

Audit and Governance Committee

Agenda

Date: Thursday 27th May 2021
Time: 2.00 pm
Venue: Council Chamber, Municipal Buildings, Earle Street,
Crewe CW1 2BJ

Please note that masks will need to be worn, unless exempt, by those entering the venue to attend the meeting. The meeting is open to the public but due to social distancing restriction rules public attendance will be limited and priority given to those people wishing to speak at the meeting.

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.

It should be noted that Part 1 items of Cheshire East Council decision making meetings are audio recorded and the recordings are uploaded to the Council's website.

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.

OFFICIAL

For requests for further information

Contact: Rachel Graves

Tel: 01270 686473

E-Mail: rachel.graves@cheshireeast.gov.uk with any apologies

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

In accordance with paragraphs 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting and should include the question with that notice.

4. **Minutes of Previous Meeting** (Pages 5 - 12)

To approve the minutes of the meeting held on 11 March 2021 as a correct record.

5. **Terms of Reference** (Pages 13 - 18)

For Members' information the Committee's terms of reference, as set out in the Constitution, are attached.

6. **External Audit Strategy Memorandum** (Pages 19 - 60)

To consider the External Audit Strategy Memorandum.

7. **Annual Report of Council's COVID-19 Response and Recovery**
(Pages 61 - 100)

To consider the Annual Report of the Council's COVID-19 Response and Recovery, which was considered at the meeting of Cabinet on 4 May 2021.

8. **Recruitment of Co-Opted Independent Members for the Audit and Governance Committee** (Pages 101 - 116)

To consider and agree the approach for the recruitment of co-opted independent members.

9. **Appointment of Hearing Sub Committees** (Pages 117 - 120)

To establish two Hearing Sub-Committees to deal with complaints that a councillor has breached the Code of Conduct for Members.

10. **Committee Work Plan** (Pages 121 - 134)

To consider the Work Plan and determine any required amendments.

11. **Waivers and Non-Adherences** (Pages 135 - 140)

To consider and note the number and reason for the WARNs approved between 1 February 2021 and the 31 March 2021.

12. **Exclusion of the Press and Public**

The report relating to the remaining items on the agenda has been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

13. **Waivers and Non-Adherences**

To note the approved WARNs issued between 1 February and 31 March 2021.

Membership: Councillors R Bailey, C Bulman, B Evans, T Fox (Vice-Chair), A Harewood, M Houston, P Redstone, M Sewart and M Simon (Chair)

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CHESHIRE EAST COUNCIL

Minutes of a virtual meeting of the **Audit and Governance Committee**
held on Thursday, 11th March, 2021

PRESENT

Councillor R Fletcher (Chairman)
Councillor R Bailey (Vice-Chairman)

Councillors C Bulman, D Edwardes, A Harewood, M Houston, A Kolker,
M Sewart and M Simon

Independent Co-opted Member

Mr P Gardener

External Auditor

Mr M Dalton, Mazars

Councillors in attendance

Councillors J Clowes, A Harewood, A Moran, D Murphy, P Redstone,
J Rhodes, A Stott and L Wardlaw.

Officers in attendance

Jane Burns, Executive Director Corporate Services
David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Josie Griffiths, Head of Audit and Risk
Michael Todd, Interim Internal Audit Manager
Sophie Thorley, Risk and Business Continuity Business Manager
Juan Turner, Compliance and Customer Relations Officer
Lianne Halliday, Senior Manager - Procurement
Rachel Graves, Democratic Services Officer

71 APOLOGIES FOR ABSENCE

Apologies were received from Councillor B Evans.

72 DECLARATIONS OF INTEREST

No declaration of interests were made.

73 PUBLIC SPEAKING TIME/OPEN SESSION

Councillor Janet Clowes stated that the Corporate Overview and Scrutiny Committee on 8 April 2020 would reviewing the Council's management and governance structure as it moved to the committee system of governance. Concerns had been raised on the potential cost versus cost neutrality of the committee system and asked that the Audit and Governance Committee take on the responsibility for considering this as it

was one of the principle factors governing the move to the committee system and that as the Constitution Committee will be subsumed into the Corporate Policy Committee it was more appropriate for the Audit and Governance to consider this matter.

Councillor Liz Wardlaw referred to the winter support grant of £880k and the lunch voucher scheme and asked if the Audit and Governance Committee would look at the how the process for distribution of these had worked, how the process had worked, where did the money and vouchers go to and did it go to the right people. In response it was stated that all grant funding would be subject to the appropriate audit to understand if the conditions of the grant had been met.

74 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 28 January 2021 be confirmed as a correct record subject to the following amendment:

Minute 61 – Declaration of Interest

“Independent Disciplinary Committee” be amended to read “Investigation and Disciplinary Committee”.

75 ANNUAL AUDIT LETTER 2019/20

Mark Dalton of Mazars presented the Annual Audit Letter for 2019/20.

The Annual Audit Letter summarised the work undertaken by Mazars on auditing the financial statements for the year ending 31 March 2020 and detailed the value for money conclusion. The Letter also set out the final fees for undertaking this work which showed an increase against the proposed fee due to additional work be undertaken relating to Property, Plant and Equipment valuation.

RESOLVED:

That the Annual Audit Letter be noted.

76 CERTIFICATION OF CLAIMS AND RETURNS 2019/20

The Committee considered the summary of key findings that had been identified during the External Auditors certification process for the 2019/20 Housing Benefit Subsidy Claim and the Teachers’ Pension End of Year Certificate.

The Committee noted that no errors or exceptions had been found by the auditors in the Housing Benefit Subsidy Claim and no recommendation for improvement had been made to the Department of Works and Pension.

The certification of the Teachers' Pension End of Year Certificate had been carried out in accordance with the Teachers' Pension Scheme Regulations 2014 and a small number of minor errors or exceptions had been reported to and corrected by management.

RESOLVED:

That the findings of the external audits regarding the certification process for the 2019/20 Housing Benefit Subsidy claim and the Teachers' End of Year Certificate be noted.

77 EXTERNAL AUDIT UPDATE REPORT

The Committee considered the update report from Mazars on the External Audit Plan.

The report confirmed that Mazars had completed their audit of the Council's 2019/20 financial statements and value for money conclusion and the audit of the Council's Whole of Governance Accounts submission and reported to the National Audit Office their conclusions on this work.

Planning had now started for the 2020/21 audit and their Audit Strategy Memorandum would be presented at a future meeting of the Committee.

The National Audit Office had updated their Code of Practice, which would apply from 2020/21, and changed the work that auditors would be required to do, and related reporting, on the Council's arrangements to deliver value for money.

RESOLVED:

That the update provided by the Council's external auditors be noted.

78 ANNUAL GOVERNANCE STATEMENT 2019/20 - PROGRESS UPDATE

The Committee considered an update on the issues reported in the 2019/20 Annual Governance Statement and on the process to produce the 2020/21 Annual Governance Statement.

The appendix to the Report detailed the progress on the items included in the 2019/20 Annual Governance Statement. Table 1 in the report set out a summary of the recommendations to the Committee on which items should be considered as managed and could be monitored via local monitoring arrangements and which required further monitoring via the Annual Governance Statement.

The 2020/21 Annual Governance Statement would be prepared in line with the requirements of the CIPFA/SOLACE guidance and Council's Code of Corporate Governance.

Concerns were raised by the Committee that the calendar of council committee meetings for 2021/22 had not yet been published and therefore not available to the public. In response it was stated that it would be going to the Constitution Committee on 6 April and to the special Council meeting on 19 April for approval.

RESOLVED: That the Committee

- 1 notes and endorses the updates provided on the issues reported in 2019/20 Annual Governance Statement, including the recommendations to the Committee on whether items remain in the Statement.
- 2 endorses the process for the production of the 2020/12 Annual Governance Statement.

79 AUDIT AND GOVERNANCE COMMITTEE COMPOSITION AND STRUCTURE

The Committee considered the Working Group's recommendations for the Audit and Governance Committee's future composition and structure.

It was reported that there was an error in paragraph 3.5 of the report and that on the final line the proportionality should read "4:3:2:0:0".

The Working Group had recommended that the future size of the Committee should be 9 elected members and 2 co-opted independent members. In order to maintain the apolitical nature of the Audit and Governance Committee, membership should ensure separation from decision making and it was proposed that the membership should not include the Leader and Deputy of the Council, Chairs or Vice Chairs of the Services Committee and that the Chair and Vice Chair of the Audit and Governance Committee should not sit on a services committee.

The proposed Terms of Reference were set out in Appendix A to the report.

RESOLVED:

That the Constitution Committee be recommended to approve the proposed Terms of Reference for the Audit and Governance Committee and the recommendations of the Working Group relating to the Committee composition for inclusion in the Constitution.

80 COVID-19 - UPDATE ON RESPONSE AND RECOVERY

The Committee considered the March 2021 Cabinet report on the Covid-19 Update on Response and Recovery.

The Executive Director Corporate Services and the Director of Finance and Customer Service provided an update at the meeting and reported that there had been a positive start for pupils returning to schools, with an attendance rate of 98% in primary schools and 80% attendance overall. The infections levels in Cheshire East had continued to fall since the report was written and now stood at around 70 per 100,000. The Council continued to do well with the processing of the discretionary and mandatory business grants, with the Council being in the top 5% of authorities for mandatory grants and the top 13% for discretionary grants in terms of both the number of payments made and their value. The Government had announced their budget and the changes in business rates were being implanted. Additional funding had been received included new burden funding which would allow the administration of the changes with financial impact on the Council.

RESOLVED:

That the Covid-19 Update be noted.

81 MEMBER CODE OF CONDUCT: STANDARDS REPORT

The Committee considered the reports which detailed the number and status of Member Code of Conduct complaints received in relation to Cheshire East Councillors and Town and Parish Councillors during the period 1 September 2020 to 28 February 2021.

The report broke down complaints received with regard to the number of complaints made against Cheshire East Councillors and Town and Parish Councillors; the paragraph of the code alleged to have been breached and the outcome of each complaint, where completed.

RESOLVED:

That the reports be noted.

82 STRATEGIC RISK REGISTER - Q3 UPDATE

The Committee considered the outcomes of the review of the Strategic Risk Register 2020/21 at the end of Quarter 3.

The report detailed the highest rated strategic risks on the Register, the new risks added, the risks on the 'watch list' and any significant changes to the score since the last quarterly review and provided an overview of the Council's operational response to Covid and associated winter risks.

Following the review two changes had been made to the Register with SR08 – Decision Making, with the risk score being increased from 6 to 9, and SR07 – EU Exit, the risk score being reduced from 8 to 6.

Reference was made to SR13 – Reputational Risk, with a score of 9, which was felt to be low and asked what considerations and discussion had taken place relating to this risk. The Committee was informed that the risk had been discussed with the Corporate Leadership Team, the risk owner and risk updater and it had been concluded that this risk had been handled well throughout the covid-19 pandemic. Regular monitoring of positive, neutral, and negative coverage from media and social media was regularly carried out and that the correct risk score was allocated.

RESOLVED:

That the Quarter Three Review of the Strategic Risk Register 2020/21 be noted.

83 INTERNAL AUDIT PLAN 2021/22

The Committee received the Internal Audit Plan 2021/22 for approval.

The Internal Audit Plan 2021/22 was set out in Table 3 of the appendix to the report. As a result of the significant changes to the present Internal Audit Plan, due to the response to the covid-19 pandemic, a different approach had been taken for 2021/22. Whilst the annual resource available had been calculated, and there was sufficient to deliver the Plan and issue an opinion, it had been decided to set out priorities for the first six months and with indicative priorities for quarters 3 and 4 to allow for changes. Regular updates would be provided to the Committee.

RESOLVED: That

- 1 the Internal Audit Plan 2021/22 be approved; and
- 2 notes that the plan details priority work during quarters 1 and 2 along with additional areas for consideration during quarters 3 and 4 and the priorities for the last 6 months will be reported back as part of the regular updates to the Committee.

84 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN NOVEMBER 2020 - JANUARY 2021

The Committee considered a report on the Decision Notices issued by the Local Government Ombudsman between 1 November 2020 and 31 January 2021.

It was reported that four decision notices had been issues which concluded that there had been maladministration causing injustice – details of which were set out in the Appendix to the Report.

RESOLVED:

That the content of the report be noted.

85 COMMITTEE WORK PLAN

The Committee considered the Work Plan for 2021/22.

The inclusion of items on the Work Plan was designed to ensure that the Committee fulfilled its terms of reference and met statutory deadlines. The Plan was set out using the current terms of reference and would be updated once the revised terms of reference had been approved by Council. The dates of the meetings would also be added once the calendar of meetings was approved.

With regards to Councillor Clowes's request for the committee to consider potential cost versus cost neutrality of the committee system, it was agreed that further consideration would be given to the matter outside of the meeting and be considered as part of the transitional arrangements to see if it would fit in with the revised terms of reference for the Committee or if there would be a another appropriate body.

RESOLVED:

The Work Plan for 2021/22 be approved and the Plan be brought back to the Committee throughout the year for further development and approval.

86 WAIVERS AND NON-ADHERENCES

The Committee considered a report on the number and reasons for Waivers and Non-Adherences (WARNs), which had been approved between 1 October 2020 and 31 January 2021.

An error was reported in Table 1 of the Report as the heading 'April 2020 to Sept 2020' should read 'April 2020 to January 2021'.

A total of 2 WARNs and 1 Non-adherences had been issued during this period and a total of 25 WARNs had been issued to date in 2020/21. Currently 11 of the 25 WARNs completed were due to the Covid outbreak and the Council needed to respond quickly to ensure the supply of goods and services.

It was reported that a cloud-based Contract Lifecycle Management System to support all aspects of commissioning, procurement and contract management had been procured. The system would support the management of 600 plus contracts the Council had with external providers.

RESOLVED: That

- 1 the Committee note the number and reasons for the 3 further WARNs approved between; and
- 2 the Committee endorse the ongoing implementation of the Contract Lifecycle Management System to support all aspects of commissioning, procurement, and contract management.

87 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)(4) of the Local Government Act 1972 as amended on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1, 2 and 3 of Schedule 12A of the Local Government Act 1972 and the public interest would not be served in publishing the information.

88 WAIVERS AND NON-ADHERENCES

The Committee considered the WARNs.

RESOLVED:

That the WARNs be noted.

The meeting commenced at 2.14 pm and concluded at 5.53 pm

Councillor R Fletcher (Chairman)

Extract from Constitution - version dated 29 April 2021**Chapter 2 – Part 4: Functions of Committees**
pages 30 to 35**Audit and Governance Committee**

Membership: 9 Councillors (*excluding the Leader and Deputy and Chairs of the service Committees*) **and 2 co-opted independent members**

The Chair and Vice Chair of the Audit and Governance Committee should not be appointed to service Committees.

Members may not review decisions as part of the Audit and Governance Committee that they have made as a member of another Committee.

Co-opted independent members are appointed for a four year period and may vote on advisory matters (pursuant to a Council resolution on 22 October 2015).

To ensure that the Committee remains focussed on its assurance role, all members of the Committee, and any designated substitute, must be appropriately trained.

The success of the Audit and Governance Committee depends upon its ability to remain apolitical. It must adopt a non-political approach to its meetings and discussions at all times. Remaining apolitical also places a duty on *Councillors* not to make inappropriate use of information provided to the Committee for other purposes.

Functions

- 1 The Audit Committee is a key component of the Council's corporate governance. It provides:
 - i. an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards;
 - ii. independent review of the Council's governance, risk management, control frameworks and oversees the financial reporting and annual governance processes; and
 - iii. promotes high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Councillors and co-opted Members (including other persons acting in a similar capacity).
- 2 The Committee receives reports and assurances from across the organisation. In doing so the Committee will consider the effectiveness of the arrangements described, identifying further information needed and/or making recommendations for improvements and additional action required.

- 3 It also oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 4 The Committee will report to full Council on a regular basis on the Committee's performance and effectiveness.

Governance, risk and control

- 5 To consider the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
- 6 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, including an agreed action plan for improvements where necessary.
- 7 To consider the effectiveness of the system of risk management arrangements by receiving regular reports on the adequacy and effectiveness of the Council's risk management and reporting arrangements and receive assurance that actions have been taken as necessary.
- 8 To review the Council's Risk Management Policy and Framework and recommend it for approval by Corporate Policy Committee.
- 9 To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
- 10 To monitor the counter-fraud strategy, actions and resources.
- 11 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 12 To consider amendments to the Constitution and recommend proposals to Full Council for approval except where specifically delegated to the Monitoring Officer.

Internal Audit

- 13 To approve the internal audit charter.
- 14 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.
- 15 To consider reports from the Head of Audit and Risk Management on internal audit's performance during the year, including

- (a) updates on the delivery of the audit plan, including key findings, issues of concern and monitoring the actions taken in response to internal audit recommendations.
 - (b) reports on Internal Audit's effectiveness and compliance with its Quality Assurance and Improvement Programme, including conformance with the Public Sector Internal Audit Standards, and the results of the external assessment review of Internal Audit when due.
- 16 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
 - 17 To make appropriate enquiries of both management and the Head of internal audit to determine if there are any inappropriate scope or resource limitations.
 - 18 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
 - 19 Receive the annual report from the Head of Audit and Risk Management setting out internal activity during the year, and an opinion on the level of assurance as to the Council's arrangements for governance, risk management and internal control.
 - 20 To consider summaries of specific internal audit reports as requested.
 - 21 To receive reports outlining the action taken where the Head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

External Audit

- 22 To oversee the process by which the Council's external auditor is appointed.
- 23 To consider specific reports as agreed with the external auditor.
- 24 To commission work from internal and external audit.
- 25 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Annual Statement of Accounts

- 26 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.

- 27 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- 28 Monitor management actions in response to issues raised by the external auditor.

Related Functions

- 29 Subject to the requirements set out below, to consider findings of the Local Government Ombudsman, including reports resulting in a finding of maladministration against the Council, and to make recommendations as to actions that may be necessary or which arise from or are as a result of the Ombudsman's findings.
 - (a) There are statutory obligations which will, in some circumstances, require reports to be taken to Council or a Committee.
 - (b) The Ombudsman operates protocols in relation to the timing of the publication of findings. The Council would have to give consideration to those protocols when determining how to manage the Audit and Governance Committee's agenda.
- 30 To oversee the operation of the Contract Procedure Rules and provide assurance in respect of procurement and significant partnerships or collaborations.

Standards Arrangements

- 31 The Committee is responsible for the Council's standards arrangements to:
 - (a) promote high standards of ethical behaviour.
 - (b) develop, maintain and update Codes of Conduct and protocols
 - (c) Training Audit and Governance Committee
- 32 The Committee is responsible for monitoring and advising Council about the operation of its Code of Conduct for Councillors in the light of best practice and any changes in the law.
- 33 The Committee will approve the arrangements for dealing with allegations that a Councillor or a town/parish Councillor within the borough has failed to comply with the relevant Councillors' Code of Conduct.
- 34 To assist the Council with the appointment of Independent Persons as required by the Localism Act 2011 and any independent persons under other secondary legislation.
- 35 To determine any request for a dispensation under Section 33 of the Localism Act 2011, where not determined by the Monitoring Officer or to appeal against a determination by the Monitoring Officer.
- 36 To respond on behalf of the Council to national reviews and consultations on standards related issues.

- 37 To consider and make recommendations to Full Council on any other matter that may be referred to the Standards Committee relating to the conduct and training of Councillors.
- 38 To review, advise, monitor and report to Full Council on member training.
- 39 To recommend proposals to Full Council for changes to the constitution in respect of any governance or standards matters, except where specifically delegated to the Monitoring Officer
- 40 Council on 14th December 2017 approved a procedure 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 Code of Conduct.

Hearing Sub-Committee

- 41 The Hearing Sub-Committee is appointed to consider complaints that a Councillor has breached the Code of Conduct under the Council's arrangements adopted under the Localism Act 2011. It has 3 Councillors drawn from the Audit and Governance Committee.
- 42 The standing Chair of the Hearing Sub Committee is the Chair of the Audit and Governance Committee; when convened for any individual item, the Chair should be of a different political group to any subject member. Where practicable the Vice Chair will be from a different political group from the Chair.
- 43 An Independent Person is invited to attend all meetings of the Hearing Sub-committee and his/her views will be sought and taken into consideration before the Hearing Sub-committee takes any decision on whether the Councillor'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.
- 44 The requirement for political proportionality under section 15 of the Local Government and Housing Act 1989 is waived in relation to the sub-committee.
- 45 Before a Councillor can attend a meeting and participate in the business of the meeting, the determination of an application or an appeal by any individual or body, the Councillor must attend a suitable training course dealing with the quasi-judicial nature of the role of the Sub-Committee.
- 46 Where the Committee finds that a failure to comply with the Code of Conduct has occurred, the Hearing Sub-Committee will determine what action, if any, to take and to apply the sanction or recommend to Council to apply an appropriate sanction.

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Working for a brighter future together

Audit & Governance Committee

Date of Meeting: 27 May 2021

Report Title: External Audit Strategy Memorandum

Senior Officer: Alex Thompson, Director of Finance & Customer Services

1. Report Summary

- 1.1. The Audit Strategy Memorandum for the year ending 31 March 2021 from Mazars, the external auditors is provided as an Appendix to this report.

2. Recommendation/s

That Members of the Audit & Governance Committee:

- 2.1. Note the report provided by the Council's external auditors.

3. Reasons for Recommendation/s

- 3.1. The Audit Plan sets out the work that the Council's Auditors, Mazars will be carrying out in their statutory audit on the Council's financial statements and arrangements for securing value for money.

4. Other Options Considered

- 4.1. None.

5. Background

- 5.1. Mazars have been appointed as the Council's independent external auditors. Their annual work programme is set in accordance with the Code of Audit Practice issued by the Audit Commission and includes nationally prescribed and locally determined work.
- 5.2. The report provides members of the Committee with a summary of the external audit approach; it also includes details of the audit fees for 2021/22 on page 26 of the report.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. There are no legal implications identified.

6.2. Finance Implications

6.2.1. The audit fees will be met from within the revenue budget.

6.3. Policy Implications

6.3.1. There are no policy implications identified.

6.4. Equality Implications

6.4.1. There are no equality implications identified.

6.5. Human Resources Implications

6.5.1. There are no human resources implications identified.

6.6. Risk Management Implications

6.6.1. Mazars will complete a risk based audit whereby they will focus audit effort on those areas where they have identified a risk of material misstatement in the accounts.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People / Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10 Climate Change Implications

6.10.1. There are no direct implications for climate change.

7. Ward Members Affected

7.2. Not applicable.

8. Access to Information

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

9. Contact Information

- 9.2. Any questions relating to this report should be directed to the following officer:

Name: Joanne Wilcox

Job Title: Head of Financial Management

Email: Joanne.wilcox@cheshireeast.gov.uk

Appendix A – Audit Strategy Memorandum for year ending 31 March 2021

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Audit Strategy Memorandum

Cheshire East Council

Year ending 31 March 2021



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Appendix – Key communication points

This document is to be regarded as confidential to Cheshire East Council. It has been prepared for the sole use of Audit and Governance Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



Audit and Governance Committee
Cheshire East Council
Westfield, Middlewich Road.
Sandbach. CW11 1HZ

27 May 2021

Dear Sirs/ Madams

Audit Strategy Memorandum – Year ending 31 March 2021

We are pleased to present our Audit Strategy Memorandum for Cheshire East Council for the year ending 31 March 2021. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Cheshire East Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 07795 506766.

Yours faithfully

Mark Dalton
Mazars LLP

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Cheshire East Council (the Council) for the year to 31 March 2021. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.



Audit opinion

We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or Audit and Governance Committee, as those charged with governance, of their responsibilities.



Going concern

The Council is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. The Chief Finance Officer is responsible for the assessment of whether it is appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements and the adequacy of disclosures made.



Value for money

We are also responsible for reaching a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.



Electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.



Fraud

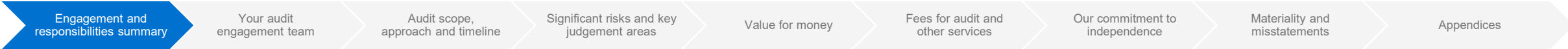
The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, our audit should not be relied upon to identify all such misstatements.



Reporting to the NAO

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.



Section 02:

Your audit engagement team

2. Your audit engagement team

Your external audit service continues to be led by Mark Dalton. A summary of key team members are detailed below:

Who	Role	E-mail
Mark Dalton	Engagement Lead	mark.dalton@mazars.co.uk
Muhammad Uzair Khan	Engagement Senior Manager	muhammad-uzair.khan@mazars.co.uk
Katie Kingston	Engagement In-charge	katie.kingston@mazars.co.uk

In addition, an engagement quality control reviewer has been appointed for this engagement.



03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is a risk-based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

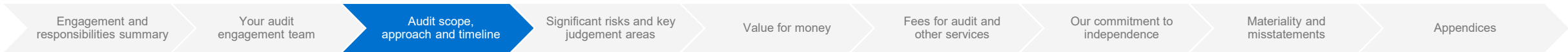
If we conclude that appropriately designed controls are in place, then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.

COVID-19 working arrangements and impact on our auditor’s report

The accounts preparation and audit will once again be significantly impacted by the COVID-19 remote working arrangements, and it is important that we continue to keep in close contact with the finance team and are able to respond to emerging issues. The outline timetable on the following page is based on our current understanding of the national deadlines and the current working arrangements



3. Audit scope, approach and timeline

Planning- January - February 2021

- Planning visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review

Completion -November 2021

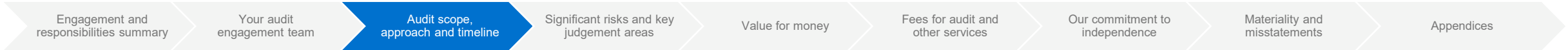
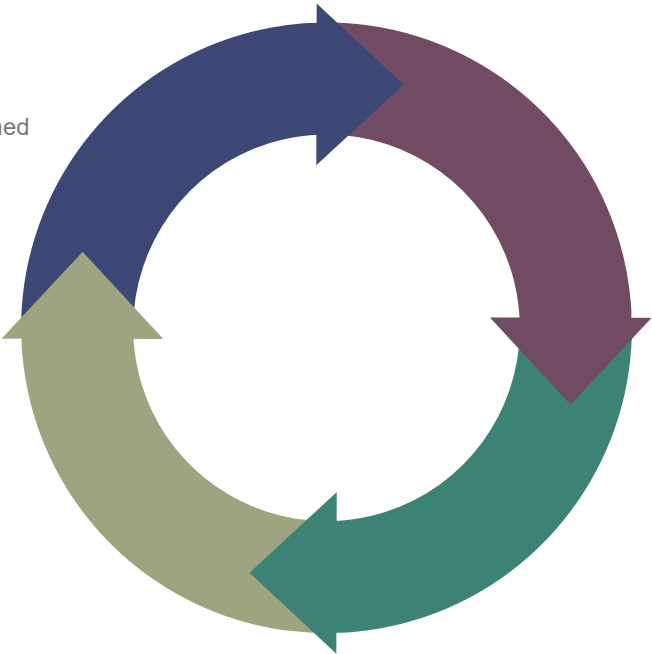
- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Audit and Governance Committee
- Reviewing subsequent events
- Signing the auditor's report

Interim August 2021

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork- September- October 2021

- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting



3. Audit scope, approach and timeline

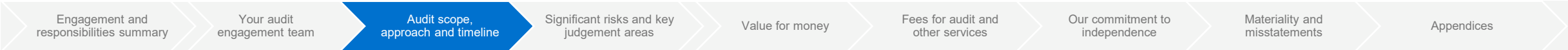
Group audit approach

Cheshire East Council prepares Group accounts and consolidates the following subsidiary companies within its Group accounts:

- Cheshire East Resident First Limited;
- ANSA Environmental Services Limited;
- Transport Service Solutions Limited;
- Engine of the North Limited;
- Orbitas Bereavement Services Limited;
- Civicance Limited; and
- The Skills and Growth Company

In auditing the accounts of the Council's Group financial statements we need to obtain assurance over the transactions in the Group relating to these subsidiary companies. Our approach will reflect the size and complexity of the transactions from the seven companies that are consolidated into the Council's Group financial statements. Based on our planning discussions and review of previous year's accounts, we do not consider the subsidiary companies to be significant components or to give rise to a risk of material misstatement in the Council's Group financial statements.

Our plan, based on our cumulative understanding and the values reported in the prior year financial statements is that we will obtain assurance from analytical procedures and we do not plan to obtain specific assurance from the component auditors of the Council's subsidiary companies (Grant Thornton LLP is the auditor for all the listed subsidiaries).



3. Audit scope, approach and timeline

Working with internal audit

We will utilise the work performed by internal audit to inform our audit risk assessment procedures. We will meet with internal audit on a regular basis throughout the audit to discuss the progress and findings of their work.

Management’s and our experts

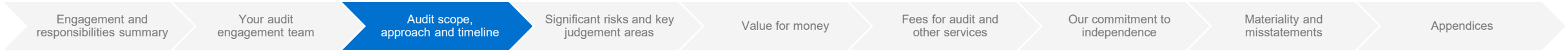
Management makes use of experts in specific areas when preparing the Council’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Defined benefit liability	Hyman & Robertson Actuaries	PwC, consulting actuary, on behalf of National Audit Office
Property, plant and equipment valuation	Montagu Evans and Farms Estate Shared Service	We will use available third-party information to challenge the key valuation assumptions.
Financial instrument disclosures	Arlingclose Treasury Advisors	We will review the expert’s methodology in calculating the fair value disclosures to confirm the reasonableness of assumptions used

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the [Council] that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the [Council] and our planned audit approach.

Items of account	Service organisation	Audit approach
Payroll, non-pay expenditure and other transactional items of account	Cheshire transactional services shared services	We plan to obtain assurance by understanding the process and controls that the Council has in place to assure itself that transactions are processed materially correctly. Our testing will include sample testing of transactions based on evidence available from the Council rather than the Shared Service.



04

Section 04:

**Significant risks and other key
judgement areas**

4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement ('RMM') at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

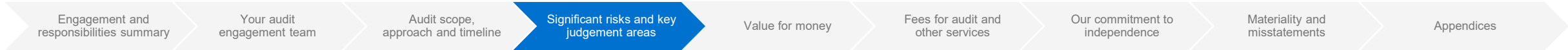
This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Revenue recognition

International Standard on Auditing (ISA) 240 includes a rebuttable presumption that the fraud risk from revenue recognition is a significant audit risk.

We recognise that the nature of revenue in local government differs significantly to the sources of income in the private sector. We also consider that there are limited incentives and opportunities to manipulate the way income is recognised in local government.

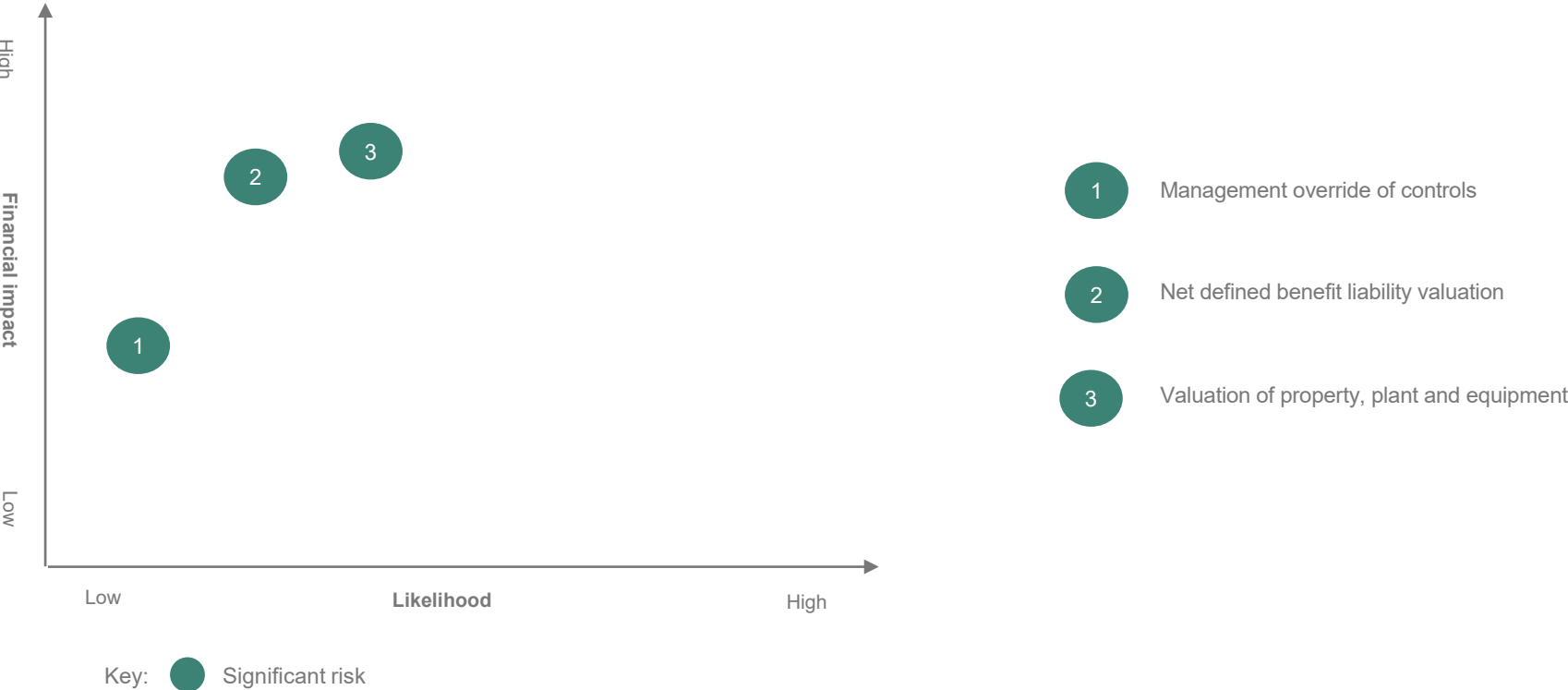
Based on our understanding of the Council's revenue streams we have rebutted the presumption that revenue recognition is a significant risk at the Council. Our testing of revenue is focused on our standard procedures and does not incorporate specific work on the risk of fraud in recognising revenue.



4. Significant risks and other key judgement areas

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant risks in respect of the Council. We have summarised our audit response to these risks on the next page.



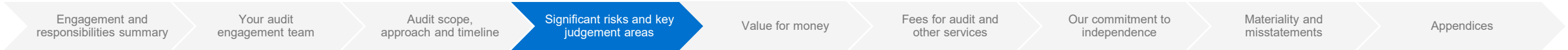
4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to Audit and Governance Committee.

Significant risks

	Description	Fraud	Error	Judgement	Planned response
1	<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.



4. Significant risks and other key judgement areas

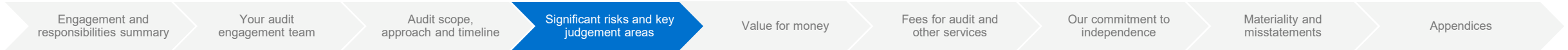
Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	<p>Net defined benefit liability valuation</p> <p>The net pension liability represents a material element of the Council is an admitted body of the Cheshire Pension Fund (CPF), which had its last triennial valuation completed as at 31 March 2019.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2020/21.</p>	○	●	●	<p>In relation to the valuation of the Council's defined benefit pension liability we will:</p> <ul style="list-style-type: none">critically assess the competency, objectivity and independence of the CPF's Actuary, Hyman Robertson;liaise with the auditors of the Cheshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PWC, consulting actuary engaged by the National Audit Office; andagree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements. <p>In line with 2019/20 and the continuing Covid-19 pandemic, we will monitor the valuation approach and whether a material uncertainty disclosure will be required for 2020/21.</p>

4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
3	<p>Valuation of property, plant and equipment (Land & buildings and investment properties)</p> <p>The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five year cycle.</p> <p>The valuation of Property, Plant & Equipment involves the use of a management expert (the valuer), and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process which reflect the significant impact of the valuation judgements and assumptions and the degree of estimation uncertainty.</p> <p>As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued for up to four years are not valued at their materially correct fair value. In addition, as the valuations are undertaken through the year there is a risk that the fair value of the assets is materially different at the year end.</p>	○	●	●	<p>In relation to the assets which have been revalued during 2020/21, including investment properties, we will assess the Council's valuer's qualifications, objectivity and independence to carry out such valuations, and review the valuation methodology used, including testing the underlying data and assumptions.</p> <p>We will review the approach that the Council has adopted to address the risk that assets not subject to valuation in 2020/21 are materially misstated and consider the robustness of that approach in light of the valuation information reported by the Council's valuers.</p> <p>In addition, we will consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.</p> <p>In line with 2019/20 and the continuing Covid-19 pandemic, we will monitor the valuation approach and whether a material uncertainty disclosure will be required for 2020/21.</p>



4. Significant risks and other key judgement areas

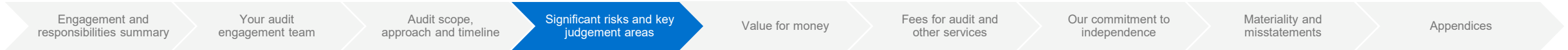
Other key areas of management judgement and enhanced risks

	Description	Fraud	Error	Judgement	Planned response
4	Transition to new financial management system <p>In the current year, the Council implemented a new financial management system on 8th February 2021. Migrating the general ledger transaction, balances and sub-ledger details from Oracle System to Unit4 ERP system (previously known as Agresso).</p> <p>Transfer/ migration of data from old to new finance system is a significant event that involves all-encompassing planning and arrangements to ensure that the management review and governance of the process continued.</p> <p>Also to ensure that the new financial management system delivers the results as expected and that there is no loss of data during the migration.</p>	○	●	○	<p>We will review the arrangements for transferring data from the previous old financial management system (Oracle) to new financial system (Unit4 ERP).</p> <p>We will compare data from new system to the old system to confirm completeness and accuracy..</p> <p>We will review the Council's own assurance over completeness and accuracy of closing balance in the previous ledger system to the opening balance entries in the new ledger system including any prior period adjustments (where required by accounting standards).</p> <p>Furthermore, we will carry out our review of the new system to confirm whether the system delivers the expected results.</p>
5	Private Finance Initiative (PFI) scheme <p>The Council has no new PFI schemes in 2020/21, and continues to make judgements that result in the Council accounting for the PFI assets and liabilities in its financial statements</p>	○	●	●	<p>We will consider the continued accounting treatment of the PFI scheme assets and liabilities as being in the Council's financial statements. In addition we are aware that a fire has destroyed one of the Council's PFI buildings, and our approach will consider the Council's accounting treatment of the impact.</p>

4. Significant risks and other key judgement areas

Other key areas of management judgement and enhanced risks

	Description	Fraud	Error	Judgement	Planned response
6	<p>Recognition of Covid-19 Government grants</p> <p>Throughout 2020/21, the Government has provided substantial sums of grant support to local authorities including general support grant, the Income Compensation and Job Retention schemes and grants that have been passed through to businesses. The Council needs to ensure it applies the correct accounting treatment for these funds.</p> <p>We therefore identified the completeness and accuracy of this income as an enhanced audit risk for 2020/21.</p>	○	●	●	<p>We plan to address this risk by:</p> <ul style="list-style-type: none">• Reviewing the Council’s approach in determining whether grants are ringfenced for specified areas of expenditure;• Testing grant income recorded in the ledger to grant allocations/ notifications; and• Reviewing a sample of grants to establish whether conditions to recognise the income in 2020/21 have been met.



05

Section 05: **Value for Money**

6. Value for Money

The framework for Value for Money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

The new Code of Audit Practice (the Code) has changed the way in which we report our findings in relation to Value for Money (VFM) arrangements from 2020/21. Whilst we are still required to be satisfied that the Council has proper arrangements in place, we will now report by exception in our auditor's report where we have identified significant weakness in those arrangements. This is a significant change to the requirements under the previous Code which required us to give a conclusion on the Council's arrangements as part of our auditor's report.

Under the new Code, the key output of our work on VFM arrangements will be a commentary on those arrangements which will form part of the Auditor's Annual Report.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

- 1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services
- 2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks
- 3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services

Further details of the specified reporting criteria are provided on the following page.

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Planning and risk assessment	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.



5. Value for money conclusion

Under the 2020 Code, we are required to structure our commentary on the Council’s ‘proper arrangements’ under three specified reporting criteria, which are expanded in the supporting guidance notes produced by the National Audit Office:

Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services

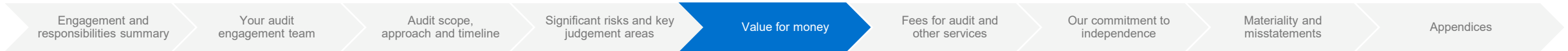
- how the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them
- how the body plans to bridge its funding gaps and identifies achievable savings
- how the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- how the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system
- how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Governance: how the body ensures that it makes informed decisions and properly manages its risks, including

- how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- how the body approaches and carries out its annual budget setting process
- how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed
- how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

Improving VFM: how the body uses information about its costs and performance to improve the way it manages and delivers its services

- how financial and performance information has been used to assess performance to identify areas for improvement
- how the body evaluates the services it provides to assess performance and identify areas for improvement
- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve
- where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

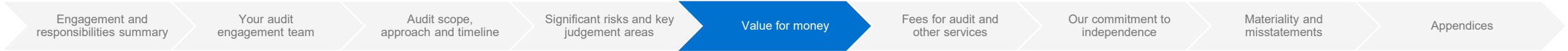


5. Value for Money

Identified risks of significant weaknesses in arrangements

The NAO's guidance requires us to carry out work at the planning stage to understand the Council's arrangements and to identify risks that significant weaknesses in arrangements may exist.

Although we have not fully completed our planning and risk assessment work, to date, we have not identified any risks that significant weaknesses in arrangements exist. We will report any identified risks to the Audit and Governance Committee on completion of our planning and risk identification work.



06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

Fees for work as the Council’s appointed auditor

Details of the proposed 2019/20 and 2020/21 fees are set out below:

Area of work	2020/21 Proposed Fee	2019/20 Actual Fee
Scale Audit Fee	119,034	£119,034
<i>Fee Variations</i>		
Additional Testing on Defined Benefit Pensions Schemes and Property, Plant and Equipment	£7,952 ¹	£7,952 ³
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; and ISA570 (Revised) Going Concern;	£2,000 ²	-
Other additional costs	TBC	£8,278 ³
Sub-total	£128,986	£135,264
Additional work arising from the change in the Code of Audit Practice	TBC ⁴	-
Total	£128,986⁵	£135,264

Fee variations are subject to confirmation from PSAA.

PSAA have issued a consultation on the 2021/22 audit fee scale. We will revisit our fee proposal in line with the outcome of this consultation to ensure we are consistent with sector wide changes.

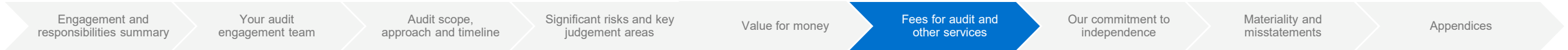
¹ The scale fee has been adjusted to take into account the additional work required as a result of increased regulatory expectations in these areas.

² For 2020/21, new auditing standards have been introduced which will lead to additional audit work not reflected in the scale fee. The implementation of IFRS 16 Leases is deferred to the financial year 2021/22.

³ The additional audit costs in 2019/20 were disclosed within our Annual Audit Letter presented at the March 2021 Audit and Governance Committee. These mainly related to the additional testing and reporting of uncertainties in key estimates as a result of Covid-19.

⁴ The new Code of Audit Practice and associated changes to the way in which we undertake and report our value for money work in 2020/21 (as detailed in section 5) will require additional audit input. We expect the fee impact to be 10-20% of the statutory audit fee. The final fee will take into account the extent of the additional work actually required. We will continue to liaise with Management on any proposed changes to the fee.

⁵ This is a proposed fee for 2020/21 at the point of the issue of our ASM. This figure is subject to change and additional costs will be discussed with management.



07

Section 07:

Our commitment to independence

7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

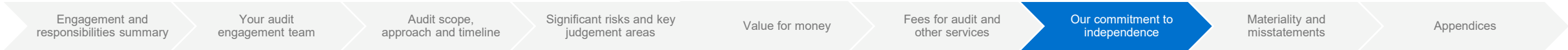
- All partners and staff are required to complete an annual independence declaration;
- All new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- Rotation policies covering audit engagement partners and other key members of the audit team; and
- Use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Dalton in the first instance.

Prior to the provision of any non-audit services Mark Dalton will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence have been identified.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.



08

Section 08:

Materiality and other misstatements

8. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Group materiality £'000s	Council single entity materiality £'000s
Overall materiality	14,100	14,000
Performance materiality	10,575	10,500
Specific materiality – Senior officer remuneration disclosures including any associated exit packages	5	5
Specific materiality – Related party transactions	50	50
Trivial threshold for errors to be reported to Audit and Governance Committee.	423	420

financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- Will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

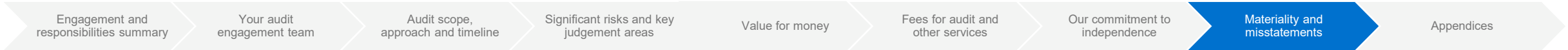
Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of gross expenditure at the surplus/deficit on provision of services level. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to Audit and Governance Committee.

We consider that the gross expenditure at the surplus/deficit on provision of services remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.



8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 1.9% of gross expenditure at the surplus/deficit on provision of services . Based on prior year audited accounts we anticipate the overall materiality for the year ending 31 March 2021 to be in the region of £14m (£13.8m in the prior year) for the single entity accounts and £14.1m (£14m in the prior year) for the group accounts.

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 75% of overall materiality as performance materiality.

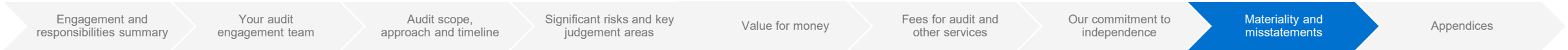
Misstatements

We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to Audit and Governance Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £420k for the single entity accounts and £423k for the group accounts based on 3% of overall materiality. If you have any queries about this, please do not hesitate to raise these with Mark Dalton

Reporting to Audit and Governance Committee

The following three types of audit differences will be presented to Audit and Governance Committee:

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).





Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two-way feedback process at the heart of our client service commitment. ISA 260 (UK) ‘Communication with Those Charged with Governance’ and ISA 265 (UK) ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Auditor’s Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

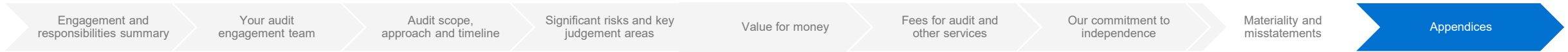
Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;

- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.



Appendix: Key communication points

ISA (UK) 260 ‘Communication with Those Charged with Governance’, ISA (UK) 265 ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none">• Uncorrected misstatements and their effect on our audit opinion;• The effect of uncorrected misstatements related to prior periods;• A request that any uncorrected misstatement is corrected; and• In writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none">• Enquiries of Audit and Governance Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity;• Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and• A discussion of any other matters related to fraud.	Audit Completion Report and discussion at Audit and Governance Committee, Audit Planning and Clearance meetings

Appendix: Key communication points

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none">• Non-disclosure by management;• Inappropriate authorisation and approval of transactions;• Disagreement over disclosures;• Non-compliance with laws and regulations; and• Difficulty in identifying the party that ultimately controls the entity.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none">• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;• Significant difficulties, if any, encountered during the audit;• Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management;• Written representations that we are seeking;• Expected modifications to the audit report; and• Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Audit and Governance Committee in the context of fulfilling their responsibilities.	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report

Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that Audit and Governance Committee may be aware of.	Audit Completion Report and Audit and Governance Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> Whether the events or conditions constitute a material uncertainty; Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and The adequacy of related disclosures in the financial statements. 	Audit Completion Report
Reporting on the valuation methods applied to the various items in the consolidated financial statements including any impact of changes of such methods	Audit Completion Report
Explanation of the scope of consolidation and the exclusion criteria applied by the entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the relevant financial reporting framework.	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Where applicable, identification of any audit work performed by component auditors in relation to the audit of the consolidated financial statements other than by Mazars' member firms	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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Working for a brighter future together

Key Decision: Y
Date First Published: 31/7/20

Cabinet

Date of Meeting: 4 May 2021

Report Title: Covid-19 – Annual Report of our COVID-19 Response and Recovery

Portfolio Holder: Cllr Sam Corcoran - Leader of the Council
Cllr Craig Browne - Deputy Leader of the Council

Senior Officer: Lorraine O'Donnell - Chief Executive

1. Report Summary

- 1.1. Cabinet has received nine detailed reports since June 2020 on how the Council, working with its partners, continues to respond to the COVID-19 pandemic and plan for the recovery from it.
- 1.2. This has been an unprecedented year in terms of circumstances and challenges which have affected every aspect of Cheshire East Council. It is appropriate, therefore, that as the first national anniversary of this pandemic has recently been marked, this final Cabinet report looks back over some of the key moments and achievements in the Council's response (Appendix 1) as well as providing a summary of developments since the April report.
- 1.3. The report also summarises the latest information on infection rates which have fallen considerably since last reported.
- 1.4. The financial impact of the pandemic on the Council continues to be significant. A further update is provided in section 6.2. It is important to note that over £200m has been provided in ringfenced grants for specific purposes, the majority of which has been or is to be passported directly to other organisations. This may create an incorrect impression that all the Council's COVID pressures are funded. Furthermore, the administration costs of passporting money directly

to other organisations fall directly on the Council. This is significant in the case of business grants and infection control in care homes grants, for example.

- 1.5. It is important to note that there may be other new developments following the publication of this report. Verbal updates will be given at the meeting, as appropriate.

2. Recommendations

- 2.1 That Cabinet note the main achievements in responding to Covid-19, outlined in Appendix 1 of the report.
- 2.2 That Cabinet note the developments since April 2021.

3. Other Options Considered

- 3.1. Not applicable.

4. Background

- 4.1 The WHO Weekly Epidemiological Update issued on 12 April 2021 showed an increase in infections with a further 488,141 new cases of Covid-19 reported in the previous week.
- 4.2 As of 12 April, there have been 135.4 million Covid-19 confirmed cases worldwide and 2.92 million deaths. As of the 8 April a total of 669,248,795 Covid vaccine doses have been administered.
- 4.3 The latest international, national and local statistics are available from the following data dashboards:

<https://covid19.who.int/>

<https://coronavirus.data.gov.uk/>

https://www.cheshireeast.gov.uk/council_and_democracy/council_information/coronavirus/latest-covid-19-figures-for-cheshire-east.aspx

<https://www.gov.uk/guidance/the-r-number-in-the-uk>

<https://www.england.nhs.uk/statistics/statistical-work-areas/covid-19-vaccinations/>

- 4.4 Three vaccines to protect against Coronavirus are being rolled out nationally to priority groups. As of the morning of 12 April 2021, 201,990 (62.29%) of the eligible population of Cheshire East residents who are registered with Cheshire GP Practices have received their first dose. Over 96% of people aged over 70 years had received their first vaccination and second doses are now being

administered. Almost 95% of people who are Clinically Extremely Vulnerable have received their first vaccination.

- 4.5 The UK Government National Restrictions continue at the time of writing. The Prime Minister announced changes that came into force on 12 April. Details of this change are found here: <https://www.gov.uk/guidance/covid-19-coronavirus-restrictions-what-you-can-and-cannot-do>
- 4.6 Case rates continue to show a fall. In the last full week of data until 7 April 2021, 66 people in Cheshire East tested positive. The local infection rate was recorded as 17 cases per 100,000 population. This represents a 15% reduction in cases from the previous week.
- 4.7 Case rates for Cheshire East remain slightly under the England average. Hospital capacity continues to improve with small numbers of patients requiring hospital care. As of 12 April 2021, East Cheshire NHS Trust had 4 occupied Covid beds (2% of capacity) and Mid Cheshire Hospitals NHS Trust had 13 occupied Covid beds (2% of capacity).
- 4.8 Using data up to 9 March 2021 shows the rate for those aged 60+ has plateaued between 4 and 7 per 100,000. As the number of infections continue to fall, we will see a small number of cases in each age group causing large swings in percentage change. Cases have dropped in the under 19s as a whole. We have seen a significant fall in rates for the working age population. Rates in the 20-29 year group and the 50-59 year group have fallen by 78% and 63% respectively in the last week. As infections fall, continued careful monitoring and surveillance of cases is vital to ensure that the Covid-19 response can adapt to any observed changes.
- 4.9 Infection prevention and control within Care Homes and the weekly testing of care home staff has helped detect people who may not have symptoms and as a result reduces the risk of a serious outbreak. Numbers of care homes in outbreak have reduced over the last month and as of 12 April, there were no homes with a Covid-19 outbreak.
- 4.10 With the return of all pupils to school on 8 March, enhanced Lateral Flow Testing measures were put in place to assist all secondary schools implement the national programme. After the initial two week school based testing programme, pupils were expected to carry out twice weekly home testing. A report of the school based programme is being prepared for members.
- 4.11 Infection prevention and control within Care Homes and the weekly testing of care home staff has helped detect people who may not have symptoms and as a result reduces the risk of a serious outbreak. As of 8 March, care homes have

begun to offer the Government's new LFT programme to enable a designated family member to visit a loved one.

4.12 Financial support for Local Authorities at Local COVID Alert Level Medium and High is to fund the following activities:

- a. Targeted testing for hard-to-reach groups out of scope of other testing programmes.
- b. Additional contact tracing.
- c. Enhanced communication and marketing e.g. towards hard-to-reach groups and other localised messaging.
- d. Delivery of essentials for those in self-isolation.
- e. Targeted interventions for specific sections of the local community and workplaces.
- f. Harnessing capacity within local sectors (voluntary, academic, commercial).
- g. Extension/introduction of specialist support (behavioural science, bespoke comms).
- h. Additional resource for compliance with, and enforcement of, restrictions and guidance.

5. Progress update

5.1 Since March 2020, Cheshire East Council has continued to respond to the Coronavirus pandemic. At the same time the Council has continued to strive to:

- deliver essential local services
- protect our most vulnerable people
- support our communities and local businesses.

5.2 A summary of the key achievements and any changes since the April update that have continued to be delivered by the Council in Appendix 1.

5.3 *Test and Trace and Outbreak Management*

5.3.1 *Testing:*

On 6 April 2021, England's first dual use testing site was launched in Cheshire East for a national pilot project at the Crewe local testing site. This is a pilot offering both symptomatic and asymptomatic testing in one location for residents. The pilot was operational from 6 April 2021; an evaluation will take place to consider the ongoing function of the site.

5.3.2 There are now 6 asymptomatic testing sites available in Cheshire East in Alderley Edge, Middlewich, Sandbach, Congleton, Prestbury and Macclesfield offering lateral flow testing for local residents. From Monday 12 April, these sites also became collection sites for home testing kits, along with the Salvation Army site in Crewe. These sites are undertaking approximately 600 lateral flow tests weekly and in the first week alone the Salvation Army site handed out 777 home test kits.

5.3.3 There are now 11 pharmacies in Cheshire East being supported to undertake lateral flow testing for local residents. The national government are also in the process of launching a community collect model in pharmacies, allowing people to collect home testing kits from a community pharmacy. All sites can be viewed and booked here: <https://cheshireeast.zipporah.co.uk/LFT.Bookings>

5.3.4 The Cheshire East Swab Squad are currently supporting over 100 local businesses in Cheshire East with advice, training and testing support. This includes six local businesses who have received rapid response urgent testing to prevent Covid-19 outbreaks. This has required the team to undertake 248 lateral flow tests within those organisations. The successful contact tracing rate in Cheshire East is currently approximately 94% and is changing regularly.

5.4 *Contact Tracing and Self Isolation Support:*

5.4.1 Cheshire East Council is now undertaking all contact tracing in Cheshire East as part of a national pilot called Local-0. This means that positive cases are referred to the Cheshire East Local Contact Tracing Team after 1 hour. To support the rollout and management of this locally, a bespoke case management system has been created using Microsoft Dynamics 365. This allowed for cases to be escalated to the various programme workstreams immediately, to help prevent and rapidly control local outbreaks when they arise.

5.4.2 In addition, the local contact tracing offer has been extended to include the new Self Isolation Framework. This means that the Local Contact Tracing Team now undertake a much more detailed conversation during the initial contact tracing to assess what self-isolation support may be required by the individual and a directory of local support available has been created. In addition, People Helping People, Care4CE and the Swab Squad are now offering self-isolation support out of hours where required. A detailed self-isolation booklet has been created (<https://www.cheshireeast.gov.uk/pdf/covid-19/covid-19-self->

[isolation-support-pack.pdf](#)) which will also be printed and available in libraries and community centres too.

5.5 *Covid-19 Mass Vaccination*

- 5.5.1 The Covid vaccination programme continues to be rolled out to the remainder of the nine priority groups. The uptake rates in the priority groups remains high and refusal rates low. Particular focus is being given to Hard to Reach and Vaccine Hesitant Groups. In conjunction with Cheshire CCG and local community organisations, Local Authority staff are coordinating targeted media messages and accessible vaccination sessions for such groups. The initial sessions for homeless people have been well received with good participation. Further sessions are planned. Faith leaders have been contacted to offer “Pop Up” vaccination clinics in venues such as mosques, churches and associated community halls. A joint bid has been submitted to provide mobile vaccination clinics in our communities with the highest levels of health inequalities.
- 5.5.2 At the time of writing, second doses of the vaccines are being offered to those priority groups who received their first dose in January and February. This is including care home residents and people aged over 70 years. Local Authority staff are working closely with NHS colleagues to follow up those homes and to encourage staff who may have been reluctant to be vaccinated earlier in the year.
- 5.5.3 The latest Joint Committee for Vaccination and Immunisation has updated its guidance regarding the use of the Astra Zeneca Vaccine. As the level of infection is falling it is recommending that people under the age of 30 years do not receive an initial dose of the Astra Zeneca Vaccine. Instead they should be offered either of the two other vaccines that are licenced. Anyone in this age group who has received their first dose of the Astra Zeneca Vaccine without significant side effects can receive a second dose of this vaccine.
- 5.5.4 Cheshire East Council is working closely with NHS Cheshire CCG and Cheshire and Merseyside Health and Care Partnership to address vaccine inequality. The agencies are working together to identify and engage with underserved groups, including ethnic and faith groups, people who are homeless, people with learning disabilities and people accessing alcohol and substance misuse services to support them in getting information about and access to vaccines.

- 5.6. *Communities – Clinically Extremely Vulnerable (CEV) Support:* People Helping People was a service created by Cheshire East Council in March 2020. It works collaboratively with new and existing Voluntary, Community, Faith and Social Enterprise (VCFSE) sector partners and local volunteers to channel community-based support to meet the needs of our residents. This service is recognised amongst all residents across the borough as an essential community service.
- 5.7. From 31 March 2021, the Council is expected to provide similar support as that provided to those were shielding to those who are told to self-isolate. The intention is to reduce the spread of Covid-19 by providing practical, emotional and social support.
- 5.8 Some of the key achievements over the last year for this service are as follows:
- 1,946 volunteers recruited and utilised including the codesign of a volunteer website: <https://cheshireeastvolunteers.co.uk/>
 - Software launched to effectively recruit volunteers and a volunteer recognition scheme created.
 - 4,108 non-shielding vulnerable people supported.
 - 1,440 shielding individuals supported, including delivery of 350 food parcels.
 - 16 community groups (volunteer coordination points) set up to recruit, coordinate and support volunteers in local neighbourhoods.
 - £450,000 of funding allocated to the VCFSE sector to change their delivery model and meet the changing needs of communities, including £10,000 of winter wellbeing goods provided to those suffering fuel poverty.
- 5.9 The People Helping People service has become a household name amongst adult social care and health professionals and our communities. It has been the Council's response to support the clinically extremely vulnerable, the non shielding vulnerable cohort, those required to isolate and the vaccination programme. The success of this service in responding to the needs of our communities resulting in reducing transmission of Covid-19 and protecting our most vulnerable is a key Council achievement.
- 5.10 *Adult Social Care* – The Commissioning Team have provided significant support for the Adult Social Care Market during the Covid-19 pandemic to ensure market stability and the safe service delivery and provision of care for the residents of Cheshire East. This includes Care Homes, Care at Home (Domiciliary Care), Complex Needs, Extra Care Housing and Supported Living schemes.

5.11 During the last year there has been a number of achievements that have been delivered across the Commissioning, Contract Management and Quality Assurance teams. Officers have worked tirelessly to support providers across the Borough, thus ensuring comprehensive market oversight of all commissioned care providers was robustly in place. Provider support mechanisms that have been adopted and implemented are as follows:

- Resident safety and effective care and support maintained
- Business continuity planning
- Covid outbreak management
- Staff wellbeing and resilience programme via project 5
- Risk management planning and implementation of the designated visitor
- Provider mutual aid calls
- Focused care home quality assurance visits
- Whole home testing programme implementation
- Vaccination programme roll out for residents and staff
- Dedicated IPC Nurse advice and support to care homes
- Implementation of an approved Designated Setting for Covid recovered patients leaving hospital
- Partnership focused provider Webinars with Cheshire CCG and colleagues in Cheshire West to support safe hospital discharge pathways
- PPE training to care providers.
- Managed the allocation of over £15 million of Covid specific Government funding to Adult Social Care providers throughout the borough.

5.12 During the year providers have formally written to the Council to express their appreciation for the level of support received by Officers locally. Some examples are given below:

“You have been amazing... from the fabulous Council staff who delivered our PPE during the height of the pandemic to you – this support has meant so much - just knowing that during the darkest of times there were people out there who cared and above all understood of the things that we were going. You listened to me rant at times and cry at others which I did unashamedly.”

“Without being too boring the support that East Cheshire has given this home is second to none and you are of course a hero to me!”

“Over the last year which has been incredibly difficult for everyone, we have been extremely lucky to have been supported by the Quality Assurance team.”

“We have been able to ask any questions and we have been met with a quick response and a very understanding attitude”

- 5.13 *Care homes* - Of all care sectors, care homes have been the most significantly impacted by the pandemic with many homes having experienced at least one Covid-19 outbreak. Care homes have been supported throughout by the Council's Quality Assurance team as set out in previous Cabinet reports.
- 5.14 As of 13 April 2021, there are no care homes across Cheshire East with a Covid Outbreak. This is an extremely positive and significant milestone for care homes given the number of outbreaks homes have encountered over the last 12 months.
- 5.15 The Care Quality Commission have undertaken several focused Infection Prevention Inspections across care homes within Cheshire East. The feedback from the regulator summarised that homes fully understand their roles and responsibilities in relation to infection prevention control and have robust outbreak management, and safe systems of work in place.
- 5.16 Care Homes have operationally embedded the Designated Visitor guidance across homes which was introduced on 8 March 2021. Visits are regularly taking place for family members and residents. The feedback to date is that visits are having a positive effect for residents and their wellbeing.
- 5.17 The introduction of a second designated care home visitor commenced from 12 April 2021 as Covid restrictions continue to be cautiously eased. Regular visits are being extended from one to two people under carefully designed conditions to prevent transmission of Covid-19. Care Homes are implementing this guidance and continue to risk manage additional visitors in line with their dynamic visiting risk assessment.
- 5.18 All care homes have now received government funding via the Infection Control Fund (Rounds 1 and 2) and the Rapid Testing Fund to support infection control, workforce resilience and Lateral Flow Testing regimes. Care homes were also invited to apply (along with other care providers) for additional funds under the Workforce Capacity Fund which, as the name suggests, is designed to increase staffing capacity to support continuity of care and hospital discharge. Unlike other funding streams there was no requirement to passport the funding directly to providers and so a decision was taken to award the limited available funding to those providers that were able to demonstrate a clear plan on how the funds would be used to increase capacity within the short timeframe of 31 March 2021. 14 care homes were successful in being awarded funding. Passporting out of this funding was completed by Commissioners in a very short timeframe, thus ensuring the grant funding was issued in a timely manner to providers.
- 5.19 A third round of Infection Control Funding and second round of Rapid Testing Funding has just been received and, subject to authorisation, will shortly be passported to providers in accordance with Government guidance.

5.20 Whole home and Lateral Flow Testing continues in care homes. Revised guidance on testing for professionals visiting care homes was published on 17 March. The main changes to the guidance are:

- The default position is that without a negative test, the professional should not be allowed into the care home (unless in an emergency, unless overridden by the care home manager following a risk-based decision, or unless their entry is required by law such as CQC inspectors).
- For NHS professionals, care homes should see evidence from the professional of a negative rapid Lateral Flow Test within the last 72 hours, which shows they are following the NHS staff testing regime.
- As per the previous guidance, professionals who are not part of regular testing for NHS staff or CQC inspectors (for example professionals such as podiatrists or engineers) will need to be tested at the care home in the same way as visitors.
- If they are visiting multiple care homes in one day, they will now only need to be tested at the first care home they visit that day and can use evidence of this test at the next care home they visit that day.
- CQC inspectors will now test at home using a Lateral Flow Test on the day of a care home inspection, in addition to their weekly PCR.
- Like care home staff, visiting professionals are exempt from testing for 90 days following a positive PCR test, unless they develop new symptoms.

5.21 The roll out of the Whole Home Testing Programme was a complex logistical task that required partnership system planning. The roll out of the testing was successfully implemented in a timely, safe manner across care homes.

5.22 *Domiciliary care* - On the whole domiciliary care providers have coped well with the additional demands of the pandemic. There have been some isolated staffing issues due to sickness or the need for self-isolation but commissioners have worked closely with the care providers to help them resolve these issues and some providers have experienced an upturn in recruitment levels due to the prevailing economic circumstances.

5.23 More recently there has been an upturn in demand for domiciliary care which is impacting on the number of people awaiting a suitable package of care. Particular pinch points are double handling packages of care. An increase in carer breakdown also represents a risk factor impacting on the demand for domiciliary care. Additional capacity is currently being sought for the Care Brokerage team to facilitate more timely care sourcing and to explore creative solutions to care provision e.g. split or shared care packages. It is envisaged

that the Workforce Capacity Fund will help to increase capacity within the sector as 19 domiciliary care providers successfully applied for the funding.

- 5.24 Domiciliary care staff are eligible for the Covid-19 vaccination under Priority Cohort 2 – Frontline Health and Social Care Workers. Latest available data which is collated directly from care providers suggests that vaccination rates are 83% for frontline care workers but 73% when including back office staff (who are sometimes required to deliver care).
- 5.25 *Complex care/ Supported Living* - Like domiciliary care, there have been a relatively small number of issues related to complex care and supported living. Someday services were unfortunately forced to close at the start of the pandemic.
- 5.26 Updated guidance was issued by the Department of Health and Social care on the 30 March 2021 relating to visits in and out of extra care and supported living settings which can now be supported by rapid lateral flow testing.
- 5.27 Providers of complex care were eligible to apply for funding from the Workforce Capacity Fund. A total of nine providers were successful.
- 5.28 *Extra Care Housing* - Although sadly there have been a small number of Covid related deaths of residents at Extra Care Housing schemes since the start of the pandemic, there have been no major outbreaks. Housing and care staff now receive regular lateral flow tests.
- 5.29 The major area of concern for residents of two Extra Care Housing schemes was the temporary closure of the restaurant facilities in line with Government regulations. An alternative meal delivery service was put in place.
- 5.30 From the very beginning of the pandemic the Council identified PPE as a priority and recognised the urgency to develop our supply chains and to access a supply of PPE. The Council purchased and delivered a significant amount of PPE to a number of stakeholders including our frontline staff, Schools, Funeral Directors, and Care Providers etc. This meant that we were able to continue to deliver safe and effective care in Cheshire East. Care Providers were able to access PPE from Cheshire East Council while supply chain difficulties were being reported nationally and locally. A robust system was implemented and officers worked incredibly hard to ensure that any Care Provider requiring PPE received it within 24 hours of their request.
- 5.31 The Council now receive a regular supply of PPE via the Local Resilience Forum (LRF) and the Department for Health and Social Care (DHSC). This arrangement with the LRF has been extended to the end of June 2021, with the Council receiving fortnightly deliveries of PPE directly to our offices in

Sandbach on a fortnightly basis. The Council continue to distribute PPE to eligible organisations across Cheshire East. So far, the Council has distributed just over 5 million items of PPE locally.

- 5.32 *Children's Social Care* – We are continuing to see that families' needs are more complex as a result of the pandemic, which is increasing demand and providing additional challenges to services. In response our teams, parents/cares and our partners have risen to the challenge and provided support to our most vulnerable children and young people. We have recruited and retained frontline staff and developed an even more robust response to domestic abuse. We have also enhanced short break care opportunities and have seen a growth in the recruitment of foster carers and people interested in adoption. We have also developed a new support service for foster carers (Mockingbird) and recommissioned our 16+ supported accommodation offer.
- 5.33 On 9 March the government laid The Adoption and Children (Coronavirus) (Amendment) Regulations 2021 following a public consultation. The regulations will come into force on 30 March 2021 and will see an extension of the current flexibilities for medical reports (for fostering and adoption), virtual visits and Ofsted inspection cycles.
- 5.34 Rapid progress has been made in permanency planning for children, and our cohort of cared for children is reducing. We have now achieved 25 adoptions this year. We recently attended a regional leadership event where we presented on the positive impact we have achieved for children and young people through the Mockingbird project which provides a peer support network to foster carers. Fostering was included on the annual leaflet which goes to all Cheshire East residents which will hopefully result in an increase in inquiries on becoming a foster carer.
- 5.35 We celebrated social work practice with all our teams on World Social Work Day on 16 March in an online staff workshop. Some social workers shared their experience of having the Covid-19 vaccine in Team Voice to encourage colleagues to receive a vaccination. Foster carers have now been offered vaccinations which is very positive as it will support children and young people to continue to access family homes and to experience stability in where they are living.
- 5.36 *Prevention and Early Help* – Over 22,600 vouchers have been distributed to families and young adults in need through the Winter Grant Scheme since the beginning of December. The grant is continuing to be used as intended - to offer practical support in the form of food and utilities payments for vulnerable children, young people and adults, as agreed by Cabinet on 1 December. This has included provision of food vouchers for families eligible for free school meals over the Christmas period, February half term, and will also include the

Easter holidays. In January, the scheme was extended to include support for vulnerable families to replace or access white goods. A referral process is in place for professionals to refer families who need this support which is working well. One parent said, “We are incredibly grateful for your help; it feels like a weight has been lifted.”

- 5.37 Holiday activities will be taking place for families over Easter using the DfE holiday activity fund. The aim is to provide healthy food and enriching activities to disadvantaged young people. The DfE have confirmed that they are happy with our proposal for the use of the fund.

- 5.38 *Education and Skills* – The return to school and college for all pupils has been a success. The attendance in schools across Cheshire East at the end of the spring term 2021 was 94.89% in primary schools and 89.59% in secondary schools. This is 3% above the national attendance rate. Schools, colleges, and the Education Service have worked extremely hard to ensure all arrangements were in place for transport to and from school and the safe return of all pupils on March 8th. We provided all schools with template letters for children and parents to reassure them about the return to school and the expectations around attendance. We produced a guide for professionals who were working with families to support the transition back to school, help to address anxieties and any barriers to attendance. Guidance was also provided to schools and colleges on updating risk assessments and reducing transmission.

- 5.39 Full attendance data from secondary schools was phased over the first week to allow for the rapid testing of pupils. Rapid testing of secondary aged pupils is going very well, and we have a robust system in place to monitor incident rates in schools and put the right support in place. The Education team have visited a number of secondary schools and have been very impressed with the calm organisation that has been seen with implementing the testing arrangements.

- 5.40 In the run up to the return to school of all pupils in March, secondary schools, special schools and colleges were asked to carry out three Lateral Flow Tests (LFT) on each student as they returned, and to prepare them for twice weekly home testing once these had been completed, to help control the spread of the virus. Participation by students is voluntary and while most schools have reported very high levels, there have been some schools where students have been more reluctant to be tested. In these cases, staff have tried to encourage students to participate, pointing out the advantages and helping to reduce any anxieties.

- 5.41 Schools were able to start testing from 1 March and this is now complete. The number of tests carried out by each school ranges from 2,000 to almost 7,000. Concerns about the accuracy of the tests have been raised but there have been

less than 20 'void/ inconclusive' results reported, all of which gave a conclusive result on re-testing.

- 5.42 A total of 23 positive cases in pupils have been found since the start of March, of which 17 have not shown any symptoms and so would have been in school were it not for the tests.
- 5.43 Home testing has now been rolled out to nursery setting. Kits have been delivered and colleagues in this sector started home testing from 22 March.
- 5.44 The council has dedicated resource to the roll out of LFT across Cheshire East. This has enabled schools to have access to advice and support when setting up the testing sites and has enabled the council to have some oversight of the process through ongoing dialogue with schools and by visiting test sites, while they are in operation.
- 5.45 Our focus is on pupil wellbeing and catching up on learning, and we are continuing to assist schools in supporting pupils' mental health and wellbeing, so they can help those who are most anxious. Plans are also being discussed for summer schools and catch up programmes. We are working with schools to develop a recovery plan, which will focus on how schools need to adapt the curriculum to address gaps in knowledge and the curriculum during the last year.
- 5.46 At the beginning of March, parents across the borough received offers of secondary school places for children starting in September 2021, with the majority getting their first choice of school. The council has worked with the local schools to offer preference places to 98% of Cheshire East residents (an increase from 97% in 2020) with 92% being offered their first preference of secondary school (compared to 91.6% in 2020). These figures are expected to increase before pupils start in September 2021, as some parents will decline places as their circumstances change and places become available. The school admissions process has continued during the coronavirus outbreak, with the council co-ordinating this for most state schools in Cheshire East. Schools have adapted well, offering virtual tours to help parents in making preferences for their child's school and they will now be working with primary schools and parents to prepare children for their move to secondary school. The number of applications for school places in Cheshire East continues to increase. In 2021, the total number of applications was 4621 with 470 applications received from families living outside the borough, an indication of the popularity of Cheshire East schools.

- 5.47 *Business Support* – The Council is continuing to support those businesses required to close due to lockdown or similar measures through distribution of grants. The table below provides a breakdown of the allocation of the current grants available to businesses. There have been two publications of a league table indicating performance for the Mandatory and Discretionary grants, and the latest being for the period up to 28 February 2021. On ‘total paid out’ and ‘number of payments’, Cheshire East is within the top 7% on Mandatory Grants (LRSG closed) , and 10 % on the Discretionary Grants (ARG). A link to the tables is <https://www.gov.uk/government/publications/coronavirus-grant-funding-local-authority-payments-to-small-and-medium-businesses>.”
- 5.48 The Council has further supported businesses with new Restart Grant which Government launched on the 1st April, and is also continuing to engage with businesses throughout this period and is now developing longer term support plans for the local economy to support economic recovery.

Total received @ 20 Apr 2021:			
	Applications Approved	Payments Made	
Mandatory Grants via Rates:	20,543	£	43,417,223
Restart Grant	689		5,260,719
LRSG (open)	3,196	£	2,258,757
LRSG (closed)#1 November	3,003	£	4,845,718
LRSG (sector)	3	£	2,286
CSP (wet led)	274	£	274,000
LRSG (closed)#2 December	10,348	£	16,086,743
CBLP	3,030	£	14,689,000
Discretionary Grants:			
ARG	3,119	£	6,298,692
TOTAL	23,662	£	49,715,915

- 5.49 Throughout the pandemic, the council has maintained key neighbourhood services for our residents. Ansa, the environmental services company wholly owned by the council, has maintained all kerbside waste and recycling collections when other local authorities have at times suspended one or more of their collections. The Household Waste and Recycling Centres were closed during the first national lockdown, but once they were able to re-open measures were quickly implemented to cope with the initial high level of demand and ensure staff and customers were kept safe. Ansa have also helped to ensure our parks and green spaces have remained open throughout to provide vital access to green spaces for physical and mental wellbeing.
- 5.50 Orbitas Bereavement Services, another company wholly owned by the council, played a key role in delivering the council’s excess death management plan,

responding to increased demand for cremations during the first wave as well as ensuring services can take place in a Covid-secure environment to keep staff and mourners safe.

- 5.51 Through the Regulatory Services team the council has been responsible for ensuring local businesses complied with the Covid-19 restrictions. Detailed guidance has been issued to over 3,500 businesses to help them understand and comply with the ever-changing national guidance and regulations to ensure they protect their staff and customers. This has included hospitality premises, takeaways, taxi drivers, supermarkets and close contact services. In addition, officers have directly engaged with over 4,000 businesses to answer questions and provide specific advice for their premises or, in response to a complaint made by the general public. Detailed advice and support including, where appropriate, referrals for onsite testing has been undertaken with 50 business premises where there has been an outbreak of Covid-19.
- 5.52 Libraries and Leisure Centres have been required to close during the three national lockdowns and when they have been able to open their activities have been restricted. This led to the launch of new services to support people with their physical and mental wellbeing while at home during lockdown. This included a new order and collect service for library books, a new home library service for customers unable to leave their home, online fitness classes, online Rhyme Times and Story Times, online Lego club, and online coffee and craft sessions. During periods of lockdown, colleagues from the library service and Everybody Sport and Recreation, the leisure trust who operate the council's leisure centres, have volunteered to help out in other ways including contacting clinically extremely vulnerable residents required to shield, supporting the payment of Covid-19 business grants, participating in the people helping people scheme, supporting mobile testing units for the re-opening of schools, and supporting the establishment of an emergency food distribution centre.
- 5.53 *Homelessness and Rough Sleeping* - In March 2020, the Government announced, "Everyone in" and under this programme alone, we provided emergency accommodation for 117 individuals and families. The Housing Options team have then worked to secure more sustainable accommodation options.

From March 2020 to March 2021 the team have:

- Accommodated 117 households through the Everyone In initiative
- Accommodated 172 households who presented as homeless in priority need
- Prevented 1,038 from becoming homeless

- 5.54 We have been able to maintain relatively low levels of rough sleeping, which has fluctuated between 2 and 10 during the year. Our dedicated Rough Sleeping Team have worked with those sleeping rough on our streets, providing them with a housing option should they wish to engage with our services. This has continued even when individuals have lost their initial accommodation.
- 5.55 Partnership working has been exemplary during this period, our partners have worked exceptionally hard to ensure that individuals have a safe place to reside. Furthermore, we have worked with the Ministry of Housing, Local Government and Communities to secure funding in order to set up new projects for those who need extra support.
- 5.56 There are however challenges ahead, the Government's eviction ban is due to be lifted in May, which we envisage will increase the level of homelessness as landlords look to seek possession of their properties if the tenants are in arrears.
- 5.57 The economic fallout of the pandemic is likely to impact on homelessness as the furlough scheme ends and some residents face unemployment. The need to prevent homelessness will increase. We are already seeing an increase in referrals to our Welfare Advice Officer with a 22% increase in referrals this year.

We are therefore:

- Increasing our skills within the Housing Team to deal with illegal evictions
- Establishing partnership working with the CAB to deal with the potential increase in referrals. We have developed our referral pathways between the agencies to ensure that people at crisis point are provided with the housing, debt, and welfare advice they need to prevent homelessness.
- Applying for further Government Rough Sleeping Initiative funding to ensure the continuation of existing schemes and services
- Have the resources to increase staffing rates on a temporary basis to deal with a significant increase in homelessness
- We are utilising our Homelessness Prevention funding to try and prevent evictions or assist those at threat of homelessness to access alternative accommodation
- We are working with the Benefits Team to explore options for more flexible use of/broader eligibility for Discretionary Housing Payments and Emergency Assistance budgets
- We are working proactively with both our commissioned Supported Accommodation Providers and Registered Housing Providers to move those who are ready from supported accommodation into alternative longer-term accommodation to ensure a flow through within provision

- We have conducted a training session with 40+ advisors from the DWP to ensure timely and appropriate referrals for households that are identified as at risk of homelessness or whom have had significant changes in their income that may impact their ability to sustain their accommodation.
- Providing more general welfare training across the Homechoice and Prevention Team to enhance skills and reduce this impact of the increased referrals to our welfare officer.
- We are contacting Private landlords who serve a 6-month notice to identify possible arrears and to intervene in advance of our 56-day duty

5.58 *Remote Meetings* - Since May 2020, councils have been allowed to conduct any formal meetings 'virtually' or remotely, in line with Covid-19 restrictions. This was facilitated by the rapid introduction of legislation.

5.59 The Council moved quickly to establish the necessary arrangements to make sure that virtual meetings would be successful. The first formal virtual Teams meeting was Cabinet on the 9 June 2020. By April 2021, all formal meetings were being conducted in this way, including 5 full Council meetings. At the time of writing this report, a further virtual Full Council meeting was due to take on the 19 April 2021. These arrangements have worked well and have brought many benefits.

5.60 Whilst there was never any intention to permanently replace all formal "face to face" meetings with virtual meetings, it had been hoped that councils would have local flexibility to hold some meetings virtually into the future. However, the legislation which allows formal decision making to take place virtually was time-limited and expires on 6 May 2021. Whilst Government is being lobbied to extend relevant provisions, and whilst it is understood that there is a legal challenge, which seeks to secure authority to continue with virtual meetings after 6 May, local authorities have been informed that this will not happen. We therefore must make new arrangements for our meetings after 7 May.

5.61 Proposals are currently being developed which will ensure that all necessary Council business after 6 May can be properly discharged, and this has been communicated to Members. A close watch is being kept for any further announcements from Government as to whether or not the virtual meeting legislation might be extended. The outcome of the legal challenge, which is due to come before the courts towards the end of April, will also be closely watched. Members will be kept informed of developments and any relevant updates will be provided at the Cabinet meeting.

5.62 *IT Migration* - A critical success factor in the council's response was the rapid deployment of mobile technology through laptops which continues to support remote working for Members and officers. Our IT Shared Service has migrated

over 7,300 users since the lockdown and introduced Teams across the entire estate. There are 4,500 connections daily. This is a significant achievement, widely praised across both councils.

- 5.63 *Customer services/contacts* and changed model of support - the Contact Centre adapted quickly to support customers whilst remote working. Staff previously working in a face to face environment were reskilled to support telephony and on-line support. A Chatbot was introduced to offer further contact options for customers. The Contact Centre supported the Communities Team by providing the People Helping People Helpline and the Track and Trace Team through providing Contact Tracing and more recently the Local Zero pilot.
- 5.64 *The Web Team* have ensured the external website and internal Centranet provide the definitive source of advice and information on Coronavirus. Digital services in support of Coronavirus have been developed by the Web Team including access to the PHP service, Business Grant applications, Self-isolation payment requests and Council Tax referrals.
- 5.65 *The Benefits Team* have continued to support our most vulnerable customers through the provision of the Council Tax Hardship Scheme for working age customers, development and delivery of the Self Isolation Payment Scheme and the ongoing delivery of the Emergency Assistance Scheme. They have provided expert advice and support to colleagues delivering additional hardship schemes including Shielding support and Winter Grant Scheme/HAF's.
- 5.66 *The Revenues Team* have been responsible for the delivery of Business Grants of which there have been 13 separate schemes and continuing. To date over 31,000 grant payments have been made in excess of £142M. The team have been placed under considerable pressures as guidance has frequently been delayed whilst businesses have obviously sought to receive payment as quickly as possible.
- 5.67 The Revenues Team have also supported customers struggling to pay Council Tax and Business Rates. Business Rates Relief Schemes were introduced and implemented by the Team for both 2020/21 and 2021/22 financial years and options to defer and reprofile repayments have been introduced.
- 5.68 *The Registration Service* has coped with significant challenges as a result of Covid-19 restrictions. In terms of birth registration, the Registrar General's Office postponed the registration of births for a period of months at the start of the first lockdown, meaning that in the summer of 2020 the Service had to respond to a significant backlog of registrations.
- 5.69 Changes were made to the Register Office to ensure that staff had a safe environment in which to work and those registering births had the confidence

that they were doing so safely. The rules in relation to death registrations were changed, with all registrations being undertaken over the phone, this is likely to continue for the foreseeable future. This change necessitated the introduction (at very short notice) of a new “back office” system to ensure that registrars had the necessary information to accurately and sensitively register deaths. Feedback from families has been very positive.

- 5.70 In terms of marriages the restrictions relating to venues and numbers of guests changed multiple times. As well as the financial impact of lost income (circa £800k) staff have been dealing with couples who had to rearrange their plans, sometimes several times over. There has been some fantastic feedback about the flexibility of staff hurriedly rearranging ceremonies for couples in line with changing restrictions.
- 5.71 *Communications and engagement* - the Council provided a wide range of COVID-related information in various formats to keep residents, members of staff and other stakeholders informed throughout the first 12 months of the pandemic. For example, the council's communications and media team produced more than 330 general media releases and information bulletins in 2020/21 – an increase of 188% over the previous year. The first quarter of 2020/21 saw a 250% increase in proactive communication over the equivalent period in 2019/20.
- 5.72 This contributed to the council securing more media coverage than ever before, (a jump of 140% of previous year) as local and national media shared key information about the council's and partners' response to the COVID emergency.

This included:

- Prevention, infection control measures and symptoms
 - Changes to council services, schools, social care and safeguarding
 - Support for local businesses and community groups
 - Support for people who needed additional support when shielding and self-isolating
 - Vaccine programme
 - Test and trace
 - Mental health and general welfare
- 5.73 During the pandemic, the council provided more than 150 COVID briefings to members and MPs, and a similar number to all staff to give them the information they need to continue to deliver services. In January 2021, the council also introduced an e-newsletter for residents to receive COVID information by direct mail.

- 5.74 *Staff* - We are so proud of our fantastic teams of dedicated, flexible, and resilient staff who have gone above and beyond what we could reasonably expect. This applies to all services and teams across the Council. Special thanks go to our Public Health and Joint Emergency Planning teams who have worked tirelessly around the clock for more than 12 months.
- 5.75 We have all worked hard to maintain engagement and to support our staff providing them with regular guidance and advice throughout the pandemic. This has enabled our workforce to adapt to different ways of working, manage risk and look after their health and wellbeing. We have been in regular dialogue with our staff and Trade Union colleagues to ensure that everyone has been well informed and listened to as the pandemic has evolved. There has been lots of positive feedback from staff about the support provided to them during the past 12 months. The current pulse survey will inform future ways of working arrangements balanced against service requirements and the needs of our customers.

6. **Implications of the Recommendations**

6.1 **Legal Implications**

- 6.1.1 The UK has made hundreds of laws in response to the Coronavirus pandemic, with four national lockdown laws covering each of the nations. For England, the Health Protection (Coronavirus, Restrictions) (Steps) (England) Regulations ('the Roadmap Regulations') recently came into force – 29th March 2021. These Regulations expire on 31 June 2021 unless revoked or replaced before, and the Government is obliged to have reviewed the Regulations on 12th April 2021 and, thereafter, every 35 days.
- 6.1.2 The Roadmap Regulations legislate for the Government's roadmap out of lockdown (the plans for which were initially published on 12 February 2021) as part of the Spring 2021 response to Covid-19. The Spring 2021 strategy also includes information on the Government's vaccine roll out programme, their coronavirus testing strategy and how they will respond to new coronavirus variants of concern.
- 6.1.3 The Roadmap Regulations are divided into 6 parts:

Part 1 - sets out the circumstances where a linked household (or support bubble) or linked childcare household (or childcare bubble) may be formed between two households. It also provides for permitted outdoor gathering under certain circumstances;

Part 2 - introduces Schedules 1, 2 and 3 which set out three "steps" of lockdown restrictions. The Government will be able to

move England (or areas within England) between the steps by amending the Roadmap Regulations.

Part 3 - introduces a restriction on leaving the UK. Recent regulations implementing coronavirus restrictions required individuals to stay at home unless it was reasonably necessary to leave home for purposes such as work and education. This requirement is no longer in place but there are now restrictions on international travel. Part 3 also introduces Schedule 5 and 6 which lists reasonable excuses to travel outside of the UK and set out which individuals are exempt from the restrictions on leaving the UK.

Part 4 - provides powers for the Secretary of State to disapply the coronavirus restrictions to a specific premises or event for the purpose of research on the potential transmission of Covid19 in controlled environments. The Secretary of State must seek advice from the Chief Medical Officer before making such a direction.

Part 5 - provides the police and others designated with powers to enforce the restrictions

Part 6 - contains final provisions including those regarding review and expiry of the regulations. It also introduces Schedule 8 which makes amendments to other coronavirus related regulations such as the self-isolation regulations, contact detail regulations and the international travel regulations.

- 6.1.4 The Roadmap Regulations provide for three legal steps out of lockdown. Earlier this week, the Health Protection (Coronavirus, Restrictions) (Steps and Local Authority Enforcement Powers) (England) (Amendment) Regulations 2021 came into force, which allows for England to move from Step 1 to Step 2.
- 6.1.5 The current restrictions under Step 2 include: an international travel ban (excluding those with a 'reasonable excuse'); a prohibition on people meeting inside with people not in their household/support bubble (although some exemptions apply); a prohibition on outdoor gatherings involving more than six people (unless exempted) and hospitality venues only being able to offer food and drink outdoors. As of 12th April, all non-essential retail and personal care services can re-open.
- 6.1.6 Step 3 (no earlier than 17 May) will further ease restrictions so as to allow for outdoor gatherings of up to 30 people and indoor gatherings of

up to 6 people. At this stage, hospitality venues can reopen indoors with table service. Businesses such as nightclubs must remain closed.

- 6.1.7 The final step (no earlier than 21 June) will remove all legal limits on social contact, with nightclubs reopening and the easing of restrictions on large events and performances.
- 6.1.8 Movement through the remaining steps is dependant upon four tests: the continual success of the vaccination programme; evidence of a reduction in hospitalisation and deaths; infection rates do not risk a surge in hospitalisation and the assessment of risks is not fundamentally changed by new variants of Covid-19.
- 6.1.9 Although the steps are designed to apply to all regions, the Government has reserved the right to reimpose economic and social restrictions at a local level.
- 6.1.10 The laws surrounding the wearing of face-coverings are found in The Health Protection (Coronavirus, Wearing of Face Coverings in a Relevant Place) (England) Regulations 2020. There is a requirement for most people to wear a face covering in shops, on public transport and in other public spaces.
- 6.1.11 The Health Protection (Coronavirus, Restrictions) (Self-Isolation) (England) Regulations 2020 require people to self-isolate when requested to do so by certain officials and apply to those who have tested positive for coronavirus or those who have been in close contact with someone who has tested positive. It would not apply to those who had been recommended to self-isolate by the NHS contact-tracing app only. Individuals are required to self-isolate for 10 days. Breaches of the regulations can lead to criminal prosecutions or fixed penalty notices on sliding scales of up to £10,000. If not previously revoked, these Regulations expire on 28th September 2021.
- 6.1.12 The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 remain in force and make provision for the conduct of local authority meetings up until 7 May 2021. On 25 March, the Government announced that this provision will not be extended. Hertfordshire CC, Lawyers in Local Government and the Association of Democratic Service Officers launched a judicial review against this decision which is due to be heard at the end of April. However, the Council should continue with preparations for the reinstatement of face-to-face meetings in the event that such a challenge

is unsuccessful. Preparations are underway for regulatory meetings to take place at Macclesfield and Crewe.

6.1.13 On 2nd December 2020, additional powers came into force to support local authorities' efforts to maintain COVID-secure environments. Further amendments were made in the Health Protection (Coronavirus, Restrictions) (Steps) (England) Regulations 2021. Local authorities have tools consisting of: Coronavirus Improvement Notice (CIN); Coronavirus Restrictions Notice (CRN) and a Coronavirus Immediate Restrictions Notice (CIRN). These notices are based in part on the existing health and safety regime under the Health and Safety at Work Act 1974. Proportionality and the principles established in the Regulators' Code should be followed and officers should attempt to engage with a business before issuing a notice wherever possible.

6.1.14 **Coronavirus Improvement Notice (CIN):** This can be issued when a business is failing to fulfil a provision set out in the relevant coronavirus regulations relating to COVID-secure measures. A CIN will be applied for a minimum of 48 hours (although its actual duration is at the discretion of the enforcement officer). Failure to comply with a CIN by the end of its operational period could lead to an FPN of £2,000 and/or a Coronavirus Immediate Restriction Notice or a Coronavirus Restriction Notice being issued.

6.1.15 **Coronavirus Restriction Notice (CRN):** This is issued where there has been a breach of the provisions of the relevant coronavirus regulations and the recipient has failed to comply with the terms of the CIN, where such non-compliance creates a risk of exposure to coronavirus. Following the 7-day period of application, the CRN can be withdrawn or allowed to expire. Failure to comply with a CRN during its operational period will result in an FPN of £4,000 or a new CRN / CIRN being issued.

6.1.16 **Coronavirus Immediate Restriction Notice (CIRN):** This can be issued where rapid action is needed to close a premises or restrict an activity to stop the spread of coronavirus (and without first having to issue a CIN). Closure will be for an initial 48-hour period. Where necessary, a CRN can be issued so that the premises is required to close for a further 7-day period, or where it is assessed that the premises is causing a serious and imminent threat to public health, a direction can be issued under separate regulations. Failure to comply with a CIRN will result in an FPN of £4,000 being issued.

6.1.17 Any notices can be appealed by the Claimant in the Magistrates' Court. Where an appeal is successful, compensation may be awarded. The period of appeal is limited to 28 days. Local Authority enforcement

officers have powers of entry and investigation as set out in the Public Health (Control of Disease) Act 1984.

6.2 Financial Implications

6.2.1 The potential financial impacts of the COVID-19 pandemic are regularly reported to Members via Cabinet, with additional briefings provided via Audit and Governance and Corporate Overview and Scrutiny Committees and Member written briefings.

6.2.2 This report presents the latest financial position and identifies Government funding already provided or claimed to date. Significant levels of uncertainty remain over the final projected financial implications for local authorities, and the approach to funding costs and income losses associated with Covid-19 continue to change as the severity of the pandemic has changed. This creates issues with producing an accurate forecast of financial consequences compared to the Council's Medium-Term Financial Strategy.

6.2.3 The returns to Central Government identify three main types of financial pressure:

- (i) **Un-ringfenced Service Expenditure and Income Losses**
The most recent forecast of financial pressures from COVID-19 on the Council's 2020/21 budget for Services is £33.6m. The figures are under frequent review. Grant funding to support expenditure and income losses is detailed in Table 1 below, in a format consistent with previous reports. £25m of un-ringfenced Support Grant has been allocated to date for the 2019/20 and 2020/21 financial years; and £3.5m has also been claimed so far under the Income Compensation Scheme. The Government also announced that £100m had been top sliced from national grant provision totals to provide support to keeping leisure centres open; the Council has been allocated £964,000 (as shown in Table 2). Table 1a identifies funding announcements provided as part of the Spending Review 2020, which will feature as part of the management of COVID-related financial impacts in 2021/22 and potentially beyond.
- (ii) **Collection Fund**
Potential losses on the Collection Fund relate to Council Tax and Business Rates income. The Government requires councils to spread the deficit over the next three years, although a compensation scheme has been announced, to cover up to 75% of irrecoverable losses. Cash shortfalls in-year are currently expected to be in the region of £11m. The Council will continue to

recover late payments where practicable, however some losses will be permanent; for example, where businesses have ceased trading, individuals are now entitled to Council Tax Support Payments, or where growth in the tax base has slowed down compared to forecasts.

(iii) Ringfenced Expenditure

Table 2 provides information about the activities the Council has been undertaking which have received specific Government funding in 2020/21; and Table 2a is now included to show specific grants announced so far for the 2021/22 year.

Table 1: The approach to un-ringfenced funding for 2020/21 has changed over time

Announced	Funding for CEC	Notes
(England total)		
19th March	£9.150m (£1.6bn)	Adult Social Care based payment
18th April	£10.539m (£1.6bn)	Payment per capita to help reflect lost income
Sub-Total	£19.689m (£3.2bn)	
2nd July	£2.712m (£0.5bn)	Adult Social Care / deprivation based payment
12th October	£2.578m (£1bn)	To provide resources for winter. This tranche of funding has been used to equalise all payments using the same approach as the July payment, now referred to as the COVID Formula.
Total	£24.979m (of £4.6bn)	
2nd July	£6m (£n/k) for Income Compensation	Estimated total – subject to claims process. £3.5m claimed so far, in 2 of 3 data collection rounds Compensation at 75p in £1 for losses above 5% of sales, fees and charges budgets

2nd July	£tba for Collection Fund	Compensation at 75p in £1 for losses (to be received in 2021/22); and defer residual Collection Fund deficit over 3yrs
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Table 1a: Un-ringfenced support announced for 2021/22

Announced	Funding for CEC	Notes
(England total)		
18th December	£8.508m (£1.55bn)	5 th Tranche of Emergency Funding Grant
18th December	£1.5m (£n/k) for Income Compensation	Sales, Fees & Charges compensation scheme extended for April-June 2021

6.2.4 Un-ringfenced government funding received to date as detailed in Table 1 (above) is currently **£25m, of which £1m was utilised in 2019/20**; and the income compensation scheme is anticipated to bring in **£6m**, if settled in full. There is potential that there could be a shortfall in funding compared to the overall financial impact on the Council. The MTFS reflects that costs that are deferred, such as capital spending impacts (of £8.7m) and Collection Fund losses are managed through existing risks provisions within the Capital Programme or through use of the Collection Fund Earmarked Reserve. By taking this approach the Council is creating flexibility by carrying forward unspent COVID revenue Grant funding at year-end that can support the outturn position or provide financial support in the 2021/22 financial year. This position will be subject to ongoing analysis and review as part of the outturn reporting.

6.2.5 Returns to central government now include estimates for potential costs, and losses from sales, fees, and charges, in the 2021/22 financial year. The budget approved by Council in February 2021 was balanced on the understanding that COVID related financial impacts would be managed from additional COVID funding. Early estimates for the full year indicate the potential financial impact in 2021/22 could be as much as £17.6m. This is set against the potential funding identified in Table 1a above of £10m.

6.2.6 Mindful of the possibility for further expenditure/ net cost pressures going forward, it will be important to continue to review, understand and mitigate the potential shortfall between additional financial impacts and

the funding provided by Government. The Council continues to engage in several activities:

1. Managing and reviewing the financial forecasts in response to guidance and the local response to the emergency, and how this affects the Council's revenue budget.
2. Further analysing the Government proposals to compensate losses from Sales, Fees and Charges.
3. Analysing the level of Collection Fund losses across the three financial years 2021/22 to 2023/24; and
4. Reviewing the consequences of funding shortfalls on the Council's Capital Programme and how this impact on the Council's long-term funding of capital expenditure.

Table 2: Specific Grants announced for 2020/21 are valued at c.£255m

Activity (National Total)	Spending forecast*	Funding	Variance
Test & Trace (£300m)	£1,533,331	£1,533,331	£0
Towns Fund (Capital £5bn)	£750,000	£750,000	£0
Dedicated Home to School and College Transport (£n/k)	£883,387	£883,387	£0
Rough Sleeping/ Next Steps Accommodation (£3.2m+£10m) **	£157,648	£68,400	£89,248
Active Travel (£225m)	£743,050	£743,050	£0
Re-Opening High Streets (£50m)	£339,533	£339,533	£0
Culture Recovery Fund (£1.57bn)	£180,000	£180,000	£0
Infection Control in Care Homes (£600m)	£5,320,292	£5,320,292	£0
Infection Control in Care Homes (£546m) 2 nd Tranche	£4,712,872	£4,712,872	£0
Business Grants (£12.3bn)***	£87,445,000 (spending to	£95,514,000	Awaiting guidance

	date)		
Discretionary Business Grants (£617m)***	£4,357,000 (spending to date)	£4,372,250	
Local Restrictions Business Support Grants (£n/k) ***	£61,201,875	£61,201,875	
Christmas Support Payment (Wet-led pubs)	£236,800	£236,800	
Business Rate Holiday (£10.7bn)	£62,339,000	£60,561,068	£1,777,932
Council Tax Hardship (£500m)	£2,691,326	£2,062,635	£628,691
Local Bus Network (£167m)	£229,632	£229,632	£0
Emergency Assistance Food and basic necessities (£63m)	£326,293	£326,293	£0
Contain Outbreak Management Fund (£per/ head, based on Tier) (6 tranches to 31 Mar)	£9,000,133	£9,000,133	£0
School Condition Grant (Capital) (£n/k)	£589,604	£589,604	£0
Wellbeing for Education Return (£8m)	£55,403	£55,403	£0
Compliance and Enforcement Grant (£60m)	£158,572	£158,572	£0
Bus Service Support Grant (CBSSG) Restart scheme (£n/k)	£671,101	£675,474	(£4,373)
Self Isolation Test and Trace Support Payment (£177m)	£740,476	£740,476	£0
Clinically Extremely Vulnerable Individuals (£175m)	£1,054,566	£1,054,566	£0
Covid Winter Grant Scheme	£880,472	£880,472	£0

(£170m)			
Domestic Abuse Building Capacity Fund (£6m)	£50,000	£50,000	£0
Leisure Centres (£100m)	£963,513	£963,513	£0
Workforce Capacity Fund (£120m)	£725,319	£725,319	£0
Rapid Testing Fund (£149m)	£1,361,266	£1,361,266	£0
Vaccine Roll-out Funding (n/k)	tba	tba	£0
Community Testing Funding (£11m)	£356,076	£356,076	£0
Holiday Activities and Food Programme 2021 (grant is split £88,630 for 2020/21 and £792,710 for 2021/22)	£881,340	£881,340	£0
LA Framework/ Practical Support for those Self-Isolating (for period March to June 2021) (£12.9m)	£70,806	£70,806	£0

* Note: where 'Spending Forecast' equals 'Funding' this does not necessarily indicate the full extent of spending to date but does demonstrate the expectation that funding will be fully utilised.

** Spending in relation to Rough Sleeping/ Accommodation exceeds specific Covid grant funding but is being met from other appropriate Housing grants and existing linked reserves.

*** Business Grant scheme funding has been combined to date. Scheme totals can also vary if payments are subject to review or appeal.

Table 2a: Specific Grants announced for 2021/22 are valued at c.£34m

Activity (National Total)	Spending forecast*	Funding	Variance
Covid secure measures for Elections (£15m)	£tba	£tba	£0
Additional Dedicated Home to School and College Transport (n/k)	£26,153	£26,153	£0
Contain Outbreak Management Fund (7 th Tranche) (£400m)	£2,195,538	£2,195,538	£0
Welcome Back Fund (£56m)	£339,534	£339,534	£0
Council Tax Support Scheme (£670m)	£3,371,000	£3,371,000	£0
Business Restart Grants (£5bn)	£21,294,675	£21,294,675	£0
Additional Restrictions Grant Top-up Allocation (£n/k)	£3,405,353	£3,405,353	£0
Business Rate Reliefs (£1.5bn)	£tba	£tba	£0
Infection control measures and rapid testing (£341m)	£3,028,690	£3,028,690	£0
Covid Local Support Grant (£40m)	£207,170	£207,170	£0

6.2.7 Further specific grants may become payable and require local administration in response to the emerging status of the pandemic response.

6.2.8 LGA and CCN collate returns from all member councils, though the types of financial pressure vary from council to council depending on their circumstances. For example, whether they provide social care, have a strong tourist economy, or the extent of deprivation. The overall impacts are similar across councils and Cheshire East Council is not an outlier. The Council will continue to support lobbying by the LGA and CCN in their aim to ensure fair settlement of the financial pressures facing local authorities.

6.3 Policy Implications

- 6.3.1 COVID-19 is having a wide-ranging impact on many policies. Any significant implications for the Council's policies are outlined in this report.

6.4 Equality Implications

- 6.4.1 Implications of any changes and restrictions will continue to be reviewed on a regular basis.
- 6.4.2 Vaccination programmes are prioritising people by age and those who are clinically vulnerable.
- 6.4.3 As mentioned in paragraph 5.30, over 21,500 vouchers were distributed over the Christmas period to families and young adults in need through the Winter Grant Scheme. The grant is to offer practical support in the form of food and utilities payments. The scheme was originally due to end March. It will now be extended in 2021/22.
- 6.4.4 We carried out individual risk assessments for staff with protected characteristics, particularly in relation to BAME colleagues and staff with a disability and are issuing regular reminders to keep these under review as circumstances may change.
- 6.4.5 We hosted a workshop on 4 March to understand how to improve our communications about the COVID-19 vaccine in targeting local underserved communities. This forms part of the ongoing work that is taking place with the NHS Cheshire CCG in dispelling myths and rumours about the vaccine and to encourage take up of the jab. Information shows there is a lot of hesitancy amongst some local communities including some ethnic groups, asylum seekers, Travellers, homeless people, boating and multi-faith groups. The session was hosted by our communications team, our local community engagement team and a representative from the NHS Cheshire CCG. Members of the community who attended included a freelance translator, the Waterways Chaplaincy, the Arch Deacon of Nantwich (subbing for the Bishop of Chester) and the manager of a homeless shelter in Crewe. The session was very insightful, with discussions around worries and fears amongst our underserved communities about the vaccine. It was noted that there is a need to support and represent our Bulgarian, Slovakian, Czech, Portuguese, East Timor, Polish and Romania communities more than we do currently. Discussions developed around how this could be achieved.

6.4.6 It was also noted that more work needs to be done around the accessibility of the vaccine. Many communities would be willing to have their jab if medical teams were able to come to them – e.g. those in the homeless shelter who aren't registered with a GP, the boating community, Travellers, older residents living in rural areas and many of the BAME community, as they can struggle to access services. The session was extremely uplifting, with an overwhelming feeling of positivity for the work the vaccination programme has done to date. All community representatives on the call were extremely keen to work with the council and the CCG to help further the scope of the work being done and to raise vaccination numbers amongst our underserved audiences. Actions have been noted and work is underway. Updates will be shared on this work in due course.

6.5 Human Resources Implications

- 6.5.1 The latest data on staff absences on 18 March 2021 are 19 (23 *last month*) staff self-isolating and working from home, 15 (27 *last month*) staff self-isolating and not working from home (role doesn't allow), 5 (4 *last month*) Covid-related absences, and 99 (102 *last month*) non-Covid-related absences.
- 6.5.2 Staff vaccinations: as at 18 March 1866 staff are eligible for vaccinations due to their role. Of these, 86.7% have had a first vaccination.
- 6.5.3 There continues to be regular communication with staff and good co-operation with the Trade Unions.

6.6 Risk Management Implications

- 6.6.1 The risk environment around COVID-19 remains dynamic. Risk registers have been maintained as part of the Council's response to date and the plans for recovery. Business Continuity Plans are being kept under review.

6.7 Rural Communities Implications

- 6.7.1 COVID-19 is having an impact across all communities, including rural communities. The support for small businesses will support rural business.

6.8 Implications for Children & Young People/Cared for Children

6.8.1 There are implications for children and young people. There are implications for schools, early help and prevention and children's social care which are summarised in the report.

6.9 Public Health Implications

6.9.1. COVID-19 is a global pandemic and public health emergency. There are implications for Cheshire East which are summarised in the report.

6.10 Climate Change Implications

6.10.1 There have been positive benefits of fewer cars on the road. This includes most staff who have been working from home. There has also been lower demand for heating/lighting offices.

7 Ward Members Affected

All Members.

8 Consultation & Engagement

8.1 Formal consultation activities were initially paused due to the lockdown restrictions. However, we are now undertaking all consultations following a review on a case by case basis to ensure that we can continue to operate effectively.

9 Access to Information

9.1 Comprehensive reports on COVID-19 can be found on the Council's and the Government's websites.

10 Contact Information

Any questions relating to this report should be directed to the following officers:

Frank Jordan, Executive Director Place and Deputy Chief Executive

Jane Burns, Executive Director Corporate Services

COVID-19 – a summary of an unprecedented year

COVID-19 is a devastating global pandemic that has touched every country and community.

Sadly, more than 450 of our Cheshire East residents have died. Countless others have been hospitalised and many are still living with the aftereffects. Every life lost has had a heart-breaking impact on their family, friends and loved ones.

This has been an unprecedented year in terms of circumstances and challenges which have affected every aspect of Cheshire East Council. It is appropriate, therefore, that as the first national anniversary of this pandemic has recently been marked, to look back over some of the key achievements in Council's response.

Since March 2020, Cheshire East Council has continued to work with partners to respond to the Coronavirus pandemic. At the same time the Council has continued to strive to:

- **deliver essential local services**
- **protect our most vulnerable people**
- **support our communities and local businesses.**

We are so proud of our fantastic teams of dedicated, flexible, and resilient staff and elected Members who have gone above and beyond what we could reasonably expect.

How we responded to the pandemic

- Our multi-agency Cheshire Local Resilience Forum has led the emergency response, with many people working around the clock, 7 days a week. Our Joint Emergency Planning and Co-ordination Team have done a superb job supporting by Cheshire East and Cheshire West and Cheshire Councils in what has been the longest civil emergency in recent history.
- From the very beginning of the pandemic, the Council identified Personal Protective Equipment (PPE) as a priority and recognised the urgency to develop our supply chains and to access a supply of PPE. The Council purchased and delivered a significant amount of PPE to stakeholders including our frontline staff, schools, funeral directors, and care providers etc. This meant that we were able to continue to deliver safe and effective care in Cheshire East.

- We moved quickly to create our People Helping People service which works collaboratively with new and existing Voluntary, Community, Faith and Social Enterprise (VCFSE) sector partners and local volunteers to channel community-based support to meet the needs of our residents. Some key statistics:
 - 1,946 volunteers recruited and utilised including the codesign of a volunteer website: <https://cheshireeastvolunteers.co.uk/>
 - Software launched to effectively recruit volunteers and a volunteer recognition scheme created.
 - 4,108 non-shielding vulnerable people supported.
 - 1,440 shielding individuals supported, including delivery of 350 food parcels.
 - 16 community groups (volunteer coordination points) set up to recruit, coordinate, and support volunteers in local neighbourhoods.
 - £450,000 of funding allocated to the VCFSE sector to change their delivery model and meet the changing needs of communities, including £10,000 of winter wellbeing goods provided to those suffering fuel poverty.
- We designed and implemented active travel and other measures to make safer high streets as various tiers were introduced and restrictions were lifted.
- Through the Regulatory Services team the council has been responsible for ensuring local businesses complied with the Covid-19 restrictions. Detailed guidance has been issued to over 3,500 businesses to help them understand and comply with the ever-changing national guidance and regulations to ensure they protect their staff and customers. This has included hospitality premises, takeaways, taxi drivers, supermarkets, and close contact services. In addition, officers have directly engaged with over 4,000 businesses to answer questions and provide specific advice for their premises or, in response to a complaint made by the public.
- On 6 April 2021, England's first dual use testing site was launched in Cheshire East for a national pilot project at the Crewe local testing site. This is a pilot offering both symptomatic and asymptomatic testing in one location for residents.
- The Cheshire East Swab Squad is currently supporting over 100 local businesses in Cheshire East with advice, training, and testing support. This includes six local businesses who have received rapid response urgent testing to prevent Covid-19 outbreaks: This has required the team to undertake 248 lateral flow tests within those organisations. 93% of local contacts are traced.
- We have supported the development of a successful vaccination programme, working with Cheshire CCG, Cheshire and Warrington Health and Care Partnership, and reaching under-served/hard to reach groups.

- We developed a framework to support those who tested positive to self-isolate. In addition, a detailed self-isolation booklet has been created (<https://www.cheshireeast.gov.uk/pdf/covid-19/covid-19-self-isolation-support-pack.pdf>) which will also be printed and available in libraries and community centres too.
- Communications has been central to our response: for example, the council's communications and media team produced more than 330 general media releases and information bulletins in 2020/21 – an increase of 188% over the previous year. The first quarter of 2020/21 saw a 250% increase in proactive communication over the equivalent period in 2019/20. During the pandemic, the council provided more than 150 COVID briefings to members and MPs, and a similar number to all staff to give them the information they need to continue to deliver services. In January 2021, the council also introduced an e-newsletter for residents to receive COVID information by direct mail.
- The UK has made hundreds of laws in response to the Coronavirus pandemic, with four national lockdown laws covering each of the nations. With the help of our legal team, the Council has digested, interpreted, implemented, and communicated the changes required locally.
- £25m of un-ringfenced Support Grant has been allocated to date for the 2019/20 and 2020/21 financial years; and £3.5m has also been claimed so far under the Income Compensation Scheme. In addition, we have received specific grants of c.£250m.

While continuing to deliver essential local services

- Throughout the pandemic, the council has maintained key neighbourhood services for our residents. Ansa, the environmental services company wholly owned by the council, has maintained all kerbside waste and recycling collections when other local authorities have at times suspended one or more of their collections. The Household Waste and Recycling Centres were closed during the first national lockdown, but once they were able to re-open measures were quickly implemented to cope with the initial high level of demand and ensure staff and customers were kept safe.
- Orbitas Bereavement Services, another company wholly owned by the council, played a key role in delivering the council's excess death management plan, responding to increased demand for cremations during the first wave as well as ensuring services can take place in a Covid-secure environment to keep staff and mourners safe.
- In one of the coldest and wettest winters for many years, our Highways crews worked around the clock to keep routes safe.

- Our teams have worked tirelessly and hand-in-glove with schools and early years settings to ensure secure openings, good attendance, safe travel to and from and rapid testing. This has been done whilst keeping in focus achievement (A-level and GCSE grades). 94.89% in primary schools and 89.59% in secondary schools. This is 3% above the national attendance rate.
- COVID restriction required those staff who were able to work from home to do so. We moved quickly to enable staff and elected members to work and meet remotely. We host over 7,300 users and 4,500 daily connections across the IT Shared Services with Cheshire West and Chester.
- Our Democratic Services and IT Teams quickly put in place arrangements to allow remote formal meetings to take place as the norm, which has had a bonus of increased access for the public.
- The Registration Service has coped with significant challenges as a result of Covid-19 restrictions. In terms of marriages the restrictions relating to venues and numbers of guests changed multiple times. As well as the financial impact of lost income, staff have been dealing with couples who had to rearrange their plans, sometimes several times over. There has been some fantastic feedback about the flexibility of staff hurriedly rearranging ceremonies for couples in line with changing restrictions.
- Libraries and Leisure Centres have been required to close during the three national lockdowns and when they have been able to open their activities have been restricted. This led to the launch of new services to support people with their physical and mental wellbeing while at home during lockdown. For example: a new order and collect service for library books, a new home library service for customers unable to leave their home, online fitness classes, online Rhyme Times and Story Times, online Lego club, and online coffee and craft sessions.
- During periods of lockdown, colleagues from the library service and Everybody Sport and Recreation, the leisure trust who operate the council's leisure centres, have volunteered to help out in other ways including contacting clinically extremely vulnerable residents required to shield, supporting the payment of Covid-19 business grants, participating in the people helping people scheme, supporting mobile testing units for the re-opening of schools, and supporting the establishment of an emergency food distribution centre.

And protecting our most vulnerable

- Infection prevention and control within Care Homes and the weekly testing of care home staff has helped detect people who may not have symptoms and as a result reduces the risk of a serious outbreak. Numbers of care homes in

outbreak have reduced over the last month and as of 12 April, there were no homes with a Covid-19 outbreak.

- We appointed mental health champions to recognise the huge impact COVID can have.
- Over 22,600 vouchers have been distributed to families and young adults in need through the Winter Grant Scheme since the beginning of December. The grant is continuing to be used as intended - to offer practical support in the form of food and utilities payments for vulnerable children, young people, and adults, as agreed by Cabinet on 1 December. This has included provision of food vouchers for families eligible for free school meals over the Christmas period, February half term, and will also include the Easter holiday.
- The Benefits Team have continued to support our most vulnerable customers through the provision of the Council Tax Hardship Scheme for working age customers, development and delivery of the Self Isolation Payment Scheme and the ongoing delivery of the Emergency Assistance Scheme. They have provided expert advice and support to colleagues delivering additional hardship schemes including shielding support and Winter Grant Scheme.

Supporting our communities and local business

- We moved quickly to listen to and work with businesses, through the Business Helping Business initiative.
- To date over 31,000 grant payments have been made; providing more than £142 million to support business.
- Other support for business and economy, including (with partners) Macclesfield Recovery Plan.

COVID-19 continues to be a challenge for our borough and the Council. However, there is cause for optimism, with lower infection rates, good vaccination take-up and the careful re-opening of our services, businesses, towns, and villages. This is thanks to all the efforts and hard work of a huge number of people.

Thank you

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Working for a brighter future together

Audit and Governance Committee

Date of Meeting: 27th May 2021

Report Title: Recruitment of Co-Opted Independent Members for the Audit and Governance Committee

Senior Officer: David Brown, Director of Governance and Compliance

1. Report Summary

- 1.1. This report sets out an approach for the Audit and Governance Committee regarding the recruitment of co-opted independent members to this Committee.

2. Recommendations

- 2.1. That the Audit and Governance Committee consider the approach set out in the report, and delegate authority to the Director of Governance and Compliance (in consultation with the Chair of the Audit and Governance Committee) to progress recruitment to 2 co-opted independent person roles for a term of 4 years.
- 2.2. That the Audit and Governance Committee nominate members to a panel who will undertake the shortlisting, carry out interviews and recommend the successful candidates for these roles to Council on 21st July 2021.

3. Reasons for Recommendations

- 3.1. One of the outcomes of the review of the composition and structure of the Council's Audit and Governance Committee, as agreed by the Committee and approved by the Constitution Committee and Council, was the inclusion of two co-opted independent members in the Committee's composition. Agreement is now needed to progress with recruitment to these roles to ensure the Committee is compliant with the membership change.

4. Background

- 4.1. The Audit and Governance Committee received a report at their November 2020 meeting setting out various aspects for consideration in relation to the composition and structure of the Committee. The Committee established a working group, which reported back to the Committee with recommendations in March 2021.
- 4.2. Audit and Governance Committee made its recommendations to the Constitution Committee, which in turn recommended the changes to Council. Council agreed these changes on April 19th, 2021.
- 4.3. The Audit and Governance Committee suggested a committee size of 9 elected members, which would be subject to proportionality, and recommended the inclusion of 2 co-opted independent members as part of the membership, on a fixed term membership of 4 years. The independent members are entitled to be reimbursed for expenses but do not receive any allowance or remuneration.
- 4.4. Co-opted members to Council committees are not members of the Council itself, therefore other than in limited circumstances (for example, an advisory committee established under s102(4) Local Government Act 1972) they have no voting rights. Co-opted members would instead be consulted during committee meetings and their views taken into account by voting members of the committee.
- 4.5. An approach for the advertisement, recruitment and selection to these roles is set out below. A draft timetable is included in Appendix 1.

Role profile

- 4.6. A draft application pack, including the role profile which for the co-opted independent member is attached at Appendix 2 to this report. This sets out the knowledge and experience requirements which are needed to best support the effective performance of the Committee.

Advertisement

- 4.7. Information about the roles will be hosted on the Council's website, supported by communications in the local press and across the Council's social media channels. A period of 3 weeks for the roles being advertised is suggested, with the deadline for applications being received at the end of that period.

Selection

- 4.8. Committee members will need to nominate members from the Committee to carry out shortlisting and interviewing the candidates. In the last recruitment to the co-opted independent member role, this was carried out by the Chair, Vice Chair, and a member of the Committee, who were supported in the process by officers.
- 4.9. Applications will be reviewed by the appointments committee against the role profile in the application pack, and shortlisted candidates will be invited to interview; these can be facilitated virtually. Following the interview process, and subject to references successfully being obtained, the appointment panel will recommend the co-option of one of the candidates to Council on 21st July 2021.
- 4.10. Details of the candidates will be circulated to members of the Audit and Governance Committee, and the candidates will be invited to attend the meeting of Committee on July 26th, along with induction training.

5. Implications of the Recommendations

5.1. Legal Implications

- 5.1.1. The co-option of independent members to the Audit and Governance Committee is needed to ensure compliance with the membership changes approved by Council and included in the Constitution.
- 5.1.2. Any appointments must comply with s102(3) Local Government Act 1972 (power to co-opt from outside Council membership) and s13 Local Government & Housing Act 1989 (which pertains to voting rights).

5.2. Finance Implications

- 5.2.1. Expense arrangements in place are consistent with those for other non-elected, co-opted committee members. There are no financial implications outside of the Council's Medium-Term Financial Strategy in adopting the recommendations proposed.

5.3. Policy Implications

- 5.3.1. The arrangements in this report seek to implement the recommendations which have been agreed to, having demonstrated that the Committee has considered best practice and the impact of the move to the governance system operation and has identified proposals to ensure the Committee composition and structure is appropriate for local requirements.

5.4. Human Resources Implications

5.4.1. There are no direct Human Resources Implications. Whilst the co-opted independent members are not employees of the Council, the successful applicants will receive specific training to enable them to undertake their new role effectively.

5.4.2. Whilst operating as a member of the Audit and Governance Committee, co-opted independent members are expected to follow the Nolan Principles of Standards in Public Life, which form the basis of the elected Member's Code of Conduct.

5.5. Risk Management Implications

5.5.1. The risk of not attracting candidates for this role will be managed through the strategy for marketing the role across the Council's social media channels and local press engagement, however, failure to attract candidates will impact on the recruitment of co-opted members within the timescale set out in this report.

5.5.2. There are clear criteria set out in the application pack to ensure that candidates for this role can offer the expertise and knowledge to the Committee, balanced with political neutrality.

5.6. Rural Communities Implications

5.6.1. There are no direct implications for rural communities.

5.7. Implications for Children & Young People/Cared for Children

5.7.1. There are no direct implications for children and young people.

5.8. Public Health Implications

5.8.1. There are no direct implications for public health.

5.9. Climate Change Implications

5.9.1. There are no direct implications for Climate Change

6. Ward Members Affected

6.1. Not applicable

7. Contact Information

7.1. Any questions relating to this report should be directed to the following officer:

Name: Josie Griffiths

Job Title: Head of Audit and Risk

Email: josie.griffiths@cheshireeast.gov.uk

Appendix 1

Proposed timeline for recruitment of co-opted independent members of the Audit and Governance Committee

For Council to approve candidates at 21st July 2021 meeting

w/c 24 th May 2021	Report on suggested approach including draft application pack to be considered and approved by Audit and Governance Committee
w/c 7 th June 2021	Web page to be launched, press release published by Communications team, social media campaign begins Application period opens
w/c 14 th June 2021	Application deadline: Friday 18 th June 2021
w/c 21 st June 2021	Shortlisting of candidates to take place by a panel including the Chair of Audit and Governance Committee supported by officers if needed.
w/c 28 th June 2021	Interviews to be held
w/c 5 th July 2021	Provisional offers to be made to successful candidates subject to reference check
w/c 12 th July 2021	Report to be submitted to Council nominating successful candidates
w/c 19 th July 2021	Thursday 21 st July 2021 - Council Induction training for co-opted independent members
w/c 26 th July 2021	Thursday 29 th July 2021 – Audit and Governance Committee Co-opted independent members introduced to Committee.



CHESHIRE EAST BOROUGH COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

Appointment of an Independent Member

Application Pack

May 2021

AUDIT AND GOVERNANCE COMMITTEE
APPOINTMENT OF CO-OPTED INDEPENDENT MEMBERS

This application pack includes;

- Background to Cheshire East Council
- The Council's Audit and Governance Committee
- Applicant Information; role description and role specification
- Cheshire East Council Member's Code of Conduct
- Application Process

Expectations of applicants

The Council is currently recruiting for two co-opted independent members of the Audit and Governance Committee.

The successful applicant will need to be available to attend approximately 5 meetings of the Committee in any year and any associated training and development events. We expect that applicants will need to be able to attend a combination of virtual and physical meetings. Applicants will need to be contactable throughout the year. The appointment will be made for 4 years.

Applicants must disclose to the Council any matter that might damage the reputation of the Council, or indicate a real or perceived conflict of interest with the role of the Audit and Governance Committee.

Previous experience of audit committees may be helpful but is not essential.

Co-opted independent members should not be (or have been, within the last 3 years) an Elected Member or employee of Cheshire East Council; or any of its wholly owned companies; or Everybody Sport and Recreation (ESAR).

Co-opted independent members should not be (or have been, within the last 5 years) a Councillor/Elected Member with any other Local Authority (including town or parish councils).

Co-opted independent members should not be affiliated with any political party, or have been affiliated, within the last 5 years.

The council seeks to reflect and represent all of its residents and welcomes applications from the Cheshire East community. The successful candidate will be resident in the Cheshire East area.

The co-opted independent member is not a job vacancy; should you be appointed you will not be an employee of the Council. The successful applicant will receive specific training to enable them to undertake their new role effectively.

The closing date for receipt of applications is Friday 18th June 2021

OFFICIAL

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, forming 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.

Cheshire East is a great place, full of potential. We have strong employment opportunities, attractive places to live and standards of education are high. The challenge is how we maintain our position, continuing to create sustainable growth that will support the wellbeing of our residents and the economy on which that depends, whilst protecting existing residents and green spaces.

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.

THE AUDIT AND GOVERNANCE COMMITTEE

The Audit and Governance is a key component of the Council's arrangements to support good governance at Cheshire East Council. It provides

- i. an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards;
- ii. independent review of the Council's governance, risk management, control frameworks and oversees the financial reporting and annual governance processes; and
- iii. promotes high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Councillors and co-opted Members (including other persons acting in a similar capacity).

The Audit and Governance Committee, like all of the Council's Committees, must be politically balanced. However, the success of the Audit and Governance Committee depends upon its ability to remain apolitical. It must adopt a non-political approach to its meetings and discussions at all times.

The co-option of independent members will help to bring additional knowledge and expertise to the committee and also reinforce its political neutrality and independence.

Co-opted members to Council committees are not members of the Council itself, therefore other than in limited circumstances (for example, an advisory committee established under s102(4) Local Government Act 1972) they have no voting rights. Co-opted members would instead be consulted during committee meetings and their views taken into account by voting members of the committee.

Where the Council has delegated to the Committee decisions such as the adoption of financial statements, the independent member should not be able to vote on those matters.

The detailed functions in respect of governance, risk and control; internal audit; external audit; financial reporting; accountability arrangements; related functions and standards arrangements can be found in the Council's [Constitution](#).

INDEPENDENT MEMBER ROLE PROFILE

1. To promote and support the good governance of the Council and its affairs
2. To promote and support open and transparent government
3. To provide support and encouragement to new Councillors
4. To be committed to the values of the Council, set out in our [Corporate Plan](#)
5. To be committed to the values expected of those in public office, established in the Seven Principles of Public Life:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership

INDEPENDENT MEMBER PERSON SPECIFICATION

The successful candidate will be able to demonstrate the following

1. Good advocacy skills; able to present relevant and well-reasoned arguments, and provide effective and constructive challenge
2. Ability to set aside own views and, at all times, remain open-minded, objective and impartial and act with integrity
3. Ability to analyse, interpret and absorb information and evidence effectively and quickly
4. Good communication and interpersonal skills; a confident public speaker

5. Ability and willingness to challenge ideas and contribute positively to policy development
6. To pay particular attention to the need to avoid predetermination and bias when participating in the decision-making of regulatory committees
7. Understanding the role of officers, members and other agencies and ability to have constructive and challenging dialogue with other Members and Officers
8. Respect for, and desire to work with different groups and individuals with a commitment to supporting continual improvement and development within the Council
9. Practical experience in financial management/accountancy within the public or private sector
10. Understanding and compliance with confidentiality requirements

Demonstrating the following would be desirable:

11. Knowledge and understanding of meeting law, rules and conventions
12. Understanding of delegated powers
13. Understanding of strategic, policy and service contexts for decisions, focusing on material issues
14. Knowledge of and commitment to the values of the Council
15. An understanding of the roles and purpose of Internal and External Audit

BEHAVIOUR and CODE OF CONDUCT

Cheshire East Council adopted its Members Code of Conduct in January 2018.

Whilst operating as a member of the Audit and Governance Committee, co-opted independent members are expected to follow the Nolan Principles of Standards in Public Life, which form the basis of the elected Member's Code of Conduct.

For information, a copy of the current code of conduct can be found here; http://www.cheshireeast.gov.uk/council_and_democracy/your_council/councillor_conduct.aspx

APPLICATION PROCESS

Closing Date

The closing date for receipt of applications is Friday 18th June 2021

Please submit your application form to:

Director of Governance and Compliance
Cheshire East Council
C/O Municipal Buildings
Earle Street
Crewe
CW1 2BJ

Or monitoringofficercec@cheshireeast.gov.uk

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 'Person 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 FOR APPOINTMENT AS AN INDEPENDENT MEMBER
OF THE AUDIT AND GOVERNANCE COMMITTEE**

1 PERSONAL DETAILS
TITLE :
FULL NAME:
HOME ADDRESS:
CONTACT TELEPHONE NO:
EMAIL:
2 Have you ever been a Councillor, co-opted member or officer of Cheshire East Council or a Councillor, co-opted member or officer of a parish or town council which falls within Cheshire East?
YES/NO
<i>If your answer to this question is yes, please give the date on which you <u>ceased to be</u> a Member or employee.</i>
3 Are you related to, or a close friend of, a member or employee of Cheshire East Borough Council?
YES/NO
<i>If your answer to this question is yes, please give details below</i>

4	Are you, or have you been a member of a political party?
YES/NO	
<i>If the answer to this question is yes, please give details below</i>	
5	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.
6	Please confirm that you are able to meet the attendance requirements of the role i.e. attending ad hoc meetings (called at short notice) at Council venues or by way of telephone conference.
7	Please say why you wish to be considered for the post of Independent Member and what you could offer the Council. 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

8 References: Please give the name, address, and telephone number of two referees who are not related to you and are not members of a borough/town or parish council within Cheshire East 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

Name:	
Address:	
Telephone Number:	

Referee 2

Name:	
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Address:	
Telephone Number:	

Data Protection Act

Information from this form will be processed in accordance with the Data Protection Act 2018. 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 Member of 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:

Director of Governance and Compliance
Cheshire East Council
C/O Municipal Buildings
Earle Street
Crewe
CW1 2BJ

Or monitoringofficercec@cheshireeast.gov.uk

Deadline for receipt of applications: **Friday 18th June 2021**



Working for a brighter future together

Audit and Governance Committee

Date of Meeting: 27 May 2021

Report Title: Appointments to Hearing Sub-Committees

Senior Officer: David Brown, Director of Governance and Compliance

1. Report Summary

- 1.1. This report requests the Audit and Governance Committee establish two Hearing Sub-Committees to deal with complaints that a councillor has breached the Code of Conduct for Members, as required by the Council's arrangements under the Localism Act 2011.

2. Recommendations

- 2.1. That in accordance with its adopted terms of reference, the Audit and Governance Committee establish two Hearing Sub-Committees of its membership comprising –
 - a) The standing Chair of the Committee;
 - b) 2 further voting members of the Committee; and
 - c) 1 Independent Person whose views will be sought by the Sub-Committee before reaching a decision.

3. Reasons for Recommendations

- 3.1. The Committee's terms of reference include responsibility for the Council's standards arrangements, and in particular the promotion of high standards of ethical behaviour by Members.
- 3.2. The Committee must make appropriate arrangements for the consideration of complaints regarding Member conduct raised under the adopted Members Code of Conduct and associated procedures. These arrangements include referral to a Hearing Sub-Committee of the Audit and Governance Committee for final determination where appropriate.

4. Background

- 4.1. The Committee is requested to establish two Hearings Sub-Committees to enable Member complaints to be dealt with in a timely manner as the need arises.
- 4.2. Two sub-committees are recommended to ensure sufficient availability, and to help address any potential conflicts of interest that may arise.
- 4.3. In accordance with the Committee's terms of reference, the Chair of the Committee should chair the Sub-Committee(s), unless the subject member in any particular matter is of the same political group in which case the Vice Chair will assume these duties.
- 4.4. The terms of reference waive the requirement for political proportionality for the sub-committee(s) under the Local Government & Housing Act 1989.
- 4.5. It is a requirement for any Members sitting on these sub-committees to have undertaken suitable training. A training session is currently being arranged for 10 June 2021.

5. Implications of the Recommendations

5.1. Legal Implications

- 5.1.1. The Council must have appropriate arrangements in place to deal with complaints arising from the Members Code of Conduct in order to comply with the requirements of the Localism Act 2011 and demonstrate good governance.

5.2. Finance Implications

- 5.2.1. The convening and conduct of sub-committee meetings will incur additional costs including but not limited to Member and officer time.

5.3. Policy Implications

- 5.3.1. The proposed arrangements are consistent with the Committee's terms of reference and the Council's adopted procedures pertaining to complaints under the Members Code of Conduct.

5.4. Human Resources Implications

- 5.4.1. There are no direct Human Resources Implications.

5.5. Risk Management Implications

- 5.5.1. Reputational risks may arise from a failure to adhere to adopted standards procedures for Member complaints.

5.6. Rural Communities Implications

5.6.1. There are no direct implications for rural communities.

5.7. Implications for Children & Young People/Cared for Children

5.7.1. There are no direct implications for children and young people.

5.8. Public Health Implications

5.8.1. There are no direct implications for public health.

5.9. Climate Change Implications

5.9.1. There are no direct implications for Climate Change

6. Ward Members Affected

6.1. Not applicable

7. Contact Information

7.1. Any questions relating to this report should be directed to the following officer:

Name: Jamie Hollis

Job Title: Head Legal

Email: jamie.hollis@cheshireeast.gov.uk

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Working for a brighter future together

Audit & Governance Committee

Date of Meeting: 27 May 2021

Report Title: Committee Work Plan

Senior Officer: David Brown, Director of Governance and Compliance

1. Report Summary

- 1.1. This report presents the Work Plan for 2021/22 (Appendix A) to the Committee for comment and approval.

2. Recommendations

- 2.1. That the Committee:
- 2.1.1. Consider the Work Plan and determine any required amendments;
 - 2.1.2. Note that the plan will be brought back to the Committee throughout the year for further development and approval.

3. 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 enable the Committee to fulfil its responsibilities.

4. Other Options Considered

- 4.1. Not applicable

5. Background

- 5.1. In March 2021 the Audit and Governance Committee approved the draft Work Plan for 2021/22. The Work Plan presented in Appendix A to this report is broadly similar to that report, with the inclusion of two additional items on today's agenda regarding the recruitment of co-opted members, and appointments to a hearing sub-committee.

- 5.2. Aspects of the Audit and Governance Committee's agenda are determined by statutory requirements such as the Statement of Accounts and Annual Governance Statement. As set out in the report to March Committee, following the publication of the Redmond Review, MHCLG have confirmed that subject to consultation in the new year, the department intends to amend regulations to extend the deadline for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (i.e. covering the audit of the 2020/21 and 2021/22 accounting years). At the end of this period they will review whether there is a continued need to have an extended deadline.
- 5.3. In recognition of current capacity and resource demands the publication of Cheshire East Council's audited accounts for 2020/21 are likely to be available for the Committee to approve at the end of November 2021. This is in-line with the process for the 2019/20 accounts. Discussion has taken place with the Council's External Auditors, who have agreed this is also the most appropriate approach in 2021. This date is reflected in the Council's work plan. Deadlines will be reviewed for the 2021/22 accounts in line with any new guidance.
- 5.4. 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.
- 5.5. By identifying the key topics to be considered at the Audit and Governance Committee meetings, and receiving appropriate reports, Committee Members are able to undertake their duties effectively and deliver them to a high standard. In turn, this adds to the robustness of the risk management framework, the adequacy of the internal control environment and the integrity of the financial reporting and corporate governance of the Council.
- 5.6. Members will recognise that some items are brought to Committee on a more regular basis than others to ensure that statutory requirements are complied with. There are also individual requirements of the Committee's Terms of Reference which are only used on an ad-hoc basis. The Work Plan will be re-submitted to the Committee for further development and approval at each subsequent meeting.
- 5.7. In order to help with their deliberations, Members are asked to consider the following:
- 5.7.1. 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.

- 5.7.2. that the Audit and Governance Committee should operate at a strategic level with matters of operational detail resolved by service managers.
- 5.7.3. 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.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The Work Plan for 2021/22 complies with the requirements of the Accounts and Audit Regulations 2015. The Committee is advised that for the publication of the 2020/21 accounts, an approach has been agreed with the Council's external auditors to manage risks recognised around capacity and resource.

6.2. Finance Implications

- 6.2.1. 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.

6.3. Policy Implications

- 6.3.1. There are no policy implications in this report.

6.4. Equality Implications

- 6.4.1. There are no direct implications for equality in this report. The Audit and Governance Committee receives assurances from across the organisation.

6.5. Human Resources Implications

- 6.5.1. Members should be satisfied that the inclusion of each item on its agenda results in added value, as the assurance process has a resource implication to the organisation and should therefore be proportional to the risk.

6.6. Risk Management Implications

- 6.6.1. 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:

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

6.7. Rural Communities Implications

- 6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

- 6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

- 6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

- 6.10.1. There are no climate change implications in this report.

7. Ward Members Affected

- 7.1. All wards affected.

8. Consultation & Engagement

- 8.1. The Work Plan is prepared following discussion with key officers who regularly provide updates to the Audit and Governance Committee. The Work Plan for 2021/22 was also been discussed with the Committee Chair and Vice Chair and considered by the Corporate Leadership Team.

9. Contact Information

- 9.1. Any questions relating to this report should be directed to the following officers:

Name: David Brown

Job Title: Director of Governance and Compliance Services.

Email: david.brown@cheshireeast.gov.uk

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
27th May 2021			
Committee Terms of Reference	For Members' information the Committee's terms of reference, as set out in the Constitution.	All	All
External Audit Progress and Update Report (Mazars)	To consider an update report from Mazars in delivering their responsibilities as external auditors.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Covid Annual Report	To consider the Annual report on the Council's response to Covid, originally presented to Cabinet on 4 th May 2021		As requested by the Committee during 2021.
Recruitment of co-opted independent members	To approve the approach regarding the recruitment of co-opted independent members to to approach for the Audit and Governance Committee.	All	All
Appointment to standards hearing sub-committee	To approve the appointment of Committee members to a hearing sub committee	41	The Hearing Sub-Committee is appointed to consider complaints that a Councillor has breached the Code of Conduct under the Council's arrangements adopted under the Localism Act 2011. It has 3 Councillors drawn from the Audit and Governance Committee
Work Plan	Forward looking programme of meetings and agenda items for 2021/22 to ensure comprehensive coverage of the Committee's responsibilities.	All	All
Contract Procedure Rule Non-Adherences	Report to update Committee on the quantity and reasons for Non-Adherences approved since the last Committee.	30	To oversee the operation of the Contract Procedure Rules and provide assurance in

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
(Part 1 and Part 2)			respect of procurement and significant partnerships or collaborations.
29 th July 2021			
External Audit Progress and Update Report (Mazars)	To consider an update report from Mazars in delivering their responsibilities as external auditors.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Internal Audit and Counter Fraud Annual Report (2020/21)	Annual opinion on the overall adequacy and effectiveness of the Council's control environment	19	Receive the annual report from the Head of Audit and Risk Management setting out internal activity during the year, and an opinion on the level of assurance as to the Council's arrangements for governance, risk management and internal control.
Annual Monitoring Officer Report 2020/21	Annual Report of the Monitoring Officer 2020/21 including a review of the Council's whistleblowing policy and referrals during 2020/21	5	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Annual Information Governance Update 2020/21	This report provides an update on the Council's Information Governance arrangements during 2020/21.	5	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Annual Risk Management Report 2020/21	Annual report on the effectiveness of risk management arrangements in the Council during 2020/21.	7	To consider the effectiveness of the system of risk management arrangements by receiving regular reports on the adequacy and effectiveness of the Council's risk management and reporting arrangements and receive assurance that actions have been taken as necessary

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
Work Plan 2021/22	Forward looking programme of meetings and agenda items for 2021/22 to ensure comprehensive coverage of the Committee's responsibilities.	ALL	ALL
Contract Procedure Rule Non-Adherences (Part 1 and Part 2)	Report to update Committee on the quantity and reasons for Non-Adherences approved since the last Committee.	30	To oversee the operation of the Contract Procedure Rules and provide assurance in respect of procurement and significant partnerships or collaborations.
Member Code of Conduct	Consider the creation of a working group to review and update the Member Code of Conduct. This is part of phase 2 of the Constitution update falls within the Audit & Governance Committee terms of reference as agreed at Council. The Committee will be required to report to full Council in November.	32	The Committee is responsible for monitoring and advising Council about the operation of its Code of Conduct for Councillors in the light of best practice and any changes in the law.
30th September 2021			
External Audit Progress and Update Report (Mazars)	To consider an update report from Mazars in delivering their responsibilities as external auditors.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Audit and Governance Committee Annual Report 2021/22	Annual Report of the Chair of the Audit and Governance Committee for consideration and approval by Committee ahead of presentation to Council.	4	The Committee will report to full Council on a regular basis on the Committee's performance and effectiveness.
Draft Pre-Audit Statement of Accounts 2020/21	This item introduces the 2020/21 pre-audit statement of accounts to the Committee.	26	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

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
	This starts the public inspection period and provides members with detail on the next steps to complete the approval of the accounts		from the financial statements or from the audit that need to be brought to the attention of the Council.
Draft Annual Governance Statement 2020/21	This report introduces the draft 2020/21 Annual Governance Statement to the Committee for consideration and comment	6	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, including an agreed action plan for improvements where necessary
Members Code of Conduct: Standards Report	To note the numbers and outcomes of complaints made under the Code of Conduct for Members	32	The Committee is responsible for monitoring and advising Council about the operation of its Code of Conduct for Councillors in the light of best practice and any changes in the law.
Risk Management Update	This report will update the Committee on Risk Management and Business Continuity activity in the Council.	7	To consider the effectiveness of the system of risk management arrangements by receiving regular reports on the adequacy and effectiveness of the Council's risk management and reporting arrangements and receive assurance that actions have been taken as necessary.
Referrals to the Local Government and Social Care Ombudsmen 2020/21	The report will provide a summary of the key issues from the annual report received by the LGO.	5	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
Work Plan 2021/22	Forward looking programme of meetings and agenda items for 2021/22 to ensure comprehensive coverage of the Committee's responsibilities.	ALL	ALL
Contract Procedure Rule Non-Adherences (Part 1 and Part 2)	Report to update Committee on the quantity and reasons for Non-Adherences approved since the last Committee.	30	To oversee the operation of the Contract Procedure Rules and provide assurance in respect of procurement and significant partnerships or collaborations.
25th November 2021			
Annual Audit Letter 2020/21 (Mazars)	Summary of the External Audit findings from the 2020/21 audit. The letter will also confirm the final audit fee.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Certification Report	The report provides a summary of the key findings that have been identified during the External Auditors' certification process for 2020/21 claims and returns.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Internal Audit 2021/22 Plan Progress Update	Progress report against the Internal Audit Plan 2021/22	15	To consider reports from the Head of Audit and Risk Management on internal audit's performance during the year, including (a) updates on the delivery of the audit plan, including key findings, issues of concern and monitoring the actions taken in response to internal audit recommendations. (b) reports on Internal Audit's effectiveness and compliance it's Quality Assurance and Improvement Programme, including conformance with the Public Sector Internal Audit Standards,

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
			and the results of the external assessment review of Internal Audit when due..
Annual Statement of Accounts 2021/22	Approval of the Audited Statement of Accounts for 2021/22	26	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 2020/21	Approval of the Annual Governance Statement 2020/21	6	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, including an agreed action plan for improvements where necessary
Work Plan 2021/22	Forward looking programme of meetings and agenda items for 2021/22 to ensure comprehensive coverage of the Committee's responsibilities.	ALL	ALL
Contract Procedure Rule Non-Adherences (Part 1 and Part 2)	Report to update Committee on the quantity and reasons for Non-Adherences approved since the last Committee.	30	To oversee the operation of the Contract Procedure Rules and provide assurance in respect of procurement and significant partnerships or collaborations.
10 th March 2022			

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
External Audit Progress and Update Report (Mazars)	To receive an update from the Council's External Auditors in relation to the 2020/21-external audit report and other issues.	27	To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Members Code of Conduct: Standards Report	To note the numbers and outcomes of complaints made under the Code of Conduct for Members .	32	The Committee is responsible for monitoring and advising Council about the operation of its Code of Conduct for Councillors in the light of best practice and any changes in the law.
Annual Governance Statement - Progress Update	Update on actions to improve governance arrangements and respond to emerging issues identified in the 2020/21 Annual Governance Statement. Proposed process for the production of the 2021/22 Annual Governance Statement.	5	To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
Risk Management Update	This report will update the Committee on Risk Management and Business Continuity activity in the Council.	7	To consider the effectiveness of the system of risk management arrangements by receiving regular reports on the adequacy and effectiveness of the Council's risk management and reporting arrangements and receive assurance that actions have been taken as necessary.
Internal Audit Plan 2021/22: Progress Report	To consider a summary of Internal Audit Work undertaken between September 2021 and December 2021.	15	To consider reports from the Head of Audit and Risk Management on internal audit's performance during the year, including (a) updates on the delivery of the audit plan, including key findings, issues of concern and monitoring the actions taken in response to internal audit recommendations.

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
			(b) reports on Internal Audit's effectiveness and compliance it's Quality Assurance and Improvement Programme, including conformance with the Public Sector Internal Audit Standards, and the results of the external assessment review of Internal Audit when due..
Work Plan 2021/22 and 2022/23	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.	ALL	ALL
Contract Procedure Rule Non-Adherences (Part 1 and Part 2)	Report to update Committee on the quantity and reasons for Non-Adherences approved since the last Committee.	30	To oversee the operation of the Contract Procedure Rules and provide assurance in respect of procurement and significant partnerships or collaborations.

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
Standing Item – for inclusion on the meeting agenda if required.			
Upheld Complaints to the Local Government Ombudsmen (If required)	<p>Members have requested that they receive a report where there is a complaint upheld by the Local Government Ombudsmen.</p> <p>This will need to be a <u>standing agenda item</u>, and will require ongoing co-ordination between the Compliance Manager, Democratic Services, the responsible service and the Chair/Vice Chair to establish:</p> <ul style="list-style-type: none"> • if there have been any upheld complaints to be reported on to the next agenda • the appropriate part of the agenda for the report to be considered • clarity on the purpose of the report, the nature of the assurances to be provided in the report, and that this process doesn't duplicate any existing process or reporting. 	29	<p>Subject to the requirements set out below, to consider all findings of the Local Government Ombudsman, including reports resulting in a finding of maladministration against the Council, and to make recommendations as to actions that may be necessary in connection with the Ombudsman's findings.</p> <p>(a) There are statutory obligations which will, in some circumstances, require reports to be taken to Cabinet or full Council.</p> <p>(b) The Ombudsman operates protocols in relation to the timing of the publication of findings. The Council would have to give consideration to those protocols when determining how to manage the Audit and Governance Committee's agenda.</p>

Work Plan 2021/22

		Extract from Committee Terms of Reference	
Agenda Item	Description	No	Detail
Unscheduled Items			
Review of the Council's Standards Arrangements	Members have requested a review of the Council's Standards arrangements to be undertaken.	31	The Committee is responsible for the Council's standards arrangements to: (a) promote high standards of ethical behaviour. (b) develop, maintain and update Codes of Conduct and protocols (c) Training Audit and Governance Committee
	<i>Scheduling of this report is reliant upon the publication of the model Standards Code and the appointment of a new Monitoring Officer.</i>	32	The Committee is responsible for monitoring and advising Council about the operation of its Code of Conduct for Councillors in the light of best practice and any changes in the law.
Highways; allocation and use of funding	Requested by Members; a report on the allocation and use of Highways funding. <i>This will be reviewed following the publication of the Scrutiny Task and Finish Flooding report.</i>	TBC	TBC
Partnerships Governance		11	To review the governance and assurance arrangements for significant partnerships or collaborations.

Audit & Governance Committee

Date of Meeting: 27 May 2021

Report Title: Waivers and Non-Adherences (WARNs)

Senior Officer: Alex Thompson – Director of Finance and Customer Services -
S151 Officer

1. Report Summary

- 1.1. The purpose of this report is to provide an update to the Audit and Governance Committee on the number of cases where, and reasons why, procurement activity has required the use of waivers and/or non-adherences (WARNs). The report covers approved cases between the 1st February 2021 and the 31st March 2021.
- 1.2. The approved WARNs are published retrospectively for information to the next appropriate Audit and Governance Committee. The total number of WARNs to be presented to the May Audit and Governance Committee is 3 (consisting of 3 waivers).
- 1.3. All WARNs will be presented to the Audit and Governance Committee without any information redacted. However, they will be presented in Part 2 of the Committee as they may contain commercially sensitive information and/or Officer Details.

2. Recommendation/s

That the Audit and Governance Committee:

- 2.1. Notes the reason for 3 further waivers approved between 1st February 2021 and 31st March 2021 (25 in total in 2020/21).

3. Reasons for Recommendation/s

- 3.1. The Audit and Governance Committee has a key role in overseeing governance arrangements within the Council and has a requirement to retrospectively review all approved WARNs. The WARN process forms part of the Council's Contract Procedure Rules (CPRs), which are intended to promote good procurement and commissioning practice, transparency and clear public accountability.

4. Other Options Considered

- 4.1. N/A

5. Background

- 5.1. All WARNs approved in the period between Audit and Governance Committees will be presented to the next Committee meeting. This report contains all WARNs approved from the 1st February 2021 to the 31st March 2021 (3 waivers in total).

The WARN process records the following:

- Waivers to the Contract Procedure Rules – These are agreed waivers in accordance with the Contract Procedure Rules, Part 5. Section 7.1-7.3.
- Non-Adherence to the Contract Procedure Rules – This is a breach of the Contract Procedure Rules in accordance with Part 5. Section 7.4-7.10.

Waivers are a compliant part of the Contract Procedure Rules and are used where there is a genuine business case to direct award without the need for competition.

Table 1: Waiver's increased during 2020 / 2021 due to the coronavirus outbreak

Waivers	2016-2017	2017- 2018	2018-2019	2019 - 2020	2020 - 2021
	40	20	16	17	25

- 5.2 The number of waivers increased during 2020 / 2021 due to the coronavirus outbreak, with 11 of the 25 completed being COVID exemptions. This was due to the Council needing to respond quickly to ensure the supply of goods and service such as PPE, hospital discharge and winter pressure beds.

There were 14 business as usual waivers meaning there was a reduction of 3 if the COVID exemption waivers were removed.

Table 2: Non-Adherences increased during 2020 / 2021

Non-Adherence	2016-2017	2017- 2018	2018-2019	2019 - 2020	2020- 2021
	33	10	5	1	3

- 5.3 The number of non-adherences increased to 3 in 2020 – 2021. These have previously been presented to the Audit & Governance Committee. To ensure compliance going forward training has been provided to all service areas who have breached the rules to ensure compliance in the future. The council induction training has also been updated.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. All employees must ensure that they use any Council or other public funds entrusted to them through their job role in a responsible and lawful manner.
- 6.1.2. Employees must also seek to ensure value for money and take care to avoid the risk of legal challenge to the Council in relation to the use of its financial resources. The Council's Officer Delegations, Finance and Contract Procedure Rules and Operating Procedures must, therefore, be followed at all times. This report sets out compliance with the Contract Procedure Rules.

6.2. Finance Implications

- 6.2.1. The Council's Constitution Finance Procedure Rule 2.30; Chapter 3 - Part 4: Section 2 explains that the Corporate Leadership Team (CLT) are responsible for working within their respective budget limits and to utilise resources allocated to them in the most efficient, effective and economic way. This is supported by effective commissioning, procurement processes and appropriate contract management.
- 6.2.2. Along with comments from Procurement and Legal Officers, Finance Officers are invited to make comments in respect of each WARN, to help ensure Finance Procedure Rules are adhered to in this regard. The comments of Finance Officers focus on whether the Service: has identified sufficient existing budget to cover the proposal; and has also considered how to achieve best value for money via the particular recommended course of action.
- 6.2.3 With regard to procurement activity relating to Covid-19, the Council is closely monitoring all additional expenditure in respect of responding to the pandemic and – as required for all local authorities – is reporting summary financial information to the Ministry of Housing, Communities & Local Government on a monthly basis, in terms of Covid-19-related spending and loss of income. The financial impacts on the Council are regularly reported to members.

6.3. Policy Implications

6.3.1. N/A

6.4. Equality Implications

6.4.1. N/A

6.5. Human Resources Implications

6.5.1. There are no direct implications for human resources.

6.6. Risk Management Implications

6.6.1. The focus is the risk that processes are not complied with, which increases the likelihood of legal challenge causing financial and reputational risk to the Council. This includes procurement processes.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct implications for climate change.

7. Ward Members Affected

7.1. N/A

8. Consultation & Engagement

8.1. N/A

9. Access to Information

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

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Lianne Halliday

Job Title: Senior Manager - Procurement

Email: lianne.halliday@cheshireeast.gov.uk

Appendix 1

CPR WAIVERS – CATEGORIES FOR INTERNAL REPORTING

Category Ref	Ref Description
A	Genuine Emergency - which warrant an exception to the requirements of competition
B	Specialist Education or Social Care Requirements
C	Genuine Unique Provider - e.g. from one source or contractor, where no reasonably satisfactory alternative is available.
F	No valid tender bids received; therefore, direct award can be substantiated
G	Lack of Planning
H	Any other valid general circumstances up to the EU threshold
I	No time to undertake a tendering exercise, therefore extension necessary to avoid non-provision of deliverables
J	Procurement from any other source would be uneconomic at this time
K	Added value being offered by the Provider(s)
L	Extension is best option as highlighted in request form
D	Compatibility with an existing installation and procurement from any other source would be uneconomic given the investment in previous infrastructure
V	Covid-19 Exemption
E	In-depth Knowledge, skills and capability of project/services already in existence with consultants/providers carrying out related activity – therefore procuring new consultants/skills would be uneconomic given the investment in previous, related work.