

Annual Governance Statement 2020/21

PROPOSED FINAL

Working for a *brighter future*  together



1. Executive Summary and Approval

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

The Council's framework of risk management, control and governance is assessed as adequate for 2020/21

- 1.4. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and that the arrangements, to the best of our knowledge, continue to be regarded as fit for purpose in accordance with the governance framework.
- 1.5. The Annual Governance Statement is required to reflect the arrangements in place for 2020/21 and up to the time of its approval. The ongoing impact of COVID-19 on the Council's governance arrangements is therefore included throughout the Statement.
- 1.6. Furthermore, in May 2021 the Council changed from an 'executive' form of governance to operate a 'committee system' for decision making. The Council has operated under a cabinet system since it formed in 2009, meaning that decisions previously made by the Cabinet, are now made by service committees.
- 1.7. To date, our assessment of the effectiveness of our governance arrangements for 2020/21 has identified no arising governance issues. The Council has recognised several significant governance issues in previous Statements; progress updates on these items are also described in Section 7.
- 1.8. We propose over the coming year to take all appropriate action to address the matters outlined in this Statement and any other issues to further enhance our overall governance and stewardship arrangements. We are satisfied that our plans will address the improvement areas identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.

Lorraine O'Donnell Chief Executive	Cllr Sam Corcoran Leader

This section will be signed by the Leader of the Council and the Chief Executive after the final AGS is agreed.

2. Introduction

2.1. The Accounts and Audit Regulations 2015 require that:

- The Council must conduct a review, at least once a year, of the effectiveness of its system of internal control
- Findings of this review should be considered by the Council
- The Council must approve an Annual Governance Statement; and
- The Annual Governance Statement must accompany the Statement of Accounts.

2.2. For Cheshire East Council, the Audit and Governance Committee has delegated authority to undertake these duties on behalf of the Council.

3. Scope of Responsibility

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

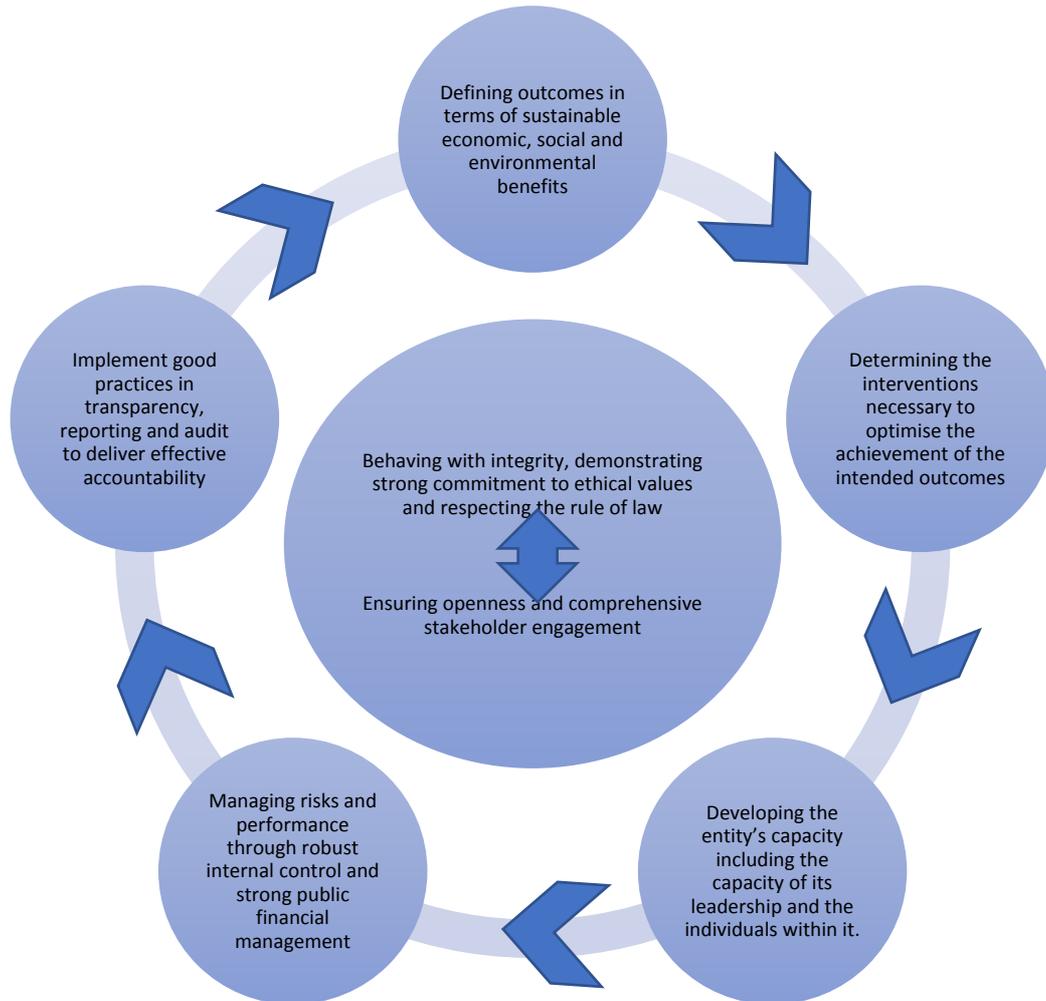
3.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

3.3. In January 2017, Cabinet approved and adopted a Code of Corporate Governance that is consistent with the principles and requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016). These are outlined below and summarised in Figure 1.

- Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity including the capacity of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management

- Implement good practices in transparency, reporting and audit to deliver effective accountability
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement

Figure 1 Principles in the Council’s Code of Corporate Governance



- 3.4. The annual review of effectiveness has been carried out against the Code of Corporate Governance. The draft AGS was published in September 2021 and has been further reviewed and updated as necessary to ensure this Statement remains current for when the Audit and Governance Committee considers it as final in January 2022.
- 3.5. Once approved by the Audit and Governance Committee it will be signed by the Leader and the Chief Executive. It will then be published as Final alongside the Statement of Accounts.

- 3.6. The Annual Governance Statement provides assurance that:
- Governance arrangements are adequate and operating effectively in practice; or
 - Where reviews of the governance arrangements have revealed improvements are required, action is planned to ensure effective governance in future.

4. The Purpose of the Governance Framework

- 4.1. The Governance Framework comprises the systems, processes, cultures, and values by which the Council is directed and controlled. It also includes the activities through which it is accountable to, engages with and leads the community. This covers services provided and managed directly by the Council, and arrangements delivered through external partners, including the Council's wholly owned companies.
- 4.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 4.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to:
- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
 - To evaluate the likelihood of those risks being realised and the impact should they be realised, and
 - To manage them efficiently, effectively, and economically.

5. The Governance Framework

- 5.1. The Council's Code of Corporate Governance includes examples of how the Council demonstrates the principles in practice and operation. Therefore, to minimise duplication, it is only supplementary examples and features of the Council's governance framework, specific to 2020/21 which are set out below.
- 5.2. The Governance Framework described below and shown in Appendix 1 was in place for the year ended 31st March 2021 and up to 4th May 2021 when the new committee system model of governance took effect. The new committee structure is shown in Appendix 2.

Defining outcomes in terms of sustainable economic, social and environmental benefits

- 5.3. Cheshire East Council's vision and priorities are outlined in the Council's Corporate Plan. The updated Corporate Plan and Medium Term Financial Strategy for 2021-2025 were agreed by full Council on 17th February 2021.
- 5.4. The Council's previous Corporate Plan coverage finished in 2020, which was supported by the proposals within the MTFS 2020 to 2024. The new 2021-2025 plan sets out the priorities of the administration, within the context of the needs of the borough, the views of residents and the resources available.
- 5.5. The MTFS 2020-24 was agreed at the February 2020 meeting of Council. The report sets out the Council's plan and required funding to ensure Cheshire East remains one of the best places to live in the North West. In February 2021, Council approved the MTFS 2021-25.
- 5.6. Progress against the Corporate Plan was reported to Overview and Scrutiny Committees through quarterly performance reports. The reports demonstrate performance of the Council aligned to the outcomes defined in the Corporate Plan, and how priorities are being managed to achieve the best results for residents through the monitoring of set key performance indicators.
- 5.7. The Corporate Plan 21-25 will be reviewed by the Corporate Policy Committee under the new committee system and a mid-year review was considered at the meeting on 2 December 2021 as part of the Council's performance management accountability framework.
- 5.8. The 2020/21 provisional Group financial outturn was reported to Finance Sub Committee on 22nd September 2021 and Council on 20th October 2021, prior to publication of the statutory accounts.
- 5.9. The Council delivered and progressed several infrastructure improvements and developments across the Cheshire East area. These major schemes are critical elements in delivering the ambitions of the Council. These include Congleton Link Road which opened in April 2021 and Poynton Relief Road which is ongoing with completion expected in Autumn 2022.
- 5.10. As recognised in previous Statements, the sustained and increasing financial pressures on health and social care services continue to present challenges to the Council. These are recognised as high scoring risks in the Council's Corporate Risk Register. An update on the actions undertaken during 2020/21 is provided later in this Statement. In addition, the impact of COVID-19 significantly distorted financial forecasting within 2020/21. Members were however provided with regular separate updates on the financing of pandemic activity.

Determining the interventions necessary to optimise the achievement of the intended outcomes

- 5.11. The Council's Constitution sets out the rules for conducting business undertaken by the Council, including executive arrangements, committee structures, finance and contract procedure rules and schemes of delegation.
- 5.12. At the meeting of Council in May 2019, a Notice of Motion committing the Council to a change in its decision making governance arrangements was referred to Constitution Committee.
- 5.13. In November 2019, the Constitution Committee determined not to make a recommendation to Council at that stage, requesting further work to be undertaken. The Constitution Committee received an update in October 2020.
- 5.14. In November 2020, Council agreed that the new governance arrangements would take effect from the Annual Council meeting on 12th May 2021 and at the meeting held 19th April 2021 a report on the Constitutional Update to implement the Committee System was considered and it was agreed to adopt the Constitution from the next Annual General Meeting. In April 2021, the Corporate Overview and Scrutiny Committee considered a report on the financial implications on the incoming committee system. Furthermore, on 4th November 2021 the Corporate Policy Committee received a report on the Interim Review of the Committee System. This report was also presented to Council at their 15th December meeting.
- 5.15. The Council undertook extensive pre-budget consultation, setting out change proposals for consideration over the period 2021/22 to 2024/25. Stakeholders were invited to comment on the Council's pre-budget report using an online survey launched in December 2020 and a summary of the responses formed part of the consideration of the MTFS 2021/25 by Council at the meeting held 17th February 2021.
- 5.16. The MTFS clearly identifies how resources will be matched against the delivery of priorities established in the Council's Corporate Plan. In October 2021, Council approved a report on aligning the MTFS to the Committee Structure.
- 5.17. The Strategy also provides information on delivering financial stability, the budget setting process, and the Council's Capital, Investment and Reserves Strategies.
- 5.18. In January 2020, Cheshire East Council hosted its first Corporate Peer Challenge (CPC). Facilitated by the Local Government Association (LGA), a peer team consisting of councillors and senior officers from local authorities around the UK examined the Council's leadership, governance, financial planning, and capacity to deliver its priorities. In addition to the five core areas examined, the Council had asked the team to consider two specific areas: workforce and culture, and internal assurance and audit.

- 5.19. The final report of findings from the Peer Review was shared at both the Cabinet and Corporate Overview and Scrutiny meetings in June 2020. Key observations from the review team included:
- The Council has made good progress over the past few years.
 - It delivers several high-quality services to the residents of the borough which we should be proud of.
 - The culture change programme has made a profound difference to the way the organisation functions and the experience of staff.
- 5.20. A number of actions were proposed to address recommendations made by the Corporate Peer Challenge team and were included in the report to Cabinet in June 2020. Corporate Overview and Scrutiny considered a report in April 2021 outlining progress made against the recommendations one year on from when it was undertaken prior to it being considered by Cabinet at the meeting held on 13th April 2021.
- 5.21. The Council utilised the powers available under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (“the Regulations”) to enable meetings of the Council to take place using virtual means. The regulations came into force on 4th April 2020 and applied to meetings taking place before 7th May 2021. This allowed authorities to conduct meetings and take decisions in ways other than face to face so that decisions could still be made to maintain good governance, principles of openness and accountability.
- 5.22. Council met in October 2020 for the first time using the virtual technology, Cabinet met regularly, and meetings of various committees were held, demonstrating the Council’s commitment to democratic engagement in unprecedented times.
- 5.23. Legislation to allow remote meetings was not extended beyond 7th May 2021, as such the Council made a commitment to ensure meetings held face to face were COVID-19 secure and remained in line with government guidelines securing external venues wherever necessary.

Developing the entity’s capacity including the capacity of its leadership and the individuals within it.

- 5.24. The Chief Executive, Executive Directors and Statutory Officers met regularly during 2020/21 as the Corporate Leadership Team (CLT), receiving assurance reports and updates from across the Council. CLT is supported by service/departmental management team meetings, and several cross functional officer, and officer/member groups. The reporting lines between these and relevant Committees are shown in the Governance Framework diagram in Appendix 1.

- 5.25. The Council's Chief Executive, Lorraine O'Donnell joined the organisation in March 2020 and has worked closely with the Corporate Leadership Team and Members to lead the Council's emergency response to and recovery from COVID-19.
- 5.26. The Council's Constitution defines the standards of conduct and personal behaviour expected of, and between, members, staff, associated partners, and the community, defined and communicated through Codes of Conduct and protocols. The Constitution includes a Member/Officer Relations Protocol, which was established to encourage effective communication between members and officers. Audit and Governance Committee considered the development of a working group to review and update the Member Code of Conduct in September 2021. The Committee received a verbal update at the meeting held 30th September where it was confirmed that the working group had met and held two sessions with Town and Parish Councils and agreed to extend the time for feedback until November. It is anticipated that a draft Code will be received by the Committee on 10th March 2022.
- 5.27. Following the decision to implement the new committee system, a programme of training to support Members was introduced in September 2020 with sessions held throughout 2020/21. The sessions were hosted by officers from the Centre for Governance and Scrutiny, the Director of Governance and Compliance, and officers from Democratic Services and Governance and covered the new committee system, the new constitution and committee finance. Most Members have attended at least one session.
- 5.28. A review of the Member training programme was also considered at the meeting of Council held 21st October 2020 and authority was formally delegated to the Monitoring Officer to identify within the Constitution, those subjects which have been designated as foundation skills, and which therefore require training for Councillors in accordance with the Member Training Programme. These subjects were identified as Corporate Parenting, Safeguarding Children and Adults, Equality, Diversity and Inclusion, General Data Protection Regulations (GDPR), Members' Code of Conduct
- 5.29. The statutory roles of the Head of Paid Service, Monitoring Officer and Chief Finance Officer are described in the Constitution, as are their responsibilities for providing robust assurance on governance, ensuring lawful expenditure in line with approved budgets and procurement processes.
- 5.30. Arrangements have been made, including the use of interim staff where necessary in the case of the Monitoring Officer role, to ensure that these statutory roles have been undertaken during 2020/21. In the case of the Monitoring Officer role, a recruitment process was completed in July 2020, and interim arrangements were

in place until the Director of Governance and Compliance (Monitoring Officer) took up their role in October 2020.

- 5.31. In January 2021 the Staffing Committee received a briefing from the Chief Executive on the proposals for an interim management structure following the departure of the Executive Director People to enable the continued delivery of the Council's statutory requirements and to deliver the ambitions set out in the Corporate plan and associated MTFs. In June 2021 Corporate Policy Committee recommended to full Council the adoption of the Senior Management Structure which included the deletion of the Executive Director of People and Strategic Director Adult Social Care and Health roles and the creation of two new posts, Executive Director of Children's Services and Executive Director of Adults, Health and Integration.
- 5.32. Recruitment processes have taken place and appointments have been made to the posts of Executive Director Place, Executive Director Children's Services, Executive Director Adults, Health and Integration.
- 5.33. The Council publishes a Pay Policy Statement by 31st March on an annual basis. This provides transparency about the Council's approach to setting the pay of its employees and is in accordance with Section 38 of the Localism Act 2011. The Pay Policy in effect for 2020/21 was approved by Council in February 2020. The 2021/22 Pay Policy Statement recommended to Council on 17th February 2021 from Staffing Committee, included a small number of key updates including a review of the JNC Pay Structure for Chief Officers to be implemented 2021/22. Further changes to the NJC pay structures were proposed including the removal of grade overlaps subject to further consultation with Trade Unions and employees. In addition, restrictions of Public Sector Exit Payments Regs 2020 came into effect on 4th Nov 2020 introducing a £95000 cap on exit payments. However, these regulations were subsequently revoked on 12 February 2021.
- 5.34. The Council's Staffing Committee has continued to receive update reports on the Council's Brighter Future Together Programme in 2020/21. Following the move to the new committee system, the Corporate Policy Committee received an update on the Organisational Culture Change Programme in July 2021. There has been an emphasis for the Brighter Future Together (Culture) Programme since March 2020 on supporting staff and promoting their wellbeing throughout the COVID-19 pandemic. Feedback from staff on the additional wellbeing initiatives, put into place as a response to the pandemic, has been positive. Future update reports on the Programme will be provided to the Corporate Policy Committee.
- 5.35. All staff are required to undertake mandatory training on protecting and managing information, dignity at work and equality in the workplace. Completion and compliance is monitored and reported to Heads of Service and Directors.

Managers are also supported with training on the Council's Dignity at Work and Grievance procedures.

Managing risks and performance through robust internal control and strong public financial management

- 5.36. Audit and Governance Committee have received update reports on the Council's Strategic Risks during 2020/21. Operational risk registers have been included in the department and service plans. These are reviewed by the team plan owners, and risks are considered for escalation to the Strategic Risk Register as necessary.
- 5.37. In addition, an updated Risk Management Framework was taken to the Audit and Governance Committee on 12th March 2020 and approved by Cabinet in June 2020. The Council's approach to risk management was reviewed and refreshed during 2020/21 and will continue to be reviewed and adapted to support decision making and governance within a committee system. The Committee received the 2020/21 Annual Risk Management Report on 30th September 2021.
- 5.38. The management of risk and monitoring of risk exposure has been a key part of the Council's response to the COVID-19 pandemic. An emergency planning incident was invoked, and a command structure was established in March 2020. This was to ensure that the Council could respond effectively to the pandemic and to report to central government, the National Health Service, and engage with the regional structures of the Local Resilience Forum and Strategic Coordinating Group (SCG). The command structure has remained in place throughout 2020/21 and into 2021/22.
- 5.39. Cabinet met informally on a frequent basis to provide political leadership. The Executive Leadership Team led the operational emergency response, which was co-ordinated by a bespoke Council Emergency and Response Team (CEMART), supported by officers from the Joint Emergency Planning Team. CEMART received weekly updates from Public Health, and the various bronze level command cells, who in turn have held localised meetings across smaller teams and services, focused on adapting service delivery to manage the risk of transmission wherever possible.
- 5.40. Risk registers have been developed and maintained for each of the emergency response cells, as well as the inclusion of the pandemic risk on the Strategic Risk Register. Business Continuity Plans were reviewed as a priority during early stages of the pandemic response and continue to be refreshed as recovery plans are implemented. Risk registers are also in place for each of the recovery workstreams established to focus on supporting the longer-term recovery from the pandemic.

- 5.41. In addition, the Council has introduced a parallel command structure to oversee the recovery from the COVID-19 pandemic. This has overseen the stepping up of key services, support for businesses and town centres as the lock down restrictions have been eased by the Government. Scenario and risk planning are being used to support the longer-term planning for recovery.
- 5.42. Reports to all decision making Committees are produced in line with a reporting protocol which involves clearance of reports through the relevant directorate management team, legal and financial review and the identification and mitigation of risks associated with the report content.
- 5.43. Council received the Overview and Scrutiny annual report for 2019/20 in October 2020. The annual reports summarise the activity of the four scrutiny committees during the municipal year.
- 5.44. Each Overview and Scrutiny Committee scrutinised quarterly performance scorecards and budget proposals for the 2020/21 period relevant to their area of focus. The Overview and Scrutiny Committees were decommissioned in May 2021 following the change to the committee system.
- 5.45. During 2020/21 the Children and Families Overview and Scrutiny Committee met on seven occasions. The Committee's work programme included updates on the Council's response to COVID-19 in relation to education, child protection, children missing from home, children not accessing full time education plus an update on young people's mental health needs and the current offer. Furthermore, at the August 2020 meeting, the Committee considered an update on Foster4 and the wider development work within the Fostering Service.
- 5.46. The Committee also scrutinised the Corporate Parenting Annual Report, Annual Adoption Report Cheshire East Safeguarding Children's Partnership Annual Report, Local Authority Designated Officer Annual Report, and the Annual Education Report. It considered the progress and improvements made in delivering the Family Focus programme.
- 5.47. The Committee was decommissioned on 4th May 2021 and scrutiny powers under Section 21 of the Local Government Act 2000 are now fulfilled through the Children and Families Committee. The Committee met in July, October and November 2021 where it received an update on the SEND Revisit, the Children and Families Performance Report Quarter 4 2020-21 and Quarter 1 2021-22 and the Children and Families Budgets 2021-22. They approved the All Age Carers Hub and Strategy and School Organisation: Academisation of Schools: Middlewich High School and Forward Plan. The Committee also received an update report on the 2021/22 Action Plan to address the Ofsted Inspection of Local Authority Children's Services, the Corporate Parenting Committee Annual Report 2021-21 and an update on Afghan Families Resettlement Scheme. At the most recent meeting in November 2021, the Committee received reports on the Care at

Home Recommission, Crewe Youth Zone, SEND Strategy, School Transport Update, All Age Sensory Impairment Strategy and the Cheshire East Joint Market Position Statement.

- 5.48. The Health and Adults Social Care and Communities Overview and Scrutiny Committee met on nine occasions during 2020/21. The Committee received updates on the ongoing COVID-19 pandemic including the Council's response from the adult social care, communities and public health departments and an update from local health partners in Cheshire East. The Committee considered the Vulnerable and Older Persons Housing Strategy and key performance data through the Performance Scorecard Quarter 4 (2019/20). It also received the Healthwatch Cheshire East 2019/20 Annual Report and an update report on the Sustainability of Health Services in Cheshire East.
- 5.49. The Committee received reports on the Overview of Adult Safeguarding in Cheshire East, the Local Safeguarding Adults Board Annual Report 2019/20, the Cheshire East Winter Plan, and the Cheshire East COVID-19 Local Outbreak Plan. Furthermore, the Committee considered the East Cheshire NHS Trust, Cheshire and Wirral Partnership NHS Foundation Trust and the Mid Cheshire NHS Trust Quality Accounts 2019/20 and received an update on the delivery of Recommissioned Integrated Lifestyle Services.
- 5.50. The Committee scrutinised reports on the NHS Integrated Care Systems, considered the Pre-Budget 2021/22 Consultation proposals and received an update from the Emerging Futures on the work it undertakes. Furthermore, it considered the Everybody Sport and Recreation (ESAR) Annual Performance Report 2019/20, the Sustainability of Health Services in Cheshire East and Adult's Mental Health and Wellbeing Support Offer.
- 5.51. The Committee was decommissioned on 4th May 2021 and scrutiny powers under Section 21 of the Local Government Act 2000 are now fulfilled through the Adults and Health Committee. The Committee met in July 2021 where it received a report on the Adults and Health Budgets 2021/22, the Annual Flu Report, an update on the Health and Social Care Integration, approved the Market Position Statement and considered the Performance Scorecard – Quarter4 2020/21. At the meeting in September 2021, the Committee considered the Performance Scorecard – Quarter 1 (2021/22) and received a presentation on Adult Social Care Improvement Plan – Learning from COVID-19. It also approved the Advocacy Service Recommission, Assistive Technology Recommission, NHS Health Checks Recommission and All Age Carers Hub and Strategy and considered the Assistive Technology Charging Policy and the Notice of Motion on Right to Food. At the latest meeting in November, the Committee received an update on the Adult Social Care Winter Plan 2021-22, the All-Age Sensory Impairment Strategy, Cheshire East Day Opportunities Strategy, Cheshire East Place Dementia Strategy, the Cheshire East joint Market Position Statement, the

Recommissioning of the Assistive Technology Service and the Cheshire East Local Account for Adult Social Care 2020-21.

- 5.52. The Environment and Regeneration Overview and Scrutiny Committee met on seven occasions during 2020/21 and received updates on the Council's COVID-19 response, considered a report on the Procurement of a Housing Framework and a presentation on Cleaner, Greener Crewe and a report and presentation on Highway Drainage and Flood Risk Management. The Committee received a report on the Crewe Centre Regeneration plans including the Crewe Hub Station and Town Centre Regeneration and presentation on the proposed consultation and process for Town Delivery Plans and Recovery Plan / Car Parking Proposals and scrutinised the Air Quality Status Report. It also received a presentation addressing issues raised between Cheshire East Council and United Utilities that have not been resolved previously.
- 5.53. The Committee considered the Budget 2021/22 Consultation, Place Department Quarter 2 Performance Report, the results from the Household Waste & Recycling Centre consultation and an update on the Carbon Action Plan. The Committee also received a presentation on progress of the project to develop a Gypsy and Traveller transit site.
- 5.54. The Committee was decommissioned on 4th May 2021 and scrutiny powers under Section 21 of the Local Government Act 2000 are now fulfilled through the Environment and Communities Committee. The Committee met in July 2021 and considered the Waste and Recycling Services – Implications of the Environment Act, the Contaminated Land Strategy, approved the Sustainable Drainage Strategic Planning Document and the Anti-Social Behaviour and Waste Management Policies. At the meeting in September 2021, the Committee approved the GEN4 (Recovery of forward funded infrastructure costs) SPD, the Environmental Protection SPD, Houses of Multiple Occupation SPD and the Taxi Licensing Policy for public consultation. At the latest meeting in November, the Committee received the Mid-Year Performance Review, the Food Law Enforcement Plan, Communities Team Update, a review of the Cheshire East cemeteries Strategy, Withdrawal of the Crewe Hub Area Action Plan, Housing SPD, Jodrell Bank Supplementary Planning Document and considered a request for a review of the systems currently in use for determination of Planning applications by Cheshire East Council submitted by Councillor Tony Dean
- 5.55. The Corporate Overview and Scrutiny Committee met on seven occasions during 2020/21 and received reports on the Corporate Performance Scorecard 2019/20 Quarter 3, the 2019/20 Outturn, the Capital, Investment and Treasury Management Strategies Annual Review 2019/20, the Mid-Year Review 2020/21, the Crowd Funding Policy Proposal, and the Re-Procurement of Case Management Systems: Adult's and Children's. In addition, the Committee

received updates on the Best 4 Business (B4B) programme and the Corporate Peer Challenge.

- 5.56. The Committee also considered the Council Tax Base 2021/22 report and the Pre-Budget Consultation 2021/22-2024/25 in advance of it being agreed by Cabinet and received an update on the Workplace Recovery programme and an update from the (Best4Business) Joint Scrutiny Working Group. They considered the amalgamation of the Council's Member Forum and Panels and received an update from the ASDV Shareholder Committee.
- 5.57. The Committee was decommissioned on 4th May 2021 and scrutiny powers under Section 21 of the Local Government Act 2000 are now fulfilled through the Corporate Policy Committee. The Committee met on five occasions in 2021 and considered the Member Allowances Report and the Senior Management Restructure and approved the Media Relations Protocol. The Committee also considered reports on the MTFs Corporate Services Budget 2021/22, the Apprenticeship Levy Procurement Framework, Organisational Culture Change Programme, Consultation on Council Tax Support Scheme 2022/23, Customer Experience Progress Report, Shared Services Update Report and 2023 Review of Parliamentary Constituencies.
- 5.58. Further reports were received on the response to COVID-19, the Consultation on the Emergency Assistance Scheme, Developing a Digital Strategy – Progress Report, Workforce Efficiencies and Terms and Conditions. They also considered a report on the Interim Review of the Committee System, an HS2 Update, agreed the Integrated Care System Governance: The Cheshire Clinical Commissioning Group Cheshire East Place Committee Interim Arrangements – Proposals and Membership and Joint Scrutiny Committee Protocol, approved the Workforce Strategy and considered reports on Modern Slavery Act Transparency Statement, Review of Test and Trace Support Payments Discretionary Scheme.
- 5.59. At the latest meeting in December 2021 the Committee received the 2021/22 Financial Year Review, Mid-Year Review of the Corporate Plan and Performance Reporting Update, Council Tax Support Scheme 2022/23, Domestic Taxbase 2022/23, an Apprenticeship Programme Update and a report on Insurance Contracts Procurement.
- 5.60. The Information Governance Group (IGG) met regularly throughout 2020-21, managing a programme of proactive improvement and ongoing compliance with the requirements of the Data Protection Act 2018. The Group also managed responses to reported data related incidents, providing updates to the SIRO (Senior Information Risk Owner), and the Corporate Leadership Team.
- 5.61. A Virtual Task and Finish Group, with representatives from across the Council, was set up during 2020 specifically to respond to the challenges of COVID-19. The group provide advice and guidance in relation to information governance

arrangements for home working, information sharing, use of video conferencing facilities and the test and trace programme. This has now been incorporated into the IGG working group and continues to meet fortnightly. The Annual Information Governance Update 2020/21 was presented at the September 2021 meeting of the Audit and Governance Committee.

- 5.62. The Brighter Futures Commercial Board which replaced the Commissioning and Procurement Board during 2019/20 continues to meet monthly and is chaired by the Director of Commissioning.
- 5.63. Commissioning, procurement, and contract management training was delivered during 2020/21, the training is currently being refreshed to include the Contract Management System, Roles and Responsibilities and Social Value. It will also include the Public Contract Regulations once these are published. The Contract Management System was subject to a soft go live in September 2021 and will subsequently be rolled out to Contracts Managers over the remainder of 2021/22.
- 5.64. The Audit and Governance Committee plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management, control and governance arrangements and it monitors the implementation of the AGS action plan.
- 5.65. During 2020/21 the Audit and Governance Committee received or approved a broad range of reports and assurances, including:
- Approval of the Internal Audit Plan and subsequent progress reports, the Committee's Annual Report and the External Audit Plan and progress reports
 - Updates on Risk Management and Treasury Management
 - Updates on COVID-19 Response and Recovery
 - Maladministration Decision Notices from Local Government and Social Care Ombudsman which are reported to the Committee, alongside the details of the learning from the issue and actions undertaken by each service in response
 - Assurance around procurement controls including overseeing governance arrangements and reviewing all approved Waivers and Records of Non Adherences. The WARN process forms part of the Contract Procedure Rules (CPR's) which are intended to promote good Procurement and Commissioning practice, transparency, and clear public accountability. Since June 2016 onwards, summary information on the number and reasons for WARN's has been provided to the Committee as a standard part one agenda item, with the details being considered in part two of the meeting.

- 5.66. The Audit and Governance Committee's self-assessment against the CIPFA guidance was considered at the March 2020 meeting. A number of actions were identified to be developed into an Action Plan. The Action Plan was presented to the Committee at the May 2020 meeting.
- 5.67. The Committee's Annual Report for 2019/20 was presented to the July 2020 Audit and Governance Committee. The draft Annual Report for 2020/21 was agreed at the November 2021 meeting of the Committee and presented to Council on 15th December 2021.
- 5.68. The 2019/20 Annual Governance Statement was approved at the November 2020 meeting of the Audit and Governance Committee. The Statement was signed by the Leader of the Council and the Chief Executive and published on the Council's website.
- 5.69. An update on progress made in managing issues raised in the 2019/20 Statement was taken to the Audit and Governance Committee meeting in March 2021. The Committee noted and endorsed the updates provided, including recommendations to the Committee on whether items remain in the Statement. Progress made in managing issues noted as "requiring further attention" in previous Statements, is covered in the Section 7 of the Statement.

Implement good practices in transparency, reporting and audit to deliver effective accountability

- 5.70. The Council's internal and external auditors are key sources of assurance. The Internal Audit opinion on the Council's control environment is set out in the Internal Audit Annual Report for 2020/21 which was received by the Audit and Governance Committee on 30th Sept 2021 and is as follows:

Internal Audit Opinion

The Council's framework of risk management, control and governance is assessed as adequate for 2020/21

- 5.71. Counter Fraud activity is reported to the Audit and Governance Committee through the Internal Audit progress reports. A progress update was provided to the September 2020 meeting of the Committee outlining the counter fraud support work undertaken in responding to the COVID-19 pandemic. A briefing to the Committee on this subject is planned for later in the year.
- 5.72. The Council has a number of wholly owned companies. Several changes were made following an independent review of these Alternative Service Delivery Vehicles (ASDVs).
- 5.73. The following ASDVs were in operation during 2020/21:
- Orbitas Bereavement Services Limited

- ANSA
- Transport Service Solutions Limited. (TSS Ltd)
- Tatton Park Enterprises Limited

- 5.74. In February 2021, Cabinet approved that the contract between the Council and Orbitas Bereavement Services be modified by extending it by a period of one year, to March 2022.
- 5.75. In May 2021, Cabinet approved the recommendations that the strategic, planning, commissioning, and procurement functions of TSS Ltd are to be transferred and delivered directly by the Council, with the operational delivery functions of the company to be delivered by ANSA. The new arrangements will be introduced on 1st April 2022.
- 5.76. In September 2020, the ASDV Shareholder Committee received a verbal update on the progress of the ASDV Change Programme, the Quarterly Company Director's Reports for quarter 4 of 2019/20 and they reviewed the 2021/22 ASDV Business Plan template and review process. These elements are designed to provide strategic challenge of business plans, the leadership of each company, and growth initiatives (and their business cases) outside of the annual approval process.
- 5.77. The ASDV Shareholder Committee, supported by a project team continued to consider a change programme developed from the recommendations of the ASDV review in relation to future operating models for each ASDV.
- 5.78. During 2020/21 the ASDV Shareholder Committee reviewed update reports from the Council's ASDVs, progress on the Change Programme, ASDV Business Plans 2021/22 reviews and Quarterly Strategic Reports.
- 5.79. Everybody Sports and Recreation (ESAR) is a charitable trust which delivers recreation and leisure facilities. The Council retains ownership of significant assets such as buildings. ESAR deliver services for the Council as set out in the operating contract, which is monitored through client commissioning arrangements, including contract management meetings and monitoring visits. The current operating agreement between the Council and ESAR runs to 30th April 2029.
- 5.80. ESAR's annual performance report for 2020/21 was reported to Health and Adult Social Care and Communities Overview and Scrutiny Committee at the February 2021 meeting.
- 5.81. The Shared Services Joint Committee oversees the management of the services provided pan-Cheshire on behalf of Cheshire East and Cheshire West and Chester Councils, to ensure effective delivery of services and strategic direction. Regular reports on performance and progress have been received during the year

by the Committee from ICT Services, the Transactional Service Centre, and the reviews of the Committee's governance arrangements.

- 5.82. The Shared Services Joint Committee has also received regular progress reports on the shared programme with Cheshire West and Chester Council to replace the existing Finance and HR Systems throughout 2020/21. The Finance element of the Unit4 ERP solution was successfully launched to users on 8th February 2021 and work is ongoing to ensure delivery of the remaining HR and Payroll elements. The HR and Payroll element of Unit 4 ERP launched in November 2021 with the December 2021 payroll being successfully run in the new system.
- 5.83. In preparing the AGS we have examined reports, feedback and action plans from other agencies and inspectorates, which review the services provided by the Council.
- 5.84. In April 2018 the Council received a Written Statement of Action following an Ofsted and Care Quality Commission (CQC) SEND Review. In May 2021 Ofsted and the CQC carried out a SEND revisit and determined that sufficient progress has been made to improve the areas of significant weakness. Children and Families Committee received a presentation with the findings from the revisit at the meeting held on 12th July 2021.
- 5.85. The Accounts and Audit Regulations (2015) legislation prescribes the format and timescale of the production of the Annual Governance Statement and the Statement of Accounts for local authorities.
- 5.86. In recognition of the impact of the pandemic, The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 amended timescales for publication draft and final statements as follows:
- Publication of draft statements (Accounts and AGS) moves from 31st May to 31st August 2020.
 - Publication of final statements (Accounts and AGS) moves from 30th July to 30th November 2020.
- 5.87. In recognition of the ongoing impact of COVID-19, the Accounts and Audit (Amendment) Regulations 2021 amended the timescales of the publication of the draft statement from the 31st August to not later than the 30th September 2021, the publication of the final statements remains the 30th November. Following discussion and agreement with the external auditors it was determined that the Council would operate to these extended deadlines. However, the resources required to ensure the successful implementation of the HR and Payroll elements of the new financial system, coupled with the ongoing impact of the COVID-19 pandemic caused a delay in completion of the external audit work.

- 5.88. The Audit and Governance Committee therefore considered the draft statement at the 30th September 2021 meeting and will review the final statement at the meeting to be held on 17th January 2022.

Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

- 5.89. The Audit and Governance Committee promotes high standards of ethical behaviour by developing, maintaining, and monitoring a Code of Conduct for Members of the Council. Complaints are considered by the Monitoring Officer and an Independent Person. Complaints can be received about Cheshire East Councillors, co-opted members and Town and Parish Councillors.
- 5.90. The promotion of high standards of conduct, and of strong ethical governance among elected members, co-opted Members, and Town and Parish Council Members within the Borough, is critical to the corporate governance of the authority and to the Council's decision-making process across the organisation.
- 5.91. In July 2020, the Audit and Governance Committee received the Annual Report of the Monitoring Officer 2019/20, advising on the number of complaints received under the Code against each category, the paragraph(s) of the Code alleged to have been breached, and the outcome of each complaint, once completed.
- 5.92. The Committee received an update report in March 2021 relating to the Member's Code of Conduct. The report detailed the number of complaints made against Cheshire East Councillors and Town and Parish Councillors; the paragraph of the Code alleged to have been breached and the outcome of each complaint, where completed. This information is provided to support the Committee's role in monitoring and maintaining high ethical standards within the authority.
- 5.93. The Committee agreed that a review of the Code of Conduct would be added to the Committee's Work Plan for 2020/21 and that it should be linked to the Local Government Association publication of a revised Model Code of Conduct which was published for consultation in July 2020. The Local Government Association published its Model Councillor Code of Conduct in May 2021 and the supporting guidance was published in July 2021. The review remains on the Committee's work plan for 2021/22 and it is anticipated that a draft Code will be received by the Committee on 10 March 2022. At the September 2021 meeting, the Committee received the Annual Monitoring Officer Report 20/21. The report advised on the number of complaints received under the Code against each category, the paragraph(s) of the Code alleged to have been breached, and the outcome of each complaint, once completed.
- 5.94. In June 2018 Cheshire Police confirmed that the investigation into the historical awarding of a contract by Cheshire East Council was concluded and a file was submitted to the Crown Prosecution Service (CPS). In June 2020, the CPS

determined that there was insufficient evidence to provide a realistic prospect of conviction with regard to the award of the contract.

- 5.95. Following this decision, the Chief Executive requested a health check be undertaken in relation to this matter to seek assurance on current arrangements, ensure all necessary improvements have been undertaken, and consider whether further actions are required.
- 5.96. This work was undertaken by Internal Audit a report presenting the findings, recommended actions for improvement and an opinion on the effectiveness of the arrangements in place to manage procurement and the risks associated with it was presented to Audit and Governance Committee in January 2021.
- 5.97. Separate Cheshire Police investigations into air quality statistics and the award of grant funding for a primary school car park have also concluded, with no further action to be taken.
- 5.98. In November 2021, the CPS took the decision to take no further action with regard to investigations into historical land transactions in Middlewich and Crewe. This concludes all police investigations into the matters referred by the Council, following Internal Audit work.
- 5.99. Section 151 responsibilities for 2020/21 were covered by the Director of Finance and Customer Services. These arrangements complied with the arrangements set out in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 5.100. From the 1st April 2019, the Monitoring Officer responsibility has been invested in the role of the Director of Governance and Compliance Services. Interim arrangements were in place from the end of July 2020 to October 2020 when the newly appointed Director of Governance and Compliance joined the Council.
- 5.101. In its assurance role, the Staffing Committee has received updates on the Brighter Future Together (Culture) Programme throughout 20/21. This is the transformation programme established to deliver changes in the organisational culture of the Council following the review undertaken by the Local Government Association (LGA). The LGA's report was received in January 2018 and is available on the Council's website. Following the move to the new committee system the Corporate Policy Committee received an update on the Organisational Culture Change Programme in July 2021.

Ensuring openness and comprehensive stakeholder engagement

- 5.102. The Council's open data portal '[Insight Cheshire East](#)' holds the majority of our transparency information and open data together in one place. The site is designed to make inspecting, accessing, and downloading our data easier for everyone, including developers, who may wish to use our data in their own

applications or websites. Work is continuing to expand the content on the site, with emphasis on areas that residents most frequently request information about.

- 5.103. As required by the Transparency Code 2015, the Council published the current number of Council employees with basic salaries of £50,000 or over on the Open Data Cheshire East Portal.
- 5.104. Committee meetings continued to be audio cast throughout 2020/21. Recordings can be found on the relevant Committee pages. Meetings are held in public, and agendas, reports, and minutes are published via the Council's website.
- 5.105. The Council utilised the powers available under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the Regulations") to enable meetings of the Council to take place using virtual means during 2021. Legislative provisions permitting remote meetings were not extended beyond 7th May 2021. COVID-19 secure face to face meetings were reintroduced after this date.
- 5.106. The Council worked quickly to adapt to holding virtual meetings. Members and officers worked well together to enable these to be successful. There were a small number of technical and connection issues which were resolved. Over 40 training sessions took place with Members via Microsoft Teams and support continues to be offered where required.
- 5.107. Updates on the organisation's response to COVID-19 were provided to the monthly Cabinet meetings held in 2020/21. Cabinet was decommissioned 18th May 2021 and updates have since been provided to the Corporate Policy Committee. The Audit and Governance Committee also received regular updates and the Annual Report of the Council's COVID-19 Response and Recovery was considered at the meeting on 27th May 2021.
- 5.108. The Council publishes delegated officer decisions on its website, demonstrating how the provisions of the Constitution have been exercised.
- 5.109. Engaging with our communities is essential to ensure that we are a resident led Council. Consultation exercises are carried out as appropriate, including statutory consultation processes for areas such as Planning and Licensing. Information is available on the Council's website in relation to current consultations and the feedback received on previous consultations and the subsequent decisions are also available.
- 5.110. Council employees receive a weekly internal newsletter (Team Voice) in addition to service specific communication and briefings. In response to the lockdown restrictions imposed in response to the COVID-19 pandemic steps were taken to ensure that staff and managers were supported during what was a time of significant change in working arrangements.

- 5.111. Weekly Manager Share and Support sessions have been provided throughout 2020/21 and have continued through 2021/22. These sessions cover a wide variety of topics and provide an opportunity for managers to interact, raise any issues and concerns that they may have, and receive briefings and training on new developments such as the effective use of Teams.
- 5.112. In addition to the sessions detailed above, weekly TLC – Time to Listen and Chat sessions have also been provided. The purpose of these sessions is to keep people connected and support wellbeing in work. These 30 minute calls offer an opportunity to take a break from the pressures of work to meet with colleagues from across the organisation for an informal chat.
- 5.113. Members and Officers continue to receive frequent briefings on COVID-19 related matters with dedicated areas of content on CEntranet directing colleagues to advice and guidance. In addition, the Council produces a COVID-19 residents' newsletter which is published on social media and the website with a link to sign up for future editions.
- 5.114. A limited number of remotely held Wider Leadership Team and Wider Leadership Community sessions were held during the year which facilitated briefing, networking, and development opportunities across the senior officer leadership cohort. Key messages from these sessions are cascaded through department and team management sessions.
- 5.115. Members of staff are encouraged to participate in the “Making a Difference” recognition scheme, nominating colleagues for an instant recognition “Made my Day” message, or for nomination in the monthly and annual awards. The recognition panel itself includes volunteers from across the organisation.
- 5.116. The Council’s Corporate Leadership Team has continued to hold regular staff engagement events; “A Conversation With...” These were held virtually during 2020/21 and offer an opportunity for staff to raise any questions or issues they have directly with their Senior Managers. Questions and answers are summarised and shared via the Team Voice newsletter.
- 5.117. Council services use various forms of social media, to engage and inform communities and stakeholders. The main Council website has a Media Hub page, where a variety of information about the Council is published. The Communications team also provide related media releases, where appropriate. Statutory public notices are also shared online.

6. Review of Effectiveness

- 6.1. The Council undertakes an annual review of its governance arrangements. This process is informed by a range of sources. The various sources of assurance

which inform the annual review are described below and referenced in the Governance Framework in Appendix 1.

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

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

6.3. For the purposes of the Annual Governance Statement "significant" is defined as an issue which has had or has the potential to have a noticeable impact on the Service's and/or Council's ability to achieve its objectives.

6.4. Examples might include:

- Legal action against the Council for failing to fulfil a statutory duty (resulting in a substantial financial penalty and/or loss of reputation)
- An instance of fraud or corruption involving financial loss, a noticeable impact on service delivery and/or loss of reputation
- An unexpected occurrence resulting in substantial financial loss, disruption to service delivery and/or loss of reputation (including significant media coverage/interest)
- Failure of a major project to meet stated objectives; or

- A serious breach of the Code of Conduct having a noticeable effect on service delivery and/or reputation.
- 6.5. Section 7 sets out the progress made against the issues identified in previous Annual Governance Statements, which have been monitored through 2020/21.
- 6.6. Progress on managing and monitoring the discrete actions identified to manage and resolve these issues has previously been reported upon to the Audit and Governance Committee, through previous Annual Governance Statements, and through regular update reports.
- 6.7. The Committee approved the removal of Business Continuity as a significant governance issue from the Annual Governance Statement in July 2020 due to the significant progress made.
- 6.8. The most recent update on the Annual Governance Statement was provided to Audit and Governance Committee in March 2021, progress was noted but no items were removed.
- 6.9. The issues of “Council Funding” and “Health and Social Care Integration” are included again as continuing areas of concern issues for 2020/21 in the updates in Section 7. This recognises the continuing significance of these two specific areas, at national and local levels, and the impact of COVID-19
- 6.10. The Council’s assessment of its governance arrangements has not identified any significant issues arising during 2020/21.
- 6.11. The review has considered the effectiveness of the Council’s governance arrangements against the principles set out in the Code of Corporate Governance.
- 6.12. **Overall, we can confirm that the council has appropriate systems and processes in place to ensure good governance is maintained. Whilst we are satisfied that these generally work well, our Annual Governance review has identified areas where further improvements are underway (Section 7) and recognised the continuing challenges that COVID-19 poses.**

7. Progress against issues identified in previous Annual Governance Statements

Council Funding	
<i>Recognised as a Continuing Governance Issue in the 2015/16 AGS</i>	
Description of Issue at the time of inclusion in AGS	<p>Ongoing and future changes to the financial framework - including several changes to national funding regimes - will increase the Council's reliance on self-financing. Many of these arise from changes to benefit administration, reductions in government grant and more schools becoming academies.</p> <p>While the Council is in a strong position it needs to accelerate its transition to a full commissioning model to ensure that the quality and cost base of services are appropriate and meet the needs of local residents and businesses within the future level of available resources.</p>
Responsibility	Executive Director of Corporate 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>Senior accountants are fully engaging with government and professional bodies (such as CIPFA, SCT, RSN and UTS), in the review of local government finance. 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 discussed.</p> <p>Estimates have been developed with the Portfolio Holder, and Cabinet members, around the main funding sources. This includes Council Tax levels, tax base growth, potential Business Rates growth and the diminishing grant position. The revised Corporate Plan also introduces the Council's commitment to developing a self-financing approach to achieving outcomes.</p> <p>The Council's increasing level of collaboration with public sector partners, such as health services and neighbouring local authorities, is also subject to significant review and work is ongoing in line with CIPFA's Aligning Public Services model.</p> <p>The best fit of service providers, also described in the Corporate Plan, remains a key element of the Council's approach. Contract management, with its strong links to achieving outcomes, is also developing as a key feature of the Council's control framework.</p>

Progress update for AGS 2020/21	<p>Considerable engagement consultation and analysis has been carried out in the development of the Corporate Plan and Medium Term Financial Strategy, following the Budget Setting Process endorsed by Cabinet and the Corporate Leadership Team in May 2020.</p> <p>Council received and approved the Corporate Plan and MTFS 2021-2025 in February 2021, following consideration of both at Cabinet on 2nd February 2021 and at the Council's Overview and Scrutiny Committees prior to this. This includes the Budget for the period 2021/22 to 2024/25.</p> <p>The ongoing impact of COVID-19, and any associated changes in funding will be managed through in-year budget variations, additional grants or through useable reserves. Such changes are approved through the Financial Procedure Rules and notified to Members at the earliest opportunity either for noting or for decision</p>
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Health and Social Care Integration	
<i>Recognised as a Continuing Governance Issue in the 2015/16 AGS</i>	
Description of Issue at the time of inclusion in AGS	<p>The Council is a key partner in the delivery of integrated health and social care and is a signatory of the Better Care Fund (BCF) submission to NHS England. This is a high profile programme of change on which the Council is working with the two Clinical Commissioning Groups, (CCGs), and the two acute providers and one Community and Mental Health provider in the Borough.</p> <p>Please note a restructure has created a single CCG for Cheshire as of 1st April 2020.</p> <p>BCF is part of a staged process to focus and increase joint working with the NHS seeking to improve the health and wellbeing outcomes for Cheshire East residents, with the initial aims of the work programme being to reduce non-elective admissions to hospitals and Delayed Transfer of Care (DToc) locally.</p> <p>The initial Plans submitted in April 2014 did not include details of specific schemes, financial plans, risk assessment or fully developed key performance indicators.</p>
Responsibility	Executive Director of Adults, Health and Integration
Action proposed at the time of inclusion in the AGS	The BCF Governance Group, overseen by Cheshire East's Health and Wellbeing board continues to meet on a monthly basis to oversee the governance of the Cheshire East BCF.

Feedback was expected from NHS England and the Association of Directors of Social Services (ADASS) in June 2016 regarding Cheshire East's plans for BCF in 2016/17. The expected status is "approved with support".

At the time of submission, there were areas requiring further work and attention including:

- Final agreement for expenditure plans
- Lack of a Delayed Transfers of Care (DToC) plan for South Cheshire Clinical Commissioning Group; and
- Assurance that DToC is a standing item on Systems Resilience Group agendas (now called A&E Delivery Boards).

These areas had to be addressed by the end of June 2016 to avoid escalation to national level of assurance; these areas have now all been addressed within timescale. The BCF plan for Cheshire East has been approved by the Health and Wellbeing Board.

In April 2016 Mersey Internal Audit Agency published a report on the BCF arrangements in operation over 2015/16 which contained three key "medium" ranked recommendations:

- Failure to identify and effectively manage BCF risks
- CEC and CCG's Programme Management Office approaches to the BCF are not co-ordinated; and
- Poor Information Governance.

These were included on the BCF risk register. The risk register and the risk assessment process have been reviewed and improved, to ensure that mitigating actions are Specific, Measurable, Assignable, Realistic and Time-related (SMART). Red rated risks are reviewed and updated on a monthly basis to ensure action is taking place to address.

A piece of work took place to look at Programme Management Office approaches across CCGs and LAs. This had already been done by PMO leads and good practice has been shared by them and adopted accordingly to ensure more consistent approaches. We also agreed a number of actions between us to streamline reporting processes.

Work on Information Governance is still ongoing but is the priority item on the agenda for the BCF Governance Group is to establish any gaps and allocate necessary actions.

<p>Progress Update for AGS 2020/21</p>	<p>The Department of Health and Social Care have published their White Paper ‘Integration and Innovation: working together to improve health and social care for all’ (February 2021). This sets out the legislative changes that are to be taken through Parliament to enable the formal establishment of statutory Integrated Care Systems (ICS). Other significant associated proposals will change the way health services are commissioned and procured, (including Public Health services commissioned by local authorities). The Local Authority will have a statutory duty to collaborate with the NHS and to be a partner on the Integrated Care System Partnership Board. The legislation received its second reading in Parliament in July 2021.</p> <p>The Cheshire and Merseyside Health and Care Partnership (C&MHCP) has been established and will become the Cheshire and Merseyside Integrated Care System (C&MICS). Senior appointments have been made and a Chief Executive Designate of the new organisation is now in post. The NHS has set up a regional oversight process of self-assessment and review to provide assurance on progress in preparing for the implementation of the new legislation.</p> <p>As of 24th December 2021, a revised target date for implementation of the new legislation has been set at 1st July 2022.</p> <p>Cheshire East Place has undertaken its initial self-assessment in compliance with the assurance process and has had two review meetings, in September and December, with the Chair and Chief Executive of the C&MHCP. The feedback from both meetings was positive and supportive. Cheshire East is viewed as having strong shared leadership and joint strategic vision and good insight into the strengths of the partnership, the areas requiring development and the issues to be addressed and tasks still to undertake to deliver the vision and complete preparations for the implementation of the legislation.</p> <p>The self-assessment carried out by Health and Wellbeing Board partners collectively and individually judged that Cheshire East Place is currently at stage two of development, and “evolving” partnership. A plan has been developed to take Cheshire East Place to stage four, a “thriving” partnership in order to be accredited as a place that will receive full financial devolution of local NHS budgets from July 2022.</p>
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	<p>There will be further review and assurance meetings up to July 2022.</p> <p>Initial briefings to Adults and Health Committee and Scrutiny have taken place and a programme of briefings for all councillors between January and April is being developed.</p>
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Proposed Change to the Committee system of Governance	
Description of Issue at the time of inclusion in AGS	<p>Following the change in political leadership in May 2019, the Council will be exploring a change from the Leader and Cabinet Model of governance to the implementation of a full Committee model of governance.</p> <p>This will be developed during 2019/20 with a view to taking effect from the beginning of the 2020/21 Municipal Year subject to a legally and constitutionally robust process, led by the Council's Constitution Committee, and agreed by Council.</p>
Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	The change in the Council's decision-making arrangements and governance framework will be undertaken through the Council's Constitution Committee and Council to ensure that the process of change is legally compliant and delivers the intended outcome.
Progress Update for AGS 2020/21	<p>At its meeting in November 2020, Council agreed to the adoption of the Committee system as set out in the design principles, committee structure, and to cease operating the existing Leader and Cabinet model of governance, moving to the Committee system model of governance from the Annual Council meeting on 12th May 2021.</p> <p>Council authorised the Director of Governance and Compliance, in consultation with the Constitution Committee to prepare such draft constitutional provisions as to give effect to the wishes of the Committee and be submitted to the Constitution Committee in phases during 2020/21 for recommendation to Council.</p> <p>The new arrangements took effect from May 2021 and on 4th November 2021 the Corporate Policy Committee received a report on the Interim Review of the Committee System from the Director of Governance and Compliance. This report was also presented to Council at their 15 December meeting.</p>

Replacement of the Council's Core Financial and HR Systems	
Description of Issue at the time of inclusion in AGS	<p>The Council is in the process of replacing its existing ERP system, in a joint project with Cheshire West and Chester Council.</p> <p>This will see the replacement of the existing Oracle system including core modules covering accounts payable, income and payroll.</p> <p>The new system will achieve business efficiencies through changes in the software and supporting business processes.</p> <p>Change in the Council's core business system needs to be carefully managed to ensure the new system is fit for purpose that the changeover managed with minimal disruption, and that the transition to new business processes is successfully implemented to deliver the intended benefits.</p>
Responsibility	Executive Director of Corporate Services.
Action proposed at the time of inclusion in the AGS	<p>The governance model adopted to deliver the replacement business system recognises the significance of the change required and risk involved in project delivery.</p> <p>Member involvement has been set up through the Shared Services Joint Committee and a specific joint scrutiny working group.</p> <p>Programme delivery is monitored by a monthly Steering Group comprised of Chief Officers from the two councils and the Programme Director. This is supported by a monthly Programme Board which is attended by the external implementation partner and is supported by a jointly staffed internal team which has been involved from the procurement stage.</p> <p>The Councils' Internal Audit teams are undertaking a joint programme of review and assurance throughout the implementation of the replacement and ahead of the new system going live.</p>
Progress Update for AGS 2020/21	<p>The Finance and Payments element of Unit 4 ERP launched in February 2021 and is being used to process procurement and payment activity, income accounting, financial reporting and project related financial delivery.</p> <p>The HR and Payroll element of Unit 4 ERP launched in November 2021 with the December 2021 payroll being successfully run in the new system.</p> <p>Member oversight of the programme continued via the Shared Services Joint Committee, the Joint Scrutiny Working Group and</p>

	Portfolio holder briefings (until May 2021 for CEC, with responsibility now with the Corporate Policy Committee). Members will oversee the post-implementation/lessons learned review
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Responding to the impact of COVID-19	
Description of Issue at the time of inclusion in AGS	<p>Like other local authorities, the Council has been significantly challenged by the coronavirus pandemic.</p> <p>Responding to the pandemic will bring substantial risks to the Council in 2020-21.</p> <p>The challenges to the Council have been recognised in the reports provided to Cabinet, Scrutiny and Audit and Governance to date, which have highlighted the challenges being experienced, the Council's response, recovery plans, and future risks.</p>
Responsibility	Chief Executive.
Action proposed at the time of inclusion in the AGS	<p>There will be an ongoing review of the financial impact as well as the impact on procedures and processes relating to the emergency.</p> <p>Reports on the Council's ongoing response will continue to be provided to Cabinet, and other Committees where appropriate.</p>
Progress Update for AGS 2020/21	<p>Regular reports have been provided to Cabinet, providing updates on the Council's response to the COVID-19 pandemic. These reports have also been provided to the Corporate Overview and Scrutiny and the Audit and Governance Committees.</p> <p>Cabinet received the COVID-19 – Annual Report of our COVID-19 Response and Recovery in May 2021.</p> <p>Since the change to the committee system, Corporate Policy Committee have received these regular update reports with the latest having been received on 2 December 2021.</p> <p>The financial impact of COVID-19 has been monitored and reported on through these updates, and in the quarterly performance reports received by Cabinet and scrutiny committees. The impact of COVID-19 is also acknowledged within the Council's Medium Term Financial Strategy and budget 2021-25.</p>

Appendix 1: The Governance Framework 2020/21

