

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Monday, 30th September, 2024 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Beanland (Chair)
Councillor K Edwards (Vice-Chair)

Councillors R Bailey, A Heler, C Hilliard, G Marshall, M Sewart and
J Snowball, Mr R Jones and Mrs J Clark.

OFFICERS IN ATTENDANCE

Janet Witkowski, Interim Director of Governance and Compliance
Josie Griffiths, Head of Audit and Risk Management
Adele Taylor, Acting Director of Finance and Customer Services
Gareth Pawlett, Chief Information Officer
Julie Gibbs, Information Rights Officer
Claire Williamson, Director of Education, Strong Start and Integration (virtual)
Alex Cooper, Education Project Manager (virtual)
Keith Martin, SEND Transformation Manager (virtual)
Michael Todd, Internal Audit Manager
Rachel Graves, Democratic Services Officer

29 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Sue Adams, Brian Drake and Patrick Redstone. Councillors Rachel Bailey and Mike Sewart were present as substitutes.

30 DECLARATIONS OF INTEREST

There were no declarations of interest.

31 PUBLIC SPEAKING TIME/OPEN SESSION

Councillor Liz Wardlaw addressed the committee as a visiting member in relation to agenda item 6 (Whistleblowing Arrangements 2023-24 Update and Policy Development). Councillor Wardlaw welcomed the timeliness of the report and the proposed review of the policy, highlighting a press article that recently featured in the Congleton Chronicle in relation to a Police investigation connected to misconduct in the public office. Cllr Wardlaw also referred to communication she had received from an individual seeking help with a serious complaint linked to the current whistleblowing process and the lack of trust in it. Cllr Wardlaw asked the committee to not just 'note' the whistleblowing arrangements during 2023-24, but to also interrogate the information within the report (paragraph 11, page 28). The committee was urged to ensure the refresh of the policy offered the best encouragement and safety for those who would use it.

Due to technical issues with the live audio broadcasting of the meeting during this item, a copy of Cllr Wardlaw's full statement has been appended to the minutes of the meeting.

32 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 29 July 2024 be approved as a correct record and signed by the Chair.

33 ACTION LOG

The committee considered the action log. The following updates were provided:

Training Session – External Auditors

The committee noted that this training session would be arranged at the earliest opportunity, but this however could not be completed until Mazars had fully handed over to Ernst & Young.

Statement of Accounts – Briefing Session

It was confirmed that the 2022-23 Statement of Accounts remained with Mazars however a draft copy of the Value for Money report had been received and was currently being checked over by colleagues. It was agreed that the report would be circulated to the committee at the appropriate point to allow members to fully consider prior to the December committee meeting.

Good Practice Briefing Notes

Discussions were underway with colleagues in Democratic Services to explore how briefing notes could be hosted (such as the Members' Hub). The committee welcomed the development of these briefing notes and asked that they be expedited for consideration at the December committee meeting.

S106 Update

The committee received an update by email and a further briefing had been added to the Work Programme for December 2024. Cllr Snowball agreed to share the concerns raised by members in relation to the committee receiving a full report on progress against the original timetable and actions agreed set out within the Internal Audit report.

Sandbach Town Council Standards Report

The Interim Director of Governance and Compliance committed to exploring the issues with consistency in relation to the reporting-back of any Standards Sub Committee investigations to the Audit and Governance Committee as the parent committee. It was agreed that the process was currently inconsistent and that both the current complaint procedure and Constitution did not provide for the Audit and Governance Committee to receive reports on items that they had requested be investigated. It was agreed that a report back on the Sandbach Town Council Standard matters would be scheduled for December 2024.

B4B Report

The committee noted that a verbal update would be provided at today's meeting however requested that a full report on improvements, budget/spend, key issues and lessons learnt be considered and added to the Work Programme.

34 WHISTLEBLOWING ARRANGEMENTS - 2023/24 UPDATE AND POLICY DEVELOPMENT

The committee considered the report which provided an overview of the use of the Council's Whistleblowing Policy during 2023-24 and proposals for the review and refresh of the Policy. The committee welcomed the proposed refresh of the policy which was felt to be urgent and fundamental to the improvement of the council.

Members provided feedback to assist with the development of the revised policy, as summarised below:

- Clear timeline of the consultation / policy development process to be provided.
- Emphasis needed in relation to anonymity of individuals.
- Brighter Futures and Transformation Programme works to be taken into consideration (including health-check on current staff morale/the 10 areas identified for improvement following the Corporate Peer Review and the impact this subsequently had upon staff/acting up arrangements).
- Appropriate levels of engagement and consultation with members in the development of the new policy was important.
- Clarity around the process for Elected Members involved in a Whistleblowing complaint was needed (who should be approached, steps that should be taken and how information should be handled/shared).

It was proposed, seconded and subsequently carried that approx. 1-3 members of the Audit and Governance Committee be more directly involved in the review and development of the revised policy.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Note the use of the Council's whistleblowing arrangements during 2023/24.
2. Endorse the proposals for reviewing and refreshing the Whistleblowing Policy, offering involvement to up to three members of the audit and governance committee in the review process.

35 LOCALISM ACT 2011 - GENERAL DISPENSATIONS

The committee considered the report which sought approval to amend and renew several general dispensations under the Localism Act 2011.

The committee were supportive of the report and the proposed dispensations noting that the dispensations related only to elected members and co-opted members of Cheshire East Council. It was highlighted that Town and Parish Councils would need to consider any dispensations that they would need to put into place. Information had been shared with ChALC colleagues, which would be circulated to all Town and Parish Councils to raise awareness.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Grant, for the period until the next report to the Committee after the local elections in 2027, the general dispensations for all elected and co-opted Members of Cheshire East Council as set out at paragraphs 7,8, 9 and 10 of the report.

36 INFORMATION GOVERNANCE AND SECURITY - REVIEW OF 2023/24

The committee considered the report which provided an update on arrangements for information management, information security and requests for information received under relevant legislation during 2023-24.

The committee acknowledged the increase in Freedom of Information (FOI), Environmental Information (EIR) and Individual Rights (IRR) requests received during 2023-24 and thanked staff for their efforts in managing this additional workload. The committee noted that 78% of FOI/EIR requests withheld during 2023-24 were refused as they fell under 'other exemptions'. Most of these other exemptions related to Section 21 FOIA and Section 6(1)(b) EIR (covering information which was already publicly available). The committee were pleased that in these cases, the requester was directed to the location of the published information. It was further noted that work was ongoing to proactively publish commonly requested information to assist in reducing requests and improving customer relations. It was highlighted that, in light of the councils ongoing fiscal challenges, a further increase in requests was anticipated for 2024-25. The committee agreed that it was important to monitor this and agreed that bi-annual updates would be helpful.

It was noted that the Information Assurance and Data Management Programme (IADM) had used the Gartner's Enterprise Information Management Maturity Assessment Tool to monitor progress and provide a self-assessment to increase the organisations maturity. At the end of the financial year 2023-24, the council had achieved a maturity rating of 'Managed' and were working towards achieving a rating of "highly balanced" for 2024-25. The committee noted that whilst this was a self-assessment exercise, the rating and assessment were independently validated and moderated.

The committee queried data sharing with external organisations and received assurance that private and sensitive data sharing was limited and done on a minimal basis, sharing only the data required to fulfil requests.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Note the updates provided within the report.
2. Agree to receive bi-annual updates on FOI/EIR requests.

37 ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE 2023/24

The committee considered the Annual Audit and Governance Committee Report covering the period June 2023 – March 2024, which would be subsequently presented by Full Council.

The committee noted that the Chair and Vice Chair had submitted a number of additional comments in relation to the report to officers to consider. It was proposed, seconded and subsequently carried that the approval of the report be deferred and rescheduled to the December 2024 Audit and Governance Committee meeting.

Further comments were raised as summarised below:

- Item 5 (Internal Audit) it was suggested that this section of the report referred to the Annual Internal Audit Opinion presented to the committee in July 2024 and the limited rating provided.
- Amended report to be circulated to the committee (including substitutes present at the meeting) for final comments before being reconsidered by the committee in December 2024.

A number of additional comments were raised in relation to the 2024-25 priorities of the Audit and Governance committee, summarised below:

- Consideration of the impact of the transformation programme and the implications this would have for the Audit and Governance Committee was felt to be significant.
- The committee had previously considered a review of vacancy rates across the organisation and suggested that in addition to this, each service should be provided with an analysis of the impact of vacancies in their area (any detrimental effects, total number of agency staff, and overall savings from vacancies freezes).
- Financial controls and how these could be reported back to the committee was an area of interest for the committee (what the financial controls were and examples of when they have not worked as expected).

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Agree to defer the approval of the final Annual Report to December 2024.

38 REVISED 0-25 SEND PARTNERSHIP GOVERNANCE STRUCTURE AND STRATEGY

The committee considered the report which provided an update on the revised governance arrangements for the Cheshire East 0-25 Special Educational Needs and Disability (SEND) Partnership, aimed to ensure improvement actions undertaken through the partnership were completed effectively and at pace, achieving the best outcomes for children and young people with SEND within a financially sustainable framework. The committee noted that the revised governance arrangements and strategy had been approved by the Children and Families Committee on 16 September 2024 and would continue to be closely monitored by the Children and Families Committee.

The committee queried the referral process for pupils seeking diagnosis. It was confirmed that parents could make direct referrals to avoid delay of early intervention support. Significant work was underway to improve early intervention and prevention for children and young people across the borough, including toolkits for parents and settings, supporting schools and settings to upskill staff and building on expertise.

The committee noted the revised 0-25 SEND Partnership governance structure and were pleased that officers felt that the pressures and expense of providing services were reasonably distributed between providers. The new structure would further build on joint partnership decision-making. It was confirmed that SEND structures within primary and secondary schools were improving and that all schools and academies were working hard to support and drive forward inclusion. Partnership working would further encourage inclusion for children with various needs that could be met in mainstream settings. It was confirmed that the Capital Programme would continue to be closely monitored and managed to ensure the appropriate levels of provision for SEND placements across the borough.

Officers agreed to circulate the Terms of Reference for the SEND Executive Overview Panel to members of the committee.

Cllr M Sewart left the meeting during consideration of this item and did not return.

RESOLVED:

That the Audit and Governance Committee note the report and updates provided.

39 DEDICATED SCHOOLS GRANT MANAGEMENT PLAN 2024/25 TO 2030/31 - PROGRESS UPDATE

The committee received the report which provided an update on progress of the mitigations detailed within the Dedicated Schools Grant (DSG) management plan, including an overview of the forecasted outturn position in relation to the DSG deficit reserve.

The committee noted the reduced deficit position of the DSG of £79.5m compared to the forecasted deficit of £89.6m resulting in a reduction of £10.1m. The committee were keen to understand the reasons for changes in forecasts and noted that this was the result of planning and mitigations put in place. Officers were working hard to drive forward change and improvements needed.

It was noted that the recruitment of the SEND Transformation Team was well underway with key officers in post. Further discussions were underway with the newly appointed Interim Executive Director of Children's Services to review resource to ensure sufficient capacity was created for driving forward the improvement needed. Costs were within the agreed MTFS/other grants budget envelope.

The committee discussed transitions of children with an EHCP from primary to secondary school and whether there was a higher proportion of secondary children requiring specialist provision rather than mainstream. It was noted that it was difficult to provide exact figures/percentages as individual cases varied in complexity however transitions were closely monitored by the team and each individual child's Key Worker. The SEND Sufficiency Statement provided information of the number of EHCP pupils by educational phase and year group.

The committee thanked the officers present and their teams for their continued efforts to tackle to significant pressures facing the service.

RESOLVED:

That the Audit and Governance Committee note the report and updates provided.

40 B4B / UNIT 4 HEALTHCHECK UPDATE

The committee received a verbal update on the Best 4 Business (B4B) Unit 4 System. It was noted that the recent Corporate Peer Challenge had highlighted high levels of dissatisfaction around the use of the system and that the system was not working as well as the organisation had hoped. The council had recently engaged with Unit4 over the summer to undertake a health-check of the system and the output of this review would be compiled into a report, that would subsequently be presented to the Audit and Governance Committee.

It was noted that the health-check focussed upon various issues including the need for additional resources, risk of financial penalties from HMRC and the pension regulator, immediate actions required and take a view on both the short-term and longer-term system improvements and upgrades needed.

It was confirmed that a draft report had been received and initial officer comments had been feedback. It was confirmed that additional capabilities and benefits would be explored further but needed to be balanced with the technical capabilities of the system and the way in which the organisation wished to use them.

Concerns were raised in relation to an email that had been circulated to all elected members in relation to payroll deadlines. Officers agreed to investigate this further to ensure that there had been no data breach.

RESOLVED:

That the Audit and Governance Committee note the verbal update provided.

41 WORK PROGRAMME

The committee considered the Work Programme. The following was noted:

- Sandbach Town Council Standards update to be added to the Work Programme for December 2024.
- The committee queried how the recommendations from the Corporate Peer Challenge would impact the Audit and Governance Committee. It was noted that this would be picked up further in the revised Annual Audit and Governance Committee report, to be presented to Full Council after consideration at the December 2024 A&G committee meeting.
- Good Practice Briefing Notes – to be scheduled for December 2024.
- Whistleblowing Policy – to be scheduled for December 2024.
- Bi-annual reports on FOI/EIR to be added to the Work Programme.

RESOLVED:

That the Work Programme be received and noted.

The meeting commenced at 10.00 am and concluded at 1.10 pm

Councillor M Beanland (Chair)