEMENTS

Audit and Governance Committee

The Audit and Governance Committee is responsible for promoting high standards of ethical behaviour by developing, maintaining and monitoring the Code of Conduct for elected Members of the Council (including co-opted members and other persons acting in a similar capacity); ensuring that elected Members receive advice and guidance as appropriate on the Code of Conduct; and granting dispensations under the provisions of the Localism Act 2011 to enable a member or co-opted member to participate in a meeting of the authority.

The Complaints Process

When a code of conduct complaint is received by the Council, it is assessed initially by the Monitoring Officer, in consultation with the Independent Person so that a decision can be made as to what action should be taken. Meetings are held on an ad-hoc basis and may be held at a Council venue or via a telephone conference.

Hearing Sub Committee

The hearing sub-committee is a sub-committee of the Council's Audit and Governance Committee. It meets to consider complaints which the Monitoring Officer has referred for investigation, where the ensuing investigation has returned a finding of breach of the code.

It comprises 3 elected members drawn from a cross party panel of 15 members of the Council and an Independent Person is invited to attend all substantive meetings of the hearing sub-committee. His/her views are sought and taken into consideration before the hearing sub-committee takes any decision on whether the member's conduct constitutes a failure to comply with the code of conduct and are also taken into account when deciding what action, if any, is to be taken following a finding of breach of the code.

Independent Person

The Independent Person plays a key part in the complaints process. You will be consulted by the Council before it makes a finding as to whether a councillor or co-opted member has failed to comply with the code of conduct; and you may be consulted by the complainant and/or councillor or co-opted member against whom the complaint has been made. You may be expected to attend some meetings of the Audit and Governance Committee and substantive meetings the hearings sub-committee in fulfilling your role.

Frequency of Meetings

Initial assessment meetings and hearing sub committee meetings will be held as and when required to consider a complaint but will work within prescribed deadlines for responding to complaints, which may require meetings to be called at short notice or to be held by phone.

ROLE DESCRIPTION

Main duties and responsibilities

To undertake the statutory role of Independent Person appointed under Section 28(7) of the Localism Act 2011 and to help the Council discharge its duty to promote and maintain high standards of conduct amongst members and co-opted members by -

- ^ Providing your views to the Council and the Monitoring Officer in connection with the assessment and post-investigation stage of complaints against councillors and co-opted members.
- ^ Reading and digesting investigation reports into complaints against councillors and co-opted members.
- ^ Providing your views to the hearings sub-committee in connection with complaints and potential sanctions where a failure to comply with the code of conduct has been established.
- ^ Advising councillors and co-opted members of Cheshire East Council and of parish and town councils within Cheshire East in connection with complaints made against them under the code of conduct.

Dismissal of relevant officers

Under the Local Authorities (Standing Orders) (England) (Amendment) Regulations the Council must appoint a panel for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority; "*relevant officer*" means the chief finance officer, head of the authority's paid service (i.e. chief executive) or monitoring officer, as the case may be.

The authority must invite relevant independent persons appointed under the Localism Act 2011 to be considered for appointment to the panel, with a view to appointing at least two such persons to the panel. Therefore, it is anticipated that the successful candidate will be someone who is willing to participate in such a panel should the need arise.

Remuneration

Reasonable travel expenses will be paid and a meeting allowance of £30 can be claimed for attending initial assessment meetings (even if held via telephone), hearing sub committee meetings and Committee and panel meetings as stated above.

ROLE SPECIFICATION

Essential(E) /Desirable (D)

- | | | |
|-----|--|---|
| 1. | Personal integrity | E |
| 2. | Experience of dealing with complaints | E |
| 3. | Commitment to confidentiality in appropriate circumstances | E |
| 4. | Ability to examine information critically and conduct the complaints process in a fair manner, including good questioning and listening skills | E |
| 5. | Ability to absorb key information from complex reports and make impartial and objective observations | E |
| 6. | Good written and oral communication skills | E |
| 7. | Ability to reach balanced and reasoned conclusions | E |
| 8. | Willingness to receive training | E |
| 9. | Ability to work with other Independent Persons, officers and elected members | E |
| 10. | Knowledge of local government and the role of elected members | D |
| 11. | Knowledge of rules of natural justice and human rights principles | D |
| 12. | Ability to demonstrate and promote a commitment to the Council's equality and diversity policies | D |
| 13. | Able to attend day-time meetings, sometimes at short notice | D |
| 14. | Contactable via e-mail | D |
| 15. | Not currently a member of any political party or have a public profile in relation to political activities | D |
| 16. | Will have disclosed and will agree to continue to disclose to the Council any matter in his/her background which, if it became public, might cause reputational harm to the Council and/or cause the Council to reconsider the appointment | D |
| 17. | Must not currently have and must not enter into any contractual relationship with the Council under which he/she will gain personally | D |
| 18. | Must live or work on the borough of Cheshire East | D |

CODE OF CONDUCT

Cheshire East Council adopted its Members' Code of Conduct on 19 July 2012, which is based on the Nolan principles of public life.

For information, a copy of the current code is included in the pack for information.

APPLICATION PROCESS

Closing Date

The closing date for receipt of applications is **5pm on Friday 6th November 2015.** .

Please submit your application form by post to:

Anita Bradley
Head of Legal Services and Monitoring Officer
Cheshire East Council
Westfields, Sandbach
c/o Municipal Buildings
Earle Street, Crewe
CW1 2BJ

Curriculum Vitae

Selection of candidates will be strictly in accordance with the role description and role specification outlined in this pack and will be based on the information contained in your application only, as supported by references.

Acknowledgements

Your application will be acknowledged and you will be advised as to whether you have been selected for interview or not in due course.

Selection

Short listing for this appointment will be based upon an assessment of how applicants meet the criteria in the 'Role Specification' as evidenced by the application. It is suggested therefore that you include information on how you meet the criteria.

The Interview Panel will be made up of senior members of the Council.

Referees

Please note that your 2 referees will be contacted without further notice to you, unless you indicate to the contrary.

APPLICATION FORM

A copy of the application form is included with this pack.

This page is intentionally left blank



CHESHIRE EAST BOROUGH COUNCIL

**APPLICATION FOR APPOINTMENT AS AN INDEPENDENT PERSON TO
AUDIT AND GOVERNANCE
STANDARDS SUB-COMMITTEE**

TITLE : MR/MRS/MS/OTHER (*please indicate*)

FULL NAME:

HOME ADDRESS:

HOME TELEPHONE NO:

DAYTIME TELEPHONE NO:

MOBILE TELEPHONE NO:

EMAIL:

Have you ever been a Member or employee of Cheshire East Borough Council?

YES/NO

If your answer to this question is "yes", please give the date on which you ceased to be a Member or employee.

Are you related to, or a close friend of, a Member or employee of Cheshire East Borough Council?

YES/NO

If your answer to this question is "yes", please give details.

Please give details of any criminal convictions within the past five years, including date and sentence imposed.

Please indicate whether there is any matter concerning your own conduct which, if it were generally known, might affect public confidence in your ability to contribute to the work of the Audit and Governance Committee.

Please indicate whether you have any commitments which would regularly prevent you from attending meetings in the daytime and give the nature of that commitment:

Please say why you wish to be considered for the post of Independent Person and what you could offer the Council.

Please give brief details of your experience (e.g. employment/business/professional/voluntary/public service) and qualifications, and any other matter which you consider relevant to your suitability for appointment. Please also explain how you meet the 'Role Specification' outlined in the Application Pack.

Continue on a separate sheet if required

References: Please give the name, address, and telephone number of two referees who are not related to you, and who are able to comment on your suitability for appointment. *(Your referees will be contacted without further notice to you, unless you indicate to the contrary).*

Referee 1

Referee 2

Name:

Name:

Address:

Address:

Telephone No:

Telephone No:

Valuing Diversity: Please provide the following information, which will be used only to enable the Council to monitor the extent to which applications received reflect the local community, and to ascertain whether any particular facilities would be required to meet the needs of particular candidates; your answers to the following will not affect the Council's consideration of your application for appointment:- *(Please delete as appropriate)*

My Gender: Female/Male

Marital status: Married/Single/Co-habiting/Civil Partnership

My Ethnic Origin:

My Disability Status: I am not a disabled person/I consider myself a disabled person

(If the latter, please indicate below whether there are specific arrangements which you would require in order to be able to attend and/or participate in meetings of the Hearing Sub-Committee)

Data Protection Act

Information from this form will be processed in accordance with the Data Protection Act 1998. In signing it you agree to this data being held and processed and if appointed to the position you also agree to further personal information, including sensitive data (e.g. bank details) being held and processed by Cheshire East Council in accordance with the Act.

DECLARATION

I wish to be considered for appointment as an Independent Person to the Audit and Governance Committee and confirm that, if appointed, I will undertake to observe the code of conduct for Councillors and co-opted members of Cheshire East Council, as adopted by the Council.

The information which I have given is true and complete to the best of my knowledge and belief.

SIGNATURE:

DATE:

Please return the completed application form to:

Anita Bradley
Head of Legal Services and Monitoring Officer
Cheshire East Council
Westfields, Sandbach
c/o Municipal Buildings,
Earle Street, Crewe
CW1 2BJ

Deadline for receipt of applications: 5.00pm, Friday 6th November 2015

Draft timeline for recruitment of Independent Person to Audit and Governance Committee

w/c 21 Sept 2015	Report and draft documents (application information/application form) to be considered and approved by Audit and Governance Committee
w/c 5 Oct	Communications to draft proposed communication action plan
w/c 12 Oct	Communication action plan (including content of a press release) to be agreed by Chairman of Audit and Governance Committee and the Monitoring Officer
w/c 19 Oct	press release to be published (as agreed with Communications and Media)
w/c 26 Oct	application period opens
w/c 2 Nov	deadline for applications - 5pm on Friday 6 November 2015 (giving two week period in which to apply)
w/c 9 Nov	short listing of candidates to take place by a panel including Chairman of Audit & Governance Committee, and Monitoring Officer
w/c 23 Nov	Interviews to be held
w/c 30 Nov	offer of position to be provisionally made to successful candidates subject to reference check
w/c 7 Dec	report to be submitted to Council nominating successful candidates
w/c 14 Dec 2015	nominated candidates to be approved by Council on 17 December

This page is intentionally left blank

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 24 September 2015
Report of: Audit Manager
Title: Work Plan 2015/16
Portfolio Holder: Councillor Peter Groves

1.0 Report Summary

1.0 The report presents an updated Work Plan (Appendix A) for the remainder of 2015/16 financial year for consideration.

2.0 Recommendation

2.1 That the Committee:

- consider the Work Plan and determine any required amendments; and
- note that the plan will be periodically brought back to the Committee for development and approval.

3.0 Reasons for Recommendations

3.1 The Audit and Governance Committee has a key role in overseeing and assessing the Council's risk management, control and corporate governance arrangements. It advises the Council on the adequacy and effectiveness of these arrangements. A forward looking programme of meetings and agenda items is necessary to assist the Committee to fulfil its responsibilities.

4.0 Wards Affected

4.1 All wards.

5.0 Local Ward Affected

5.1 Not applicable.

6.0 Policy Implications

6.1 Not applicable.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

7.1 When reviewing the Work Plan, Members will need to consider the resource implications of any reviews they wish to carry out both in terms of direct costs and in terms of the required officer support.

8.0 Legal Implications (Authorised by the Head of Legal Services)

8.1 The Accounts and Audit Regulations 2015 revoke the Accounts and Audit Regulations 2011 (S.I. 2011/817), although those regulations continue to have effect in relation to financial years ending on or before 31st March 2015.

8.2 The Work Plan for 2015/16 needs therefore to take account of the requirements of the Accounts and Audit (England) Regulations 2011 and The Accounts and Audit Regulations 2015.

9.0 Risk Assessment

9.1 Effective internal control and the establishment of an audit committee can never eliminate the risks of serious fraud, misconduct or misrepresentation of the financial position. However, an effective audit committee can:

- raise awareness of the need for robust risk management, control and corporate governance arrangements and the implementation of audit recommendations
- increase public confidence in the objectivity and fairness of financial and other reporting
- reinforce the importance and independence of internal and external audit and any other similar review process
- provide additional assurance through a process of independent and objective review

10.0 Background and Options

10.1 Aspects of the Audit and Governance Committee agenda are determined by statutory requirements such as the Statement of Accounts and Annual Governance Statement. Outside these agenda items, the Committee should aim to manage its agenda according to its assurance needs to fulfil its terms of reference. The Committee is asked to consider the contents of the Work Plan (Appendix A) and establish any amendments that will enable it to meet its responsibilities. In doing so it should be noted that the following changes have been made to the programme that was discussed in June 2015:

- a report on the appointment of Independent Persons under the Localism Act 2011 has been added to the September agenda at the request of the Head of Legal Services and Monitoring Officer;
- the Plan has been drafted for the remainder of 2015/16; and

- the Annual Report of the Chair of the Audit & Governance Committee, the Risk Management Policy Update Report, the Internal Audit Interim Report and a presentation considering the assurance framework for Health and Wellbeing will be presented in December in order to balance the number of agenda items and the need to give the business of the September Committee sufficient focused attention.

10.2 In order to help with their deliberations, Members are asked to consider whether:

- the inclusion of each item on its agenda results in assurance added value; as
 - the assurance process has a cost to the organisation and it should therefore be proportional to the risk
 - care should be taken to avoid duplication and maintain the focus of an audit committee on its core functions as defined by its terms of reference rather than wider issues that are subject to the work of other committees or assurance functions.

- there are any time consuming aspects of Committee business that could be more effectively addressed elsewhere; as
 - an audit committee should operate at a strategic level. Care should be taken to avoid straying into matters of operational detail that should be resolved by service managers
 - the number and frequency of reports should be proportional to the risk in order to give the core business of an audit committee sufficient focus and attention and to avoid lengthy and thus unproductive meetings.

10.3 The Work Plan will be re-submitted to the Committee for further development and approval.

11.0 Access to Information

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

Name: Jon Robinson

Designation: Audit Manager

Tel No: 01270 685864

Email: jon.robinson@cheshireeast.gov.uk

This page is intentionally left blank

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
24 Sept 2015			
External Audit – Audit Findings Report 2014/15	Summary of findings from the 2014/15 audit and key issues identified by External Audit in issuing their opinion on the Council's financial statements and its arrangements for securing economy, efficiency & effectiveness in the use of resources.	37	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
		8	To consider the Council's arrangements to secure value for money and to review and scrutinise assurances and assessments on the effectiveness of these arrangements.
		31	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
2014/15 Audit Findings Action Plan – management response	This report sets out the management response to the 2014/15 Audit Findings Report presented by Grant Thornton to the Audit & Governance Committee.	37	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Statement of Accounts 2014/15 - Audited	Approval of the Audited 2014/15 Statement of Accounts.	36	To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
Annual Governance Statement 2014/15	AGS 2014/15 for approval alongside the financial statements.	6	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
		7	To review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
		8	To consider the Council's arrangements to secure value for money and to review and scrutinise assurances and assessments on the effectiveness of these arrangements.
Report on Customer Feedback – Complaints, Compliments and referrals to Local Government Ombudsman 2014-2015	Summary of formal feedback received from customers during 2014/15 together with a summary of cases dealt with by the Local Government Ombudsman (LGO) about Cheshire East Council for 2014/15.	41	To seek assurance that customer complaint arrangements are robust.
Treasury Management Annual Report	The Annual Report for 2014/15 to be considered by Cabinet on 29 September 2015.	17	To review and monitor the Council's treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.
Members' Code of	The report gives details of the numbers	5	To promote high standards of ethical behaviour by

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
Conduct: Standards Report	and outcomes of complaints under the Code of Conduct for Members between the period March and August 2015.		developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).
Review of processes for considering complaints that Members have breached the Code of Conduct	The results of a review carried out 12 months after implementation of revised arrangements for assessing and considering Member complaints.	5	To promote high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).
Appointment of Independent Persons under the Localism Act 2011	Report on the appointment of Independent Persons under the Localism Act 2011.	5	To promote high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).
Work Plan	Review of 2015/16 Work Plan to ensure comprehensive coverage of the Committee's responsibilities	All	
10 Dec 2015			
Annual Report 2014/15	Annual Report of the Chair of the Audit & Governance Committee to Council.	39	To report to full Council on a regular basis on the committee's performance in relation to the terms of reference.
		38	To report to those charged with governance on the committee's findings conclusions and recommendations concerning the adequacy and effectiveness of their

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
			governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions <i>For a local authority, CIPFA's judgement is that the audit committee should report directly to council, as the council itself most closely matches the body of 'those charged with governance'</i>
External Audit Annual Audit Letter 2014/15	Summary of the External Audit findings from 2014/15 audit. The letter will also confirm the final audit fee.	31	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
External Audit – Certification of Claims & Returns	Annual report on the issues, amendments and qualifications arising from certification work of grant claims and returns.	31	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
Treasury Management Strategy and MRP Statement 2016/17	The report presents the 2016/17 Treasury Management Strategy Statement (TMSS), incorporating the Minimum Revenue Provision (MRP) Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2016/19, required under Part 1 of the Local Government Act 2003. The CIPFA Code of Practice on Treasury Management requires all local authorities to agree a Treasury	17	To review and monitor the Council's Treasury Management arrangements in accordance with the CIPFA Treasury Management Code of Practice.

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
	Management Strategy Statement including an Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.		
Risk Management Policy Review.	Update report including the outcomes of a review of the Risk Management Policy.	10	To monitor the effective development and operation of risk management in the council.
Annual Governance Statement (AGS) Update	Assurance Framework that underpins the Council's AGS & update on actions to improve governance arrangements and respond to emerging issues.	6	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Internal Audit Interim Report to include Internal Audit Charter Update.	Progress report against the Internal Audit Plan 2015/16. Review of Internal Audit Charter in accordance with Public Sector Internal Audit Standards.	12	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions, including calling managers to explain lack of progress.
		18	To approve the Internal Audit Charter.
		21	To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.
		23	To consider reports from the head of internal audit on

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
		25	<p>internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:</p> <p>a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.</p> <p>b) Regular reports on the results of the Quality Assurance and Improvement Programme.</p> <p>c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.</p> <p>To consider summaries of specific internal audit reports as requested.</p>
Assurance Framework – Health and Wellbeing	A presentation considering the assurance framework for Health and Wellbeing.		At the request of Members in March 2015.
Audit Committee Self- Assessment	A report giving an update on the progress of the actions arising from the 2014/15 self- assessment.	28	To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
Annual Anti Fraud and Corruption	Annual review of Anti Fraud and Corruption Policy and arrangements	13	To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
Report	against best practice.	15	To monitor the counter fraud strategy, actions and resources.
		40	To approve and monitor Council policies relating to “whistleblowing” and anti- fraud and corruption .
Work Plan	Review of 2015/16 Work Plan to ensure comprehensive coverage of the Committee’s responsibilities.	All	
17 March 2016			
Informing the External Audit Risk Assessment for Cheshire East Council.	A report that facilitates compliance with International Standards on Auditing (UK and Ireland).	32	To consider specific reports as agreed with the external auditor.
Grant Thornton 2015/16 Audit Plan for Cheshire East Council.	External Audit’s planned work for the audit of financial statements and the value for money conclusion 2014/15.	33	To comment on the scope and depth of external audit work and to ensure it gives value for money.
Internal Audit Interim Report	Progress report against the Internal Audit Plan 2015/16.	12	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions, including calling managers to explain progress.
		21	To approve significant interim changes to the risk-based Internal Audit Plan and resource requirements.

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
		23	To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include: a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. b) Regular reports on the results of the Quality Assurance and Improvement Programme. c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
		25	To consider summaries of specific internal audit reports as requested.
Internal Audit Plan 2016/17.	Approval of risk based Internal Audit Plan for following year.	20	To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
Members' Code of Conduct: Standards Report	The report gives details of the numbers and outcomes of complaints under the Code of Conduct for Members between the period September 2015 to	5	To promote high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
	February 2016.		
Performance Management Arrangements.	<p>Receive a briefing to better understand the Council's performance management arrangements.</p> <p>The focus will be on financial reporting and financial governance rather than on wider issues of performance and spending priorities.</p>	8	At the request of Members in January 2015. To consider the Council's arrangements to secure value for money and to review and scrutinise assurances and assessments on the effectiveness of these arrangements.
Compliance with Data Protection Act (1998), Freedom of Information Act (2000) and Environmental Information Regulations (2004).	An update on how Cheshire East Council fulfils its obligations under the Data Protection Act (1998) and the Freedom of Information Act (2000) (including the Environmental Information Regulations (EIR)). It also highlights volumes of requests, trends and current and future issues.	6	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Compliance with the Regulation of Investigatory Powers Act (2000) (RIPA)	This report provides an update on how the Council has complied with RIPA legislation during 2014/15 and the number of RIPA applications which have been authorised to date.	6	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Audit and	Self- assessment of the effectiveness of	28	To consider a report on the effectiveness of internal audit

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
Governance Committee Self-Assessment	the Committee, which feeds into the AGS process.		to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
Risk Management Update Report	Update report on Risk Management.	10	To monitor the effective development and operation of risk management in the council.
		11	To monitor progress in addressing risk related issued reported to the committee.
Work Plan	Forward looking programme of meetings and agenda items 2016/17 to ensure comprehensive coverage of the Committee's responsibilities.	All	
<i>It should be noted that the following items will be presented to the Committee but have not, as yet, been allocated to a specific agenda</i>			
Review of the Code of Corporate Governance	In response to the CIPFA/SOLACE review of the <i>Framework: Delivering Good Governance in Local Government</i> to ensure that it remains 'fit for purpose'. The finalised Framework and new guidance will be published early next year, with current expectations that organisations would produce their 15/16 AGS with reference to the new guidance.	6	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Assessment of the Committee against	Members of the Committee to be assessed against CIPFA's core		At the request of Members in March 2015.

Work Plan 2015/16

Agenda Item	Description	Terms of Reference May 2014	
		No	Detail
the core knowledge and skills framework.	knowledge and skills framework. <i>Process to be looked at in more detail by the Chairman and Vice Chairman prior to placing on the Committee's agenda.</i>		
<i>It should be noted that the following items may require reports to the Committee but has not, as yet, been allocated to a specific agenda</i>			
Value for Money Arrangements.	Assurance with regard to both the arrangements to ensure value for money and the progress in achieving value for money.	8	To consider the Council's arrangements to secure value for money and to review and scrutinise assurance and assessments on the effectiveness of these arrangements. At the request of Members in March 2015. Subject to an exercise to benchmark what assurance other Audit Committees receive. Future reporting requirements will also be determined in the context of what other Committees of the Council are doing.
Emerging Issues Report.	A report from the External Auditor highlighting emerging national issues and developments which might be of relevance to Cheshire East.	31	To consider the external auditor's annual report, relevant reports, and the report to those charged with governance.

This page is intentionally left blank