

# Annual Governance Statement 2023/24 Progress Update December 2024

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Appendix A



OFFICIAL



## Cheshire East Council – Annual Governance Statement 2023/24

### Progress against continuing issues recognised in the Draft Annual Governance Statement 2023/24

Council Funding	
<i>(Recognised as a continuing governance issue since 2015/16 but revised and restated in 2021/22 and 2023/24)</i>	
<b>Description of Issue</b>	<p>The Council, like all Councils, is dealing with significant uncertainty around its funding levels for future years at the same time as dealing with growing demand for services due to demographic changes.</p> <p>Planning finances over the medium-term has been more difficult over recent years given the sector has received single-year financial settlements from Central Government as well as a significant number of one-off grants linked to specific Government priorities, rather than core funding certainty. This means that at times, short-term decisions are necessary to live within our means.</p> <p>The Council has set a legally balanced budget each February, although in February 2024 this included having to use one-off sources of funding to achieve this position. General level of reserves has been decreasing due to over-spends within financial years, partly driven by the uncertainty of future funding aligned with growth in demand lead services.</p> <p>The other main source of funding for the Council is through Council Tax and Business Rates which following a period of significant volatility throughout Covid and the Covid recovery period, this has stabilised to a degree. There is still uncertainty over any structural changes to these income sources.</p> <p>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>
<b>Responsibility</b>	Executive Director of Resources, S151 Officer
<b>Action proposed at the time of inclusion in the AGS</b>	<p>Addressing national funding levels can only be achieved through discussion and lobbying through engaging with government officials and professional bodies (such as CCN, CIPFA, LGA, SCT, RSN and UTS).</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>

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	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.
<b>Progress update December 2024</b>	<p>The 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 through specific line by line reviews 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> <p>The smaller overspend, whilst helpful, does not alleviate the pressure in future years especially given one-off sources of funding have been used to achieve that position that will no longer be available in future years. 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). This was not required in 2023/24 but is being considered as part of 2024/25.</p> <p>The Transformation Programme noted as required in the MTFS is underway, with a transformation partner appointed; work has commenced with a plan submitted to MHCLG 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>
<b>Recommendation</b>	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)*

<b>Description of Issue</b>	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.
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	<p>Cheshire East Council sits within the Cheshire &amp; 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"> <li>• That the ICS is not a partnership of equals across the broader health, wellbeing and social care system</li> <li>• Risk that central control remains at central level and decision making and delegations are not devolved to place</li> <li>• National versus local tensions</li> <li>• Budget deficits</li> </ul>
<b>Responsibility</b>	Executive Director of Adults, Health & Integration
<b>Action proposed at the time of inclusion in the AGS</b>	<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&amp;MICS):</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• The C&amp;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</li> </ul> <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>

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	<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>
<b>Progress update December 2024</b>	<p>The governance arrangements set out above have been enacted and are functioning well locally.</p> <p>The joint outcomes framework, strategy implementation plan and performance framework have been implemented.</p> <p>The Cheshire East Blueprint for future health and care arrangements has been agreed by all statutory partners and was approved by Corporate Policy Committee on 3 October 2024.</p> <p>The Cheshire East partnership lead by the Place Leadership Group continues to function well and has been validated by external scrutiny.</p> <p>Chief Executives from the nine local authorities that make up Cheshire and Merseyside Integrated Care System have commissioned a piece of work to identify ways to improve, extend and accelerate place-based integrated working that can be adopted across the nine local authorities, which will inform their response to the ICB's consultation on its future structure.</p>
<b>Recommendation</b>	<p>It is now recommended that consideration is given to this item being removed from future Annual Governance Statements due to significant progress made. The outstanding areas for improvement have been incorporated into the new wider Partnership Working significant governance issue.</p>

### ASDV Governance

<b>Description of Issue</b>	<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 governance failings resulted in high profile financial losses and reputational damage to those Councils and in some cases external intervention.</p>
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	<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>
<b>Responsibility</b>	Governance, Compliance & Monitoring Officer
<b>Action proposed at the time of inclusion in the AGS</b>	<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>
<b>Progress update December 2024</b>	<p>Between December 2022 and June 2024, the Finance Sub Committee received regular updates, and agreed a series of amendments to the structure of companies, to strengthen governance. These are outlined in detail in the draft Annual Governance Statement which the Audit and Governance Committee received in May.</p> <p>At the Finance Sub Committee in June 2024, the committee received the outcomes of the wholly owned companies’ strategic options review and determined that the services provided by Ansa and Orbitas are to be brought back in house and delivered directly by the Council.</p> <p>It was also agreed that further recommendations would be made to the Finance Sub Committee in respect of the approach to Alliance Environmental Services Ltd; in October 2024 Finance Sub Committee received the findings of the initial stage of this review.</p>

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<b>Recommendation</b>	To note progress but remain as a significant issue.
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Planning	
<b>Description of Issue</b>	<p>In November 2021, 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>
<b>Responsibility</b>	Executive Director of Place
<b>Action proposed at the time of inclusion in the AGS</b>	<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>

<p><b>Progress update December 2024</b></p>	<p>Progression on the Service Improvement Plan (Modernisation Plan) has continued under the oversight of the related officer Board.</p> <p>The timely delivery of the various aspects of the Improvement Plan is now being overseen by the Interim Director of Environment and Neighbourhoods.</p> <p>To ensure its continued momentum the SIP has recently been relaunched collecting related recommendation from the original review aligned to the following seven key ‘task and finish’ workstreams. Ownership of development and delivery of these workstreams has been clearly assigned to those officers best placed to undertake the roles, working closely together to ensure the cross overs are fully understood.</p> <ol style="list-style-type: none"><li>1. Customer Experience and Communications</li><li>2. IT Systems and Processes (<b>nearing completion</b>)</li><li>3. Performance and Governance</li><li>4. Training and Development</li><li>5. Service Restructure (<b>complete and to be closed</b>)</li><li>6. Culture and Leadership (<b>complete and to be closed</b>)</li><li>7. Section 106 Audit</li><li>8. Tree Risk Management Strategy</li><li>9. Building Control – HSE Inspection</li></ol> <p>It should be noted that since the last update, two new workstreams have been added listed as 8 and 9 above. Two workstreams have reached their natural ends in terms of oversight of change with this now becoming business as usual activity.</p> <p>Significant progress has been made across all workstreams since the last update with a number approaching close out, however several will take longer to conclude. It is likely that there will be others which are brought online to continue to drive the wider service improvements needed. There continues to be a need to carefully prioritise the available resources to deliver the required changes in a managed way.</p>
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The format, attendance and leadership of the related officer service improvement board has also been reviewed and refreshed and is now chaired by the Interim Director, ensuring actions are progressed in line with agreed timescales.

A brief summary of progress against each workstream is as follows:

**Workstream 1 – Customer and Communications**

A significant level of work has already been delivered as regards the customer experience improvements. These new approaches are now embedded across the service which has assisted in reducing correspondence and complaints. Led by the Place Communications Business Partner a new communications and engagement plan has been developed focussed on embedding a “one team” approach.

New webpages for the Planning Service are due to go live w/c 18th November, which will be closely followed by a media campaign around the relaunch of the full re-application process and also a significant recruitment campaign linked to workstream 5. As well as more general work across the wider service this workstream continues to support the effective delivery of other workstreams such as the s.106 audit response and Tree Risk Management.

**Workstream 2 – IT Systems and Processes**

The implementation of the IT system for Planning has been substantially complete, with a number of post implementation issues being worked through with the supplier. The Land Charges module as the final element of the new IT system is due to be implemented imminently.

A validation checklist approved by Committee is now implemented, with the overarching objective of encouraging improved quality of planning applications.

Due to this workstream now moving into “business as usual” it is proposed to review in relation to closing down at Decembers PSIP Board.

**Workstream 3 – Performance and Governance**

The initial performance scorecard has been subject to a further degree of development to include performance indicators relating to S.106/CIL and Tree Risk Management.

The planning backlog has reduced significantly since the start of the service improvement process and the number of live cases are therefore now close to normal levels but the general reduction in application submissions is also a contributing factor.

Robust performance monitoring is also now established, on a monthly basis, with KPIs reported through the new corporate Business Planning system with out of tolerances and planned mitigation reported to Place directorate management team in the first instance.

Logs for lessons learned and the development of a “knowledge hub” is ongoing. This is to drive consistency and quality of decision making across the development management area of the service.

#### **Workstream 4 – Training and Development**

In parallel with other workstreams, a training and development offer for the service is being developed in conjunction with the corporate training offer. This will specifically focus on;

- Developing training plans for both officers and Members and how we can automate these for some of the more common themes, using the likes of Learning Lounge modules.
- Defining a clear training programme for staff seeking career development opportunities

#### **Workstream 5 – Service Restructure and Resources**

The restructure of the whole service has now been completed, having gone live on 1 July 2024, with all internal appointments now concluded.

External recruitment into remaining vacancies will go live w/c 18 November with interviews in early 2025 and new members of team joining to provide additional resource capacity towards the end of the financial year.

As this workstream has now moved to business as usual it is considered closed.

#### **Workstream 6 – Culture and Leadership**

Led by the Interim Director this workstream focusses on implementing a consistent culture and “one team” approach. A core element will be ensuring consistency of hybrid working approaches across the Planning Service, whilst offering opportunities to staff across all levels of the Service to be embedded in the various workstreams, working alongside the lead officer.

As the key action within this workstream has now moved to business as usual it is considered closed.

**Workstream 7 – Section 106 Audit**

Progress has taken place on the s106 audit recommendations, with updates offered to the Member Working Group in early November. There are now a total of 6 audit recommendations outstanding with several partially completed and one to be agreed to be closed due to insourcing of ANSA functions. A further update is due to be issued to Audit and Governance Committee in December.

EXACOM the new dedicated IT system has been implemented and a data integrity check with related services is now approaching completion, including bespoke training for officers.

Resources into the team are being recruited to following a recent resignation.

New S.106 monitoring processes have been established via a fully approved Procedures Document to operate in parallel, as follows:

- Utilising the Exacom system and direct engagement on a minimum quarterly basis with services responsible for spend, to get up to date information and;
- Allocation in the Service areas of the capital programme of receipted funding allocations against specific projects

Where issues are identified a clear escalation process is now in place via quarterly monitoring sessions and report to Place Directorate Management Team.

Member training was delivered in July and September 2024 across four sessions. New ward-based reporting has been rolled out to Members following this training, with this to be re-issued on a bi-annual basis.

The publication of the Infrastructure Funding Statement is on target to be achieved by the end of November 2024.

Addressing issues with legacy agreements is considered as the next stage of the review process, with a provisional target completion date of Q1 2025/26.

**Workstream 8 – Tree Risk Management Strategy (TRMS)**

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	<p>A new workstream incepted in August 2024 which is overseeing the development of a refreshed TRMS for the organisation, replacing the current version and inbuilding enhanced practice and driving consistency around;</p> <ul style="list-style-type: none"> <li>• Regular monitoring reporting</li> <li>• Performance management</li> <li>• Quality assurance</li> </ul> <p>The TRMS has been subject to internal consultation with Services responsible for implementation of inspection and maintenance of the council owned tree stock. The final draft is now with the Legal, Audit and Insurance teams for review prior to final adoption.</p> <p><b>Workstream 9 – Building Control HSE Inspection</b></p> <p>A new workstream incepted in November 2024 to oversee the LABC response to new requirements on all building control services in relation to key performance indicator reporting, quality assurance and potential inspection by the HSE.</p> <p>A briefing for Place DMT and the relevant committee will be organised for early December and early 2025 respectively, in order to raise awareness of the challenges and constraints.</p> <p>Member updates: A full update on progress against the Service Improvement Plan was offered to all Members in early October 2024 across two sessions. Further updates are scheduled to be offered on an informal basis to the Environment and Communities Committee in early 2025 and thereafter at 6 monthly intervals or more frequently if a specific need arises. This is in addition to the reporting already established for S.106 audit and through other governance channels.</p>
<b>Recommendation</b>	It is now recommended that consideration is given to this item being removed from future Annual Governance Statements due to significant progress made.

<b>Executive and Wider Leadership Team Capacity</b>	
<b>Description of Issue</b>	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

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	<p>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. 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>
<b>Responsibility</b>	Chief Executive
<b>Action proposed at the time of</b>	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.

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<b>inclusion in the AGS</b>	
<b>Progress update December 2024</b>	<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 provided recommendations for a revised organisational structure to ensure effective decision making, with clear accountabilities and roles, and efficient use of management resources.</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 have been delivered to CLT and WLC by Inner Circle and Solace, with a development programme scheduled to commence early in the new year.</p> <p>Recruitment to a number of key senior interim roles has taken place to provide cover for the Director of Finance and Customer Services &amp; s151 Officer, Director of Policy and Change, Director of Commissioning, Director of Environment and the Director of Transformation.</p> <p>In June 2024 an Interim Director of Family Help and Children’s Social Care was appointed. In July 2024, the Executive Director for Children’s Services left the Council, and an Interim Executive Director for Children’s Services joined the Council in October along with an Interim Director of Improvement for Children’s Services. A permanent Executive Director of Place has been appointed and will join the Council in December 2024. The Chief Executive briefed members of Audit &amp; Governance Committee in relation to this issue on 18 July prior to their meeting on 29 July 2024.</p> <p>In response to the recommendations arising from the DMA review, a permanent senior management structure was developed. A consultation process on a proposed new senior management structure has been conducted and subsequently approved by Full Council on 16 November with implementation on 1 November 2024. The recruitment to the new senior management structure will increase leadership capacity across the organisation. The recruitment process will start in November.</p>

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	Senior interim arrangements will remain in place until recruitment has taken place and postholders take up their new positions. An Interim Executive Director of Children’s Services and an interim Improvement Director joined CEC in September 2024.
<b>Recommendation</b>	To note progress but remain as a significant issue.

### Updated emerging issues recognised in the Draft Annual Governance Statement 2023/24

Children’s Services Response to Ofsted Inspection	
<b>Description of issue</b>	<p>Cheshire East Council received an Ofsted inspection of local authority children’s services (ILACS) between 19 February and 8 March 2024. The inspection findings are set out in a report which was published on 16 May 2024.</p> <p>The inspection found that despite improvements identified in some areas of practice, services required improvement as the quality of services children experienced was too variable, and for care leavers services were inadequate.</p> <p>When an authority receives a judgement of inadequate in any area, they can only receive an overall 2 judgement of inadequate. As care leavers was judged inadequate, the overall rating is therefore inadequate.</p> <p>As a result of the inadequate rating, Cheshire East is required to submit an action plan (to be referred to as an improvement plan thereafter) to Ofsted 70 working days after publication of the report. Cheshire East will also be subject to monitoring from Ofsted, with monitoring visits focussing on where improvement is needed the most. The first monitoring visit will take place 6 months after the publication of the report.</p> <p>The DfE will issue an Improvement Notice, which will require an independently chaired improvement board. A DfE improvement advisor has been appointed to work with Cheshire East to support us to improve outcomes for children and young people and will chair the improvement board.</p> <p>Cheshire East currently have an improvement board to drive the improvements identified within previous inspection reports and other identified areas for improvement and this is chaired by the DfE improvement advisor appointed to support the JTAI improvement, which was signed off by the DfE in December 2023.</p>

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	<p>This will continue to meet to scrutinise and support the development of the new improvement plan and to oversee improvement activity. This meets monthly and membership includes senior officers, the lead member, and the Chief Executive.</p> <p>Draft terms of reference for a new improvement board were agreed by Children &amp; Families Committee on 3 June 2024 with the board to be in place during July 2024.</p> <p>The leadership team have developed a draft of a new improvement plan, in response to the inspection findings, and this was discussed at the improvement board held on 30 May 2024. This was further discussed and developed with Ofsted and the DfE in an action planning meeting on 19 June as part of ILACS framework. The plan is due to be submitted to Ofsted by 23 August 2024. We propose to submit subject to committee approval on 8 July and council's approval at full council on 17 July 2024.</p>
<b>Responsibility</b>	Executive Director of Children's Services
<b>Action proposed December 2024</b>	<ul style="list-style-type: none"> <li>• An Improvement Plan has now been devised and endorsed by Ofsted and the DfE</li> <li>• An Improvement Board is overseeing the progress and delivery of the Improvement actions and is independently Chaired by a DfE advisor</li> <li>• Children and Families Committee has been reviewing the progress updates and offers scrutiny and challenge on the progress and impact of the improvement plan</li> <li>• Improvement Director is now in post</li> <li>• Additional governance arrangements have been implemented to facilitate rigour around the progress and sign off to agree when actions can be marked as completed</li> <li>• An additional RAG rating (Amber E) has been added to allow actions to be embedded into practice before turning any action green, this will ensure the improvement has achieved the intended impact before we show as completed</li> <li>• As part of the enhanced oversight to deliver the improvement plan additional work has been taking place to understand the interdependencies that require actions to be sequenced or partnership and corporate contributions, therefore some actions timescales have been reviewed accordingly</li> <li>• An external review has been commissioned to understand the effectiveness of our Front Door arrangements and those findings identified good decision making by children's Services. However, identified the need to develop the partnership working arrangements to better support multi agency decision making. As a result, an action plan has been devised</li> </ul>



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	<ul style="list-style-type: none"> <li>• Any additional improvement actions identified as part of ongoing service wide improvements are now being added as an appendix to the improvement plan</li> <li>• The service is now preparing for its first monitoring visit by Ofsted as part of the Inadequate inspection pathway. Ofsted will test and examine in more detail various parts of the system over the course of 4-6 monitoring visits to test if improvements are being achieved and we know our services well prior to a full re-inspection</li> <li>• To stabilise the service and facilitate improvements required the workforce group has been refreshed to have a strong focus on recruitment, retention and development and a revised strategy has been produced with some new innovative ways to reduce the need for agency staff</li> <li>• Vacancies that were being held due to reported recruitment freeze has now been resolved and vacant posts are being recruited to</li> </ul>
<b>Recommendation</b>	To note updated description and actions and to remain as a significant issue.

Governance and Internal Control	
<b>Description of issue</b>	<p>The outcome of the Corporate Peer Challenge, taken alongside other matters recognised in the AGS as significant governance issues all encapsulate the significant challenges for the organisation.</p> <p>This was also demonstrated by the Head of Audit and Risk Management's opinion as the Chief Audit Executive on the Council's framework for governance, risk management and internal control for 2023/24 being given as "limited". This is the first time since 2009 that there has been a limitation on this opinion.</p> <p>The opinion reflects a number of factors, including the outcome of the 2023/24 internal audit programme, where a significant number of the overall findings related to a failure to apply existing controls, or the absence of expected or actual controls. A significant "No Assurance" report was also provided during the year in relation to the arrangements of Section 106 funds, which has subsequently had delays in implementing actions within agreed timescales.</p> <p>Whilst the organisation is committed to transformational change and improvement in order to address the issues it faces, to deliver substantial and sustained change, there also needs to be a balance to ensure that changes to the control environment are proportionate and do not exceed appropriate measures, which would risk the organisation being exposed unacceptably in its decision making and statutory responsibilities.</p>
<b>Responsibility</b>	Chief Executive

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<b>Action proposed December 2024</b>	<p>The approach to the follow up on agreed internal audit recommendations has been reviewed, and a number of changes introduced. This will ensure that progress on implementation is being reviewed by senior management, the Corporate Leadership Team and the Audit and Governance Committee more regularly.</p> <p>As well as improving visibility and accountability, it provides the opportunity to identify emerging challenges to completing planned actions as soon as possible, and for engagement between internal audit and responsible managers to agree either alternative actions, or re-position timescales with the agreement of the relevant CLT member.</p> <p>Progress updates provided by Internal Audit on the delivery of the 2024/25 internal audit plan will include an indication of whether there is improvement against the previous year’s opinion.</p> <p>The Council’s response to the Corporate Peer Challenge, and the plans for change are set out in the Corporate Peer Challenge Action Plan. The Transformation Plan was approved by Corporate Policy Committee in August 2024. A progress update was provided to the Corporate Policy Committee in October 2024.</p> <p>The Council is supported on its improvement journey by an externally chaired, independent Assurance Panel, which was one of the recommendations of the Peer Challenge. The terms of reference and membership of the Panel were agreed at Council in July 2024, the panel has been established and is meeting regularly.</p>
<b>Recommendation</b>	To note updated description/actions and to remain as a significant issue.

<b>Partnership Working</b>	
<b>Description of Issue</b>	<p>The Council has a number of important partnerships which, whilst long established, continue to develop. These partnerships exist at local and neighbourhood level, with town and parish councils, schools, housing providers and care communities and at regional and supra-regional level with the neighbouring boroughs, the Cheshire and Merseyside Integrated Care System, Enterprise Cheshire and Warrington, and Cheshire Police. These partnerships will become increasingly important as part of the Council’s transformation programme and improvement journey, for its long-term economic stability and to ensure success in addressing strategic ambitions. They will be a pre-requisite for ensuring the Council is able to fully engage with and benefit from the opportunities presented by devolution. Additional partnerships could emerge through new legislative requirements and national policy direction.</p>

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	<p>As part of the transformation plan, the Council is developing its aspirations for the type of organisation it wants to be and the new operating framework it will adopt. This includes a focus on being more collaborative and working in partnership.</p> <p>In this context it is timely to ensure that the Council’s governance arrangements for partnership working are robust, transparent and appropriately led with sufficient scrutiny and over-sight, as well as facilitating co-production and joined up delivery of outcomes for the benefit of Cheshire East residents.</p> <p>There is an opportunity to consider the approach to partnerships and engagement with key stakeholders as we develop a new Cheshire East Plan for 2025 and beyond.</p>
<b>Responsibility</b>	Executive Director of Adults, Health & Integration and Assistant Chief Executive
<b>Action proposed December 2024</b>	<p>The key activities that that will be undertaken are:</p> <ul style="list-style-type: none"> <li>• Mapping of current formal partnership arrangements</li> <li>• Review of formal governance arrangements in place to support individual partnerships (E.g. Section 75 for the Better Care Fund has been reviewed and the latest agreement approved by the Adults and Health Committee on 23 September 2024)</li> <li>• Review of membership and leadership of formal partnership arrangements</li> <li>• Recommendation for revised partnership structures aligned to strategic aims and the revised organisational operating model</li> <li>• Partnership arrangements are reflected in the council’s overarching communication and engagement strategy</li> <li>• Partnership working is reflected in the new Cheshire East Plan and delivery of outcomes for residents</li> </ul> <p>The primary actions will be undertaken as part of the implementation of the target operating model. In the interim, arrangements already in place are operating as normal.</p>
<b>Recommendation</b>	To note updated description/actions and to remain as a significant issue.