

Annual Governance Statement 2022/23 Progress Update May 2024

Appendix A



OFFICIAL



Cheshire East Council – Annual Governance Statement 2022/23

Progress against issues recognised in the Annual Governance Statement 2022/23

Council Funding <i>(Recognised as a continuing governance issue since 2015/16 but revised and restated in 2021/22)</i>	
Description of Issue	<p>The uncertainty of demand for services, particularly during the pandemic, makes forecasting the adequacy of funding requirements more challenging. This was exaggerated through uncertainty of the potential yield from many of the Council's largest funding sources. For example, Council Tax and Business Rate collections and taxbase calculations were impacted by the pandemic and by government intervention. DSG is impacted by academisation and shortfalls in High Needs funding. Grants are subject to ongoing review and therefore often presented as single year allocations.</p> <p>Without certainty the Council can sometimes be required to make short term decisions which could prove inefficient as well as disruptive.</p> <p>Council received and approved a balanced 4-year MTFS 2022 to 2026 in February 2022. This followed consideration at each service Committee and was recommended to Council by the Corporate Policy Committee. This includes the Budget and Council Tax levels for the 2022/23 financial year.</p> <p>Council further received a balanced 4-year MTFS 2023 to 2027 in February 2023. The consultation process to support this budget received more responses than any previous consultation which was an indication of the process and content of the proposals. Decisions were required to alter several services and introduce new charges to support material growth, particularly in Adult Social Care.</p> <p>The Local Government Finance Settlement published in 2021 was presented as a Three Year Settlement, but the local allocation of total funding was only certain for 2022/23. The MTFS aimed to minimise the medium-term risk of reduced funding by assuming lower allocations in later years in line with statements from Ministers.</p> <p>Due to material growth and in-year over-spending the final settlement in 2022 introduced new grants, increased Council Tax referendum levels and delayed Adult Social Care reform. The impact of this caused delays to the MTFS process.</p>

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	<p>Whilst funding from Council Tax and Business Rates has stabilised to a degree there is still uncertainty over any structural changes to these income sources. Material funding issues remain within the High Needs funding block in the DSG, and Cheshire East Council took part in the Delivering Better Value Scheme, although it is clear this will not resolve the material deficits in this area.</p> <p>The legacy impact of the pandemic and other global events continues to cause forecasting issues with the demand for services and the levels of inflation and interest rates.</p>
Responsibility	Director of Finance & Customer Services
Action proposed at the time of inclusion in the AGS	<p>The Council's approach to the continuing financial challenges, linked to austerity, are being addressed through a range of activities and communication channels.</p> <p>Finance staff and senior leaders are engaging with government officials and professional bodies (such as CCN, CIPFA, LGA, SCT, RSN and UTS), in the review of local government finance.</p> <p>Responses have been provided to consultations and regular seminars and meetings have been attended to ensure that issues relevant to Cheshire East Council are being considered.</p> <p>Funding estimates are transparent and reported to the Finance Sub-Committee. Working Groups from the Sub-Committee have also reviewed estimates in detail. This includes estimates within all financial strategies that make up the over-arching Medium Term Financial Strategy.</p> <p>The Council's increasing level of collaboration and integration with public sector partners, such as health services and neighbouring local authorities, is also subject to significant review.</p>
Progress Update for AGS 2022/23	<p>Outturn for 2022/23 showed that expenditure exceeded income levels, by £6m, a level broadly anticipated in the Council's in-year reporting and reflected in the latest MTFs approved in February 2023. Whilst balancing the position did require utilisation of £5.2m from the MTFs Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for.</p> <p>This was a helpful position, but the risks to financial management, from exceptional inflation and rising demand for services; and levels of funding from or enabled by Government remain. It is worth noting that achieving that</p>

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outturn position did require significant mitigating measures in-year, including some use of other ‘one-off’ reserves and actions.

The budget for 2023/24 and MTFS 2023/24-2026/27 was approved by Council in February 2023, based on the final settlement. It is still considered that grant allocations and ‘flexibilities’ afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children’s services.

During the current financial year, 2023/24, these matters have now been reflected in a freshly defined strategic risk: SR06 - Failure to achieve the MTFS.

In-year forecasting for the current 2023/24 year has shown that, as indicated above, the effects of inflation on increasing pay and supplies costs, the growing demand for and complexity of service provision, and the impacts of high interest rates on costs of borrowing, are continuing to place significant financial pressures on the Council.

The Second Financial Review (reported to Finance Sub-Committee on 2 November 2023, and all other Service committees in the November cycle of meetings) showed a financial pressure of £18.7m (5.3% of the current net revenue budget of £353.1m).

In October 2023, the Cheshire East Budget Response Team (CEBERT) was set up to lead on coordinating a wide range of mitigating actions across the organisation. Weekly meetings are chaired by the Chief Executive, with updates relating to several workstreams, each focussed on particular spending control measures.

Local authorities, including Cheshire East Council, are liaising with Government departments over the severity of so many emerging financial issues affecting our sector; the Council is engaging either directly with Government departments, or through professional or political networks. The focus of the lobbying for Cheshire East Council is on the following important local issues:

- The High Needs/ Special Educational Needs deficit, with the Council having now begun conversations on entry to the DfE’s Safety Valve Scheme

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- Capital Funding and HS2, including seeking compensation for abortive costs, and developing wider plans to provide additional funding for infrastructure projects in the North of England, following the announcements about HS2
- Children’s Services (see below)
- Local Government Settlement

Analysis of the in-year forecasts for 2023/24 and reflecting on the outturn performance against the 2022/23 budget, indicates that the most significant prevailing financial pressure is within Services that are the responsibility of the Children and Families Committee. This position is in-line with top tier Local Authorities across England where similar issues are being experienced.

The immediate short-term risk to the Council’s financial resilience must lead to a focus on budget setting for the 2024/25 budget only. Assuming no material change in central funding, a report to Finance Sub-Committee on 2 November 2023 proposed an initial reallocation of resources, responding to pressures in the Children and Families services, increasing the revenue budget for the committee by £7m compared to the MTFs presented to Council in February 2023. This transfer of resources results in a savings requirement in other Committee budgets to maintain the balanced budget requirement.

The MTFs on budget setting for 2024/25 was considered at Corporate Policy Committee on 13 February 2024. Regarding the projected outturn for 2023/24, it reiterated the forecast deficit of £13m reported in the Third Financial Review, as reported to committees in the January cycle of meetings.

It also reported the potential for the need to write-off to revenue the capital expenditure of £8.6m relating to HS2; this would be necessary if the support from Government requested (either compensation by way of grant, or capitalisation direction) is not forthcoming.

In addition to the significant use of reserves needed to balance off the 2023/24 revenue account, the report also highlighted growth pressures of £34.3m for 2024/25, as against the availability of additional funding of £22.6m, creating a budget deficit of £11.7m – and this position assumes approval and then delivery of several challenging change/ savings items.

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	<p>This would mean further use of reserves and – even subject to successful achievement of those plans – that the General Fund balance on 31 March 2025 would be just £2.1m, and a ring-fenced earmarked reserve of only £1.7m would exist at that point.</p> <p>This is clearly unsustainable; and consequently, the MTFs also includes the S25 report from the Director of Finance and Customer Services (Chief Finance Officer) which sets out the planned response to the 2024/25 budget and reserves position and the transformational activity (which will require the appointment of a transformation partner) that needs to take place during 2024/25 to address the financial crisis the Council is facing.</p> <p>Corporate Policy Committee on 13 February 2024 also considered a report on exceptional financial support, which included recommendations that:</p> <ul style="list-style-type: none"> • The Chief Executive shall continue to seek resolution of financial issues related to the abortive costs of HS2 and the financial deficit in High Needs education budgets • The Chief Executive finalise and submit a request for exceptional financial support in the form of an in-principle capitalisation direction for 2023/24 and 2024/25 to the Secretary of State for Levelling Up for up to £17.6m <p>The latter relates to £8.6m in respect of HS2 (as referred to above), and £9m relating to interest costs on the DSG deficit (£3m in 2023/24; £6m in 2024/25). The impact of Government approving the application for capitalisation direction would be to support revenue reserves levels, and thereby alleviate some financial stress, whilst the Council undertakes a programme of organisational transformation in 2024/25.</p>
<p>Progress update May 2024</p>	<p>At the time of writing, provisional outturn figures for 2023/24 show a slightly smaller overspend than was forecast in the Third Financial Review, overall, with a greater adverse variance in Adult Social Care spending being more than offset by favourable variances across other Services. The outturn position is being analysed, particularly to understand the effects of one-off ‘windfall’ events/savings, as distinct from any further cost pressures (or reductions) which will continue to have an effect in the 2024/25 year, and so vary our forecasts going forward.</p>

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	<p>The smaller overspend, whilst helpful, provides little comfort, as all things being equal the prospects for the future remain very challenging. The Council has received notification from Government of the potential to utilise 'Exceptional Financial Support' – of up to £11.6m relating to 2023/24 items, and up to £6m in respect of 2024/25 – but as expected this is only in the form of capitalisation direction (which will cost us to deploy, in the form of premium interest rates).</p> <p>The Transformation Programme noted as required in the MTF5 is underway, with a transformation partner being appointed recently; work has commenced and in the coming weeks they will help us develop a plan to shape our transformation and improvement journey. This plan must be submitted to DLUHC by 27 August as part of the criteria for final approval of Exceptional Financial Support.</p> <p>Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.</p>
Recommendation	To note progress but remain as a significant issue.

Health & Social Care Integration

(Recognised as a continuing governance issue since 2015/16 but revised and restated in 2021/22)

Description of Issue	<p>Since the 1 July 2022, integrated care systems have been formalised as statutory bodies following changes brought about by the 2022 Health and Care Act and has meant the abolishment of the Clinical Commissioning groups.</p> <p>Cheshire East Council sits within the Cheshire & Merseyside ICS footprint, which comprises of 9 Local Authority Areas.</p> <p>The central aim of ICS's is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and care.</p> <p>The key challenges and risks that this presents are as follows:</p> <ul style="list-style-type: none"> • That the ICS is not a partnership of equals across the broader health, wellbeing and social care system • Risk that central control remains at central level and decision making and delegations are not devolved to place
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	<ul style="list-style-type: none"> • National versus local tensions • Budget deficits
Responsibility	Executive Director of Adults, Health & Integration
Action proposed at the time of inclusion in the AGS	<p>Ensuring representation at a Cheshire and Merseyside level.</p> <p>All Integrated Care Systems (ICS) are made up of two constituent elements, the Integrated Care Partnership (ICP) and the Integrated Care Board (ICB). For Cheshire and Mersey Integrated Care System (C&MICS):</p> <ul style="list-style-type: none"> • The Leader of the Council represents Cheshire East Council on the Integrated Care Partnership, which in Cheshire and Mersey is called the Health and Care Partnership • The C&M ICB constitution makes provision for two local authority chief executives to be members of the Board, one from Cheshire and Warrington and one from the Mersey City Region, to represent the views of local authorities. The role will rotate between local authorities on a 3 year cycle. There is also a Director of Public Health on the board <p>Collaboration with the ICB local representative, Mark Wilkinson - Place Director.</p> <p>In Cheshire East, the Place Director has dotted line accountability to the Chief Executive and routinely attends the Corporate Leadership Team. In addition, joint management arrangements across the local ICB team and the Adults Health and Integration Department are progressing.</p> <p>The Place Director is a permanent and full member of the Cheshire East Health and Wellbeing Board.</p> <p>Ensuring local priorities are understood and communicated.</p> <p>Partners are currently refreshing the Cheshire East Health and Wellbeing Strategy to ensure that aims and ambitions are relevant post-pandemic, and joint outcomes, a joint implementation plan and a shared performance management framework are in development.</p> <p>A shared approach to communicating with residents has yet to be developed.</p>
Progress Update for AGS 2022/23	The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners.

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	<p>The Cheshire East partnership is flourishing and a recent review of hospital discharge arrangements, carried out in Cheshire and Merseyside by the national discharge team, has commented on the strength of Cheshire East leadership and partnership arrangements.</p> <p>However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice.</p> <p>A number of specific interventions have been made, including a letter from the Leader setting out the Council’s concerns.</p> <p>We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p> <p>Council approved the Health and Care Partnership Terms of Reference on 18th October 2023.</p>
<p>Progress update May 2024</p>	<p>The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners.</p> <p>However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice.</p> <p>We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p>
<p>Recommendation</p>	<p>It is now recommended that consideration is given to this item being removed from future Annual Governance Statements due to significant progress made.</p>

ASDV Governance

<p>Description of Issue</p>	<p>The governance of wholly owned companies across the local government sector has come under the spotlight following failures which have resulted in the publication of Public Interest Reports.</p> <p>Those reports highlighted that failings in the governance of those companies resulted in “institutional blindness” and a failure to recognise, understand, and so address commercial pressures and conflicts of interest. These</p>
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	<p>governance failings resulted in high profile financial losses and reputational damage to those Councils and in some cases external intervention.</p> <p>In the light of these high-profile company failures, CIPFA have recently published guidance aimed at mitigating the risk to local authorities of company ownership. Whilst framed as guidance, its status is such that it will affect reporting and external assessment of the Council. There is therefore merit in being pro-active and taking action in response to these highlighted risks.</p> <p>A comparison of the Council’s current governance arrangements against the CIPFA guidance has highlighted risks in the current company structures, and with the levels of transparency and assurance. Improvement in the reporting and assurance can be achieved which will mitigate these risks and bring Cheshire East’s arrangements in line with best practice.</p>
Responsibility	Director of Governance & Compliance
Action proposed at the time of inclusion in the AGS	<p>Work has been undertaken to identify proposed changes to the current ASDV governance and reporting arrangements to ensure that they broadly align with the good practice as described in the CIPFA guidance.</p> <p>This has also proposed that a full review of the overall company structures and governance arrangements is undertaken and that a reporting structure is implemented to strengthen insight into the operation of the Council’s ASDVs.</p> <p>The review is proposed to include a review of directors, the process for their appointment, and the training and support provided to them.</p> <p>A working group has been established and stage 1 of the review was completed in December 2022.</p>
Progress Update for AGS 2022/23	<p>Work has continued following the commencement of the ASDV governance review, as considered by the Finance Sub Committee in September 2022. The outcome of the review was brought back to the Sub Committee in September 2023 when the following amendments to structure of the companies were approved to strengthen governance:</p> <ul style="list-style-type: none"> • From 18 October 2023, the Board of Directors of each of the wholly owned companies will be comprised as follows: <ul style="list-style-type: none"> ○ Two elected Members will be appointed by the Finance Sub-Committee following an open expression of interest and a transparent process; and

- Two Council Officers, being 1x Finance Officer (on the recommendation of the Chief Finance Officer) and 1x Service specific officer (on the recommendation of the Chief Executive)
- The Managing Director of the wholly-owned company; and
- At least one Director who may be appointed through external advert, being an independent sector specialist appointed for their expertise by the Finance Sub-Committee, supported by the Council's HR service
- An Observer will continue to be appointed to attend meetings of the Board of each company as the Shareholder representative by the Finance Sub-Committee from amongst its membership
- All current and future Director appointments will be subject to a Shareholder approved service contract, and all Directors will be required to enter into this contract as part of their new or continuing appointment
- Amended shareholder agreements were adopted from 18 October 2023 which take into account the above changes

Cheshire East Resident First (CERF) no longer forms part of the governance structure of any Council wholly-owned companies and any shares it holds are being transferred to Cheshire East Council.

The Shareholder Working Group is continuing to:

- Undertake a full detailed review of the Shareholder Agreements against the CIPFA guidance and other good practice
- Ensure that the wholly-owned companies support the Council's strategic objectives and decision-making
- Ensure that an appropriate and proportionate mechanism for control and review of risk is developed
- Consider the purpose of Orbitas Bereavement Services and Tatton Park Enterprises
- Consider the creation of a timely mechanism for seeking shareholder permissions between scheduled committee meetings
- Develop a business planning template to be implemented across the wholly-owned companies

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	<p>The Shareholder Working Group had an initial meeting in October 2023 to begin to exercise oversight on the progress in achieving the outcomes set by Finance Sub Committee and was presented with a workplan for agreement at their meeting in December 2023.</p> <p>The Terms of Reference for the Group have been refreshed.</p> <p>A revised shareholder agreement has been sent to the Ansa Board for approval and adoption.</p> <p>A form of advert for expressions of interest for Directors positions has been drafted for agreement by Finance Sub Committee and Shareholder Working Group members and an interview process (via Panel) proposed.</p> <p>A broader review of company purpose and revision of governance documents has commenced, and the Finance Sub Committee have been briefed on initial observations upon governance and commercial activity.</p> <p>Company risk registers and strategic decisions made by the companies now form part of the reporting and monitoring mechanisms.</p> <p>The Shareholder Working Group are to receive Board approved business plans and Finance Sub Committee approval is being sought for commercial opportunities.</p> <p>Corporate Policy Committee now have sight of companies' risks as a separate category on the strategic risk register.</p> <p>The Council's risk appetite in respect of the companies is 'Low' and Finance Sub Committee have indicated that the companies should maintain a low-risk approach to business activity.</p>
<p>Progress update May 2024</p>	<p>An application to voluntary strike off CERF has been submitted to Companies House. Once completed, CERF will be dissolved as it no longer forms part of the ASDV governance structure.</p> <p>The revised Shareholder Agreement remains with Ansa for agreement with the Board.</p> <p>The advert for Directors is approved ready for publication.</p>

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	The revised business plan template is due for development post the finalisation of business statements (mid June 2024) in readiness for the production of plans from 2025/26 onwards.
Recommendation	To note progress but remain as a significant issue.

Planning	
Description of Issue	<p>In November 21, the Chief Executive and Environment and Communities Committee requested an objective review of the planning application backlog in Planning Services be undertaken.</p> <p>The backlog had accumulated over some time as a result of increasing workloads, vacant posts and impacts on delivering the service from the Covid 19 pandemic. The backlog was significant in number and was attracting complaints about the service from both within and beyond the Council, with potential for reputational damage to both the Local Planning Authority and the Council. An objective Deep Dive review was undertaken, led by the Executive Director of Place.</p> <p>The findings, recommendations and next steps for the service were received and noted by the Environment and Communities Committee on 31 October 22. It was also noted that a range of measures had already been implemented, particularly in relation to reducing the backlog of planning applications.</p>
Responsibility	Executive Director of Place
Action proposed at the time of inclusion in the AGS	<p>The review has produced a detailed Modernisation Plan for the service including a significant number of actions and improvements that have been identified through the review.</p> <p>Workstream leads have been identified and many actions are underway, implemented or partially implemented from the review.</p> <p>Work to remove the applications backlog had advanced in recent months although workloads remain significant in the service.</p> <p>Performance scorecards have been developed to report to the new Modernisation Board - when established this introduces a new level of reporting and governance for the Modernisation Plan. Terms of Reference for the Board are now agreed.</p> <p>Performance reports from the service will continue to be reported to the Environment and Communities Committee with additional regular oversight by CLT also being introduced to monitor progress within the service.</p>

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Progress Update for AGS 2022/23

Work continues with the implementation of the recommendations in the Modernisation Plan and significant progress has been made to reduce the backlog of planning applications and a number of other actions.

Workloads still remain significantly high across the service – particularly in relation to application caseloads. Work is underway with statutory consultees in other parts of the council (such as greenspace and flood risk) where there are also backlogs which are impacting on planning decision timescales.

Teams are working in collaboration to address these challenges and improve performance in these associated areas.

The Transformation Board is now established to provide support, guidance and new governance to the service moving forwards.

The implementation of new IT system has been delayed and CEC is in legal discussions with the supplier in this regard. This project is absorbing significant resource from the planning service in order to redesign areas of workflow to enable transition to the new system which is now scheduled for November. This is impacting on available resource to deliver service transformation.

Work has started on the restructure of the Planning Service who have been diverted from planning applications to the IT project. A complaints pilot has been completed with a reduction in stage 2 complaints being received in the service. The service is approximately 9 months into an anticipated 18 month period of change required to implement the service review findings.

The Audit and Governance Committee received a report detailing the key findings from Internal Audit's review of arrangements for the management and monitoring of S106 agreements on the 28 September 2023. At this meeting, it was agreed that the Committee would receive an update on progress in implementing the audit actions in March 2024 and a further update in 12 months' time.

In addition to the above, the Committee resolved to write to the Environment and Communities Committee to seek an invitation for the Chair and Vice Chair of the Audit and Governance Committee and the Finance Sub-Committee to attend the first meeting of the Environment and Communities working group to relay the concerns of the Audit and Governance Committee.

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	<p>It was also agreed that an urgent confidential meeting be requested to the Chair and Vice Chair of both the Environment and Communities Committee and Finance Sub-Committee to discuss the findings of the S106 Internal Audit Review and agree oversight arrangements for monitoring the implementation of agreed actions.</p> <p>The S106 Working Group is now set up and has met twice before the 6th February 2024, attended by representatives from Environment & Communities Committee, Audit & Governance Committee and Finance Sub Committee.</p>
<p>Progress update May 2024</p>	<p>Progression on the Modernisation Plan has continued under the oversight of the Transformation Board. Focus has remained on four high level elements – the new IT system, staffing restructure, application backlog and customer service improvements. In addition, the recommendations of the S106 Audit have been more recently prioritised.</p> <p>The implementation of the IT system for Planning and Land Charges has continued to be delayed because of supplier difficulties which has resulted in escalation with legal. More recent engagement anticipates a ‘go live’ in July/August but the significance of the impact on the service and resource which has been, and continues to be, dedicated to this project cannot be underestimated.</p> <p>The service restructure has been delayed but is now out to consultation and should be implemented by the summer. The application backlog has slowly reduced over the last 12 months and is now just above normal levels but there remain significant challenges with staff retention and recruitment, impacting on customer service.</p> <p>A Service ‘reset’ will be required once the above matters are implemented to enable other service improvements such as validation checklists to deliver the expected benefits.</p> <p>Progress has taken place on the s106 audit recommendations, tracked by Environment & Communities and Audit & Governance Committees and the Member Working Group. Additional resource is in place, IT systems have been updated and new reporting will be rolled out with other Services and Members following appropriate training in the next month.</p>
<p>Recommendation</p>	<p>To note progress but remain as a significant issue.</p>

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Executive and Wider Leadership Team Capacity	
Description of Issue	<p>The Council's Corporate Leadership Team (CLT) comprises the Chief Executive as Head of Paid Service, with the most senior officers of the organisation; Executive Directors for each of the Council's 4 Directorates and the Council's Statutory Officers, (S151 Officer and Monitoring Officer). CLT meetings are also regularly attended by the Cheshire East Place Director (Cheshire and Merseyside Integrated Care Board).</p> <p>During 2022/23, interim arrangements were introduced to manage the absence of the Executive Director, Place, ensuring that there is senior leadership capacity in the Directorate. In October 2023, the Executive Director, Place left the Council, and it was confirmed that the interim arrangements have continued. However, these interim arrangements are not subject to backfill which impacts upon the wider management capacity within the Place directorate.</p> <p>In May 2023, the Executive Director, Corporate Services left the organisation, and interim management arrangements are in place for this Directorate, which ensures direct reporting lines between the Head of Paid Service and the Section 151 and Monitoring Officer roles.</p> <p>In July 2023, the former Chief Executive was announced as the preferred candidate for the Chief Executive role at Bradford Council and was subsequently confirmed in that post. The former Chief Executive left Cheshire East Council on the 13 October 2023.</p> <p>On the 18 October 2023, Council appointed an Interim Chief Executive with immediate effect whilst the ongoing recruitment process for a permanent candidate took place.</p> <p>On 13 December 2023, Council appointed a permanent Chief Executive who took up post on 3 January 2024.</p> <p>In February 2024, it was announced that the Section 151 Officer will be leaving the Council in May 2024 and interim arrangements are being put in place pending a permanent appointment to the role.</p> <p>Ensuring that there are sufficient and stable senior management arrangements for an organisation the size and complexity of Cheshire East Council must always be balanced against ensuring the arrangements are proportionate and offer effective and efficient use of resources.</p>

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Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	To review the Corporate Leadership Team and wider senior management structure to ensure sufficient capacity to meet statutory responsibilities and deliver the transformation programme required to meet the objectives and address the financial position of the Council.
Progress update May 2024	<p>An Interim Director of Finance and Customer Services & S151 Officer took up post on 29 April 2024.</p> <p>The Local Government Association (LGA) has undertaken a Decision Making Accountability (DMA) review to examine current senior management roles to help ensure a stable senior management structure is in place. This will provide recommendations for a revised organisational structure which is effective at making decisions, with clear accountabilities and roles, and that are efficient in their use of management resources. This will be actioned during Quarter 1 of 2024/25.</p> <p>A series of development sessions for Corporate Leadership Team (CLT) and Wider Leadership Community (WLC) has been developed, with the first of these sessions held on 12th April. Additional sessions for CLT and WLC will continue through the next quarter.</p> <p>Recruitment to a number of key senior interim roles has also begun and includes the Director of Policy and change and the Executive Director Corporate Services.</p>
Recommendation	To note progress but remain as a significant issue.