

Audit and Governance Committee

Agenda

Date: Monday, 29th July, 2024
Time: 10.00 am
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

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

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. Apologies for Absence

To note any apologies for absence from Members.

2. Declarations of Interest

To provide an opportunity for Members and Officers to declare any disclosable pecuniary interests, other registerable interests, and non-registerable interests in any item on the agenda.

3. Public Speaking Time/Open Session

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

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

For requests for further information

Contact: Nikki Bishop, Democratic Services Officer

Tel: 01270 686462

E-Mail: Nikki.bishop@cheshireeast.gov.uk

4. **Minutes of Previous Meeting** (Pages 5 - 14)

To approve as a correct record the minutes of the meeting held on Thursday 30 May 2024.

5. **Action Log** (Pages 15 - 18)

To receive an update on the Audit and Governance Committee Action Log.

6. **Draft Pre-audited Statement of Accounts 2023/24 and Outturn Update 2023/24** (Pages 19 - 32)

To receive and consider the pre-audited overview of the Council's Outturn and the draft Statement of Accounts for 2023/24.

7. **Draft Pre-audited Financial Statements – Wholly Owned Companies 2023/24 and Outturn Update 2023/24** (Pages 33 - 44)

To receive the draft financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2023/24.

8. **Annual Complaints and Compliments Report 2023-24** (Pages 45 - 126)

To receive an update on complaints, compliments and customer contact for 2023-24.

9. **Progress Against CIPFA Review Actions** (Pages 127 - 142)

To consider the report on progress on the implementation of actions agreed after the CIPFA review of the Audit and Governance Committee.

10. **Draft Annual Governance Statement 2023-24** (Pages 143 - 182)

To receive the draft Annual Governance Statement (AGS) for 2023/24.

11. **Internal Audit Annual Opinion Report 2023/24** (Pages 183 - 206)

To consider the report which sets out the Internal Audit annual opinion on the overall adequacy and effectiveness of the Council's control environment for 2023/24.

12. **Section 106 - Progress Update**

To receive a verbal update on the Internal Audit review timeline and recommendations for S106.

13. **Work Programme** (Pages 207 - 208)

To consider the Work Programme and determine any required amendments.

14. **Risk Management Report 2023-24** (Pages 209 - 262)

To consider the report on risk management activity throughout 2023/24.

15. Exclusion of the Press and Public

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded. The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

16. Risk Management Report 2023-24 (Pages 263 - 280)

To consider that part of the Strategic Risk Register report relating to Ansa, Orbitas and Tatton Park Enterprises.

Membership: Councillors B Drake, S Adams, M Beanland (Chair), K Edwards (Vice-Chair), A Heler, C Hilliard, G Marshall, P Redstone and J Snowball, Mr R Jones and Mrs J Clark.

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 30th May, 2024 in the Capesthorne Room, Macclesfield
Town Hall, SK10 1EA

PRESENT

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

Councillors B Drake, S Adams, C Hilliard, G Marshall, P Redstone and
J Snowball

OFFICERS IN ATTENDANCE

David Brown, Director of Governance and Compliance
Adele Taylor, Interim Director of Finance and Customer Services
Josie Griffiths, Head of Audit and Risk Management
Michael Todd, Internal Audit Manager
Tracy Baldwin, Principal Accountant
Abigail Rushton, Senior Manager Workforce Development
Claire Williamson, Director of Education, Strong Start and Integration
Alex Cooper, Project Manager – Education
Julie Gregory, Legal Team Manager
Nikki Bishop, Democratic Services Officer

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillor A Heler.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on Thursday 7 March 2024 be
agreed as a correct record and signed by the Chair.

4 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public registered to speak.

Councillor R Bailey addressed the committee as a visiting member and
spoke on a number of matters, as summarised below.

Cllr Bailey thanked the Monitoring Officer for his detailed response on the costs of standards complaints. Cllr Bailey highlighted to the committee the costs of investigations relating to both Sandbach Town Council and Handforth Parish Council stating that whilst the work undertaken was not without cost, was vital to ensuring that the standards system was upheld. Cllr Bailey highlighted that the Audit and Governance Committee had considered the Member Code of Conduct Report relating to Handforth Parish Council in 2022 but had not considered the report of Sandbach Town Council. Cllr Bailey urged committee members to address this inconsistency.

Cllr Bailey referred to the minutes of the previous meeting and the member of the public that addressed the committee in relation to the potential impact of acting up arrangements within the organisational structure. Cllr Bailey asked committee members to listen to the audio-recording of the meeting where it was debated and suggested that an item subsequently be added to the committee work programme.

On the Annual Governance Statement, Cllr Bailey raised concerns in relation to both the planning backlog and the impact of the delayed implementation of the IT system for Planning and Land Charges. Cllr Bailey suggested that this matter should be considered further by the committee.

Lastly, Cllr Bailey spoke in relation to the Work Programme and highlighted that a recent FOI response confirmed that a significant amount of monies had not been utilised by the council from developer contributions. Cllr Bailey asked the committee when it would consider S106 matters in the public part of a committee meeting.

5 ACTION LOG

The committee reviewed the action log, the following updates were noted:

Skills Audit Assessment / Good Practice Briefing Notes

It was confirmed that the self-assessment questionnaire had been circulated to the committee, and that members needed to complete this by 7 June 2024. It was confirmed that the results of the questionnaires would be analysed and would help inform a detailed training plan and good practice briefing notes for the committee. It was confirmed that a progress review would be considered at the July committee meeting however officers would seek to develop a plan in correspondence with members before this. Cllr Adams requested that officers consider how training could be developed for all members to scrutinise and challenge within service committees.

HR strategic risks – it was confirmed that an informal briefing had taken place with the Head of HR and committee members, with detailed responses to questions circulated.

S106 Update – it was noted that Internal Audit were working with planning colleagues and that an update on the current position and actions of the Community Infrastructure Levy would be circulated.

Members noted the updates provided and made the following comments:

External audit findings on B4B – the committee confirmed that they would be keen to look into this area further to receive assurance that the system was producing the best results for officers, members and residents (overall costs, potential overspend on this project and what lessons could be learnt going forward when taking on similar projects).

S106 Update – the committee welcomed the proposal to receive an internal audit review update on S106 in July 2024. It was highlighted that, at the meeting on 19 September 2023, 19 actions had been identified. The committee agreed that any update should include progress on implementation and impact of these actions.

HR Strategic Risks – Members noted the update provided in relation to the process for exit interviews and how results from these interviews are analysed and shared with senior managers. It was noted that key themes from both the Pulse Survey and exit interviews were considered by senior managers when developing Service Business Plans. Officers committed to providing a headline summary of the key themes and figures of those joining/leaving the organisation. Members raised concerns in relation to the number of interim appointments/acting up arrangements and capacity within the senior management team. Members sought an update to provide a holistic view of the current position and direction of travel. Officers committed to progressing this further for the committee.

6 COMPANIES AUDITED FINANCIAL STATEMENTS, EXTERNAL AUDIT FINDINGS AND ACTION PLAN 2022/2023

The committee considered the report which presented the audited financial statements of ANSA Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2022-23, and the summary of findings from Grant Thornton, the Group of Companies' external auditors 2022-23. It was noted that, as a result of the audit work, no material changes had been made since the summary of accounts was presented to the committee on 8 June 2023. It was highlighted that an unqualified opinion had been given for both companies.

Members of the committee raised the following:

It was noted that the revised Company Shareholder Agreement had not yet been signed off and enacted by either company. Officers confirmed that they were actively pursuing this and would seek further clarification from the companies.

Members raised concerns in relation to administrative expenses and the failure to obtain receipts for all transactions on employee's company purchase card statements. It was highlighted that, for 2023-24, additional procedures had been introduced to ensure receipts were provided as part of a monthly monitoring process. Members noted the management process for dealing with non-compliance and requested details as to how many times this process had been acted upon. Officers committed to providing a written response.

Members queried the role of non-Executive Directors of the Wholly Owned Companies and the governance of these companies. It was proposed that an informal briefing be arranged for the committee prior to the Finance Sub Committee 21 June 2024 which would consider the governance of the companies in detail. It was suggested that the committee consider establishing a Working Group following this informal briefing to understand and consider in detail any implications and changes in relationships.

7 UPDATE ON THE GOVERNANCE ARRANGEMENTS OF THE DEDICATED SCHOOLS GRANT MANAGEMENT PLAN 2024/25 TO 2030/31

The committee received the report which provided an overview of the Designated Schools Grant (DSG) Management Plan 2024-25 to 2030-31. The committee noted the governance arrangements, resource and capability in place to deliver the management plan.

Cllr Clowes addressed the committee as a visiting member. Cllr Clowes stated that the Audit and Governance Committee were charged with assessing strategic fiscal probity of actions taken by the council and highlighted the importance of the committee focusing on the budgeting aspects of DSG stating that a coherent accounting tool to trace progression and regression of DSG financial mitigation was needed as soon as possible. Cllr Clowes also referred to the formation of the new DSG Management Board and its membership, urging that the terms of reference be shared with the committee.

Members received assurance that the service had the leadership capacity and skills required to deliver the DSG management plan. It was confirmed that the service was building a transformation team and assessing how to build the skills and team needed to deliver the DfE endorsed plan.

Members queried:

- The balance of EHCPs for both academies and local authority-maintained schools.
- Overall number/availability of SEN placements within Cheshire East.
- Overall number of out of borough SEN placements and plans to build additional capacity and deliver more in-borough placements.
- Number of children in Cheshire East placed in private schools out of borough.

- Compliance with statutory duty, and if this would override financial considerations.

Officers committed to providing a written response but highlighted that positive work was already underway with schools to improve inclusiveness and supporting children to remain in mainstream provision. It was confirmed that the local authority had recently expanded Springfield Special School and had received a capital bid agreement to build more places going forward.

The committee noted that the service was continuing with work with its government advisor and that the financial forecasts detailed in the plan would be remodelled with the DfE over a number of weeks following a un-forecasted £10.1m saving which would ultimately reduce the overall £285m funding gap.

The committee acknowledged the significant challenge facing officers, and the difficult task it was to balance expanding demands without adequate financial arrangements for meeting such demands. The committee thanked Claire Williamson and her team for the significant amount of work undertaken so far, recognising the energy, effort and commitment needed.

RESOLVED:

That the Audit and Governance Committee

1. Note the report which outlines the progress of the DSG Management Plan based on the outturn financial DSG High Needs position.
2. Note that monthly reports will be provided to the Children and Families Committee, providing a breakdown on progress of the Management Plan based on the agreed mitigated outcomes of the Plan from April 2024 onwards.
3. Note the monthly reporting schedule for the Children and Families Committee to scrutinise progress against the plan.

8 ANNUAL GOVERNANCE STATEMENT 2022-23 ACTIONS - PROGRESS UPDATE

The committee considered the report which updated on the implementation of actions identified in the 2022-23 Annual Governance Statement to improve governance arrangements and the proposed production process for the 2023-24 Annual Governance Statement.

Cllr Clowes addressed the committee as a visiting member and referred to the recommendation that the Health and Social Care item be removed from future statements. Cllr Clowes urged the committee to reconsider this recommendation, noting that whilst significant progress had been made in

this area, social care still remained the largest area of statutory spend for the council.

It was proposed, seconded and subsequently carried that the AGS issue relating to Health and Social Care remain on future statements.

Members agreed that council funding remained a significant issue and noted progress made to date. It was clarified that the council was legally required to set a balanced budget for the forthcoming year, however a clear plan for the forthcoming 4-year period was essential for financial planning purposes and had to be based on assumptions, as the council did not receive multi-year settlements.

The committee queried how DSG could be impacted by academisation, officers committed to providing a written response.

RESOLVED:

That the Audit and Governance Committee

1. Approve the updates provided on the significant issue reported in the 2022-23 Annual Governance Statement.
2. Approve the process for the production of the 2023-24 Annual Governance Statement, as set out within the officer report.
3. Agree that the AGS issue relating to Health and Social Care remain on future statements.

9 INTERNAL AUDIT UPDATE - PROGRESS AGAINST INTERNAL AUDIT PLAN Q3/Q4 2023-24

The committee considered the report which updated on work undertaken by Internal Audit between April 2023 and March 2024. Members noted the work being completed during April 2024 and that this would contribute to the Annual Internal Audit Opinion for 2023-24.

Members noted that a final internal audit opinion could not be provided until all work had been completed however it was confirmed that some form of limitation would likely be required.

Councillor Clowes addressed the committee as a visiting member and raised concerns in relation to some of the satisfactory ratings for Unit4 financial controls. Cllr Clowes also sought assurance relating to purchase cards for Adults and Health and Children and Families and the anticipated limited assurance rating.

Officers confirmed that the audit review concerning Unit 4 Financial Controls focussed on the existence of key controls in the design of the

system rather than how the system was operating in practice. As a shared service, this work was undertaken jointly with Cheshire West and Chester Council. It was confirmed that the audit review concerning Unit 4 Exception Payments focussed on the use of payment forms where the normal procedure of raising a Purchase Order/invoice had not been used. The outcome found that where forms were used, satisfactory assurance could be given in this area.

Members queried the history of the Dedicated Schools Grant and what elements may have contributed to the deficit position and whether this could be. It was agreed that the priority was for officers to deliver the plan.

Members sought assurance on the Pothole Challenge grant received from the Department of Transport during 2023-24 and how this grant had been spent. Officers committed to providing a written response.

RESOLVED:

That the Audit and Governance Committee

1. Note the contents of the Internal Audit Update Report 2023-24 (Appendix A).

10 WORK PROGRAMME

The committee considered the Work Programme. The following updates were noted:

Arising from the discussions in the meeting, consideration would be given as to how best to update the committee on the following matters:

- Wholly Owned Company governance arrangements.
- Senior Leadership Capacity across the organisation.
- Unit4/ B4B (officers committed to recirculating previous pieces of assurance work undertaken in this area for the benefit of the new committee).

It was confirmed that the July report 'Progress against CIPFA Review actions' would include an update on the outcome of the committee skills survey in developing the training plan for the committee.

Councillor C Hillard left the meeting at 1.00pm and did not return.

11 RISK MANAGEMENT Q3 2023-24

The committee considered the report which provided an update on risk management activity during Q3 2023-24. Members considered the council's Strategic Risk Register and the equivalent level risk registers of

the council's wholly owned companies; Orbitas, Tatton Park Enterprises and ANSA.

The committee raised a number of questions as summarised below:

Recruitment and Retention – Members queried staff benefit packages and highlighted that Cheshire East allowed staff to spend up to £2,500 through the Cycle to Work Scheme, while the council's wholly owned companies allowed staff to spend up to £10,000. Members sought assurance that steps were being taken to address this inequality and asked what benchmarking had been undertaken in this area. Officers committed to providing a written response.

Stakeholder Expectations – Members raised concerns in relation to Equality Impact Assessments delivered by the Council. Members felt that improvement in this area was needed to ensure decisions made by the council were not at risk of legal challenge. Members requested further detail as to how these assessments were conducted, the criteria that applies and the challenge given by senior officers. Officers committed to providing a written response.

Overall impact – it was highlighted that several risks were systemic issues and would have an effect across the board - leadership capacity, recruitment and retention, and the ability to achieve organisational change. Members asked how significant an impact were these upon the other risks laid out in the register, and if a significant area was targeted with resources, where would we best target to reduce the council's risks over the entire estate.

RESOLVED:

That the Audit and Governance Committee

1. Notes the position with the Council's Strategic Risk Register, and those of the wholly-owned companies, for Quarter 3 2023/24 in respect of the content, description, scoring and risk management activity outlined.

13 RISK MANAGEMENT Q3 2023-24

The committee considered the report which detailed the Wholly Owned Company, ANSA's, risk register for Q3 2023-24.

RESOLVED (unanimously):

That the Audit and Governance Committee note the report.

The meeting commenced at 10.00 am and concluded at 1.25 pm

Councillor M Beanland (Chair)

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Audit and Governance Committee - Action Log

Committee Date	Action	Lead Officer	Update on Progress	Status
March 2024	Officers to review and progress the proposals for the following items to be added to the Committee Work Programme: o Skills Audit	Head of Audit and Risk Management	Update: Skills Audit questionnaire completed. Progress review and training plan provided in the agenda for July 2024.	COMPLETED
	Training Session to be organised for the Committee with Mazars in attendance to develop the Committee's understanding of the role of the external auditors.	Director of Finance and Customer Services / Head of Finance	Update: Training session to be arranged with new External Auditors – Ernst and Young.	ONGOING
	Mazars stated that the final Statement of Accounts would be published at the end of March/early April, alongside the Value for Money report. It was also confirmed that Mazars would handover its external auditor responsibilities to Ernst and Young for the 2023-24 audit period and that the handover procedure had commenced.	Director of Finance and Customer Services		ONGOING
March 2024	Mr Ron Jones requested that the following be added to the action log, for further consideration: - Good Practice Briefing Notes to be developed for the Committee to utilise.	Head of Audit and Risk Management / Internal Audit Manager		ONGOING

May 2024	The committee requested further assurance relating to the B4B System (overall costs, resource, and lessons learnt for future projects).	Director of Finance and Customer Services	<p>Update: CfGS B4B/Unit 4 Review paper circulated to committee on 17/6/24</p> <p>Update: There is currently a review underway (Healthcheck review) across both CE and CWAC diagnosing issues relating to both Unit4 and also the transactional shared service and how that impacts on the operation of our ERP (finance and HR system). This report will be considered during August 2024 and a report can be submitted to the September committee as an update on the findings.</p>	ONGOING
	Companies Audited Financial Statements - Members requested an update on the completion/sign off of Company Shareholder Agreements – officers to chase up and ensure these are signed off/enacted.	Director of Finance and Customer Services	Update: Response circulated to the committee on 19 July 2024.	COMPLETED
	Companies Audited Financial Statements - Members requested details of how many times the non-compliance process relating to purchase cards was enacted. Officers agreed to provide a written response.	Director of Finance and Customer Services	Update: Response circulated to committee on 28 June 2024.	COMPLETED

	Members requested a briefing on the governance arrangements for the council's Wholly Owned Companies.	Director of Governance and Compliance	Update: briefing sessions arranged for the committee June/July.	COMPLETED
	<p>DSG Management Plan – members requested further information in relation to the following:</p> <ul style="list-style-type: none"> • The balance of EHCPs for both academies and local authority-maintained schools. • Overall number/availability of SEN placements within Cheshire East. • Overall number of out of borough SEN placements and plans to build additional capacity and deliver more in-borough placements. • Number of children in Cheshire East placed in private schools out of borough. <p>Officers committed to providing a written response.</p>	Director of Education	Update: response circulated to the committee on 18 June 2024.	COMPLETED
	Members sought assurance on the Pothole Challenge grant received from the Department of Transport during 2023-24 and how this grant had been spent. Officers committed to providing a written response.	Director of Highways and Infrastructure	Update: Response circulated to the committee on 21 June 2024.	COMPLETED
	Stakeholder Expectations – Members raised concerns in relation to Equality Impact Assessments delivered by the Council. Members felt that improvement in this area was needed to ensure decisions made by the council were not at risk of legal challenge. Members requested further detail as to how these assessments were conducted, the criteria that	Director of Policy and Change	Update: response circulated to the committee on 18 June 2024.	COMPLETED

	applies and the challenge given by senior officers. Officers committed to providing a written response.			
	Overall impact – it was highlighted that several risks were systemic issues and would have an effect across the board - leadership capacity, recruitment and retention, and the ability to achieve organisational change. Members asked how significant an impact were these upon the other risks laid out in the register, and if a significant area was targeted with resources, where would we best target to reduce the council's risks over the entire estate	Head of Audit and Risk Management		ONGOING
	HR Strategic Risks – Members requested a summary of the key themes arising from exit interviews. Officers committed to providing a written response.	Head of HR	Update: response circulated to the committee on 18 June 2024.	COMPLETED

OPEN

Audit and Governance Committee

29th July 2024

Draft Pre-audited Statement of Accounts 2023/24 and Outturn Update 2023/24

Report of: Adele Taylor, Interim Director of Finance and Customer Services (s151 Officer)

Report Reference No: AG/10/24-25

Ward(s) Affected: Not applicable

Purpose of Report

- 1 This report confirms that the Council has published, on its website, its pre-audited Statement of Accounts for the year ended 31st March 2024.
- 2 Information on the 2023/24 pre-audit Statement of Accounts, for the Cheshire East Group of Companies and for the single entity of Cheshire East Borough Council, will be presented to the committee. This step is taken to provide committee members with an early summary of the accounts, which will help them in advance of any formal responsibility to approve the accounts.
- 3 This report provides members with the pre-audited overview of the Cheshire East Council Outturn for the financial year 2023/24. Members are being asked to note the financial performance of the Council.

Executive Summary

- 4 This report outlines the timelines and processes for the pre-audited Statement of Accounts for 2023/24.
- 5 This report also provides Members with an overview of the Outturn position for the financial year 2023/24. A full narrative of the Outturn Summary was presented to the Finance Sub Committee on the on the 25th June 2024 as well as the subsequent Service Committees.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the summarised position of the accounts for year ended 31st March 2024 based on the information provided at this meeting and included in this report at Appendix 1.
2. Note the dates in relation to the approval process for the Statement of Accounts.
3. Note the overall financial performance of the Council in the 2023/24 financial year, as contained within the report, as follows:

A Net Revenue Overspend of £8.5m against a revised budget of £356.2m (2.4% variance) funded by drawdown from General Reserves.

b) General Reserves closing balance of £5.6m.

c) Capital Spending of £136.9m against an approved programme of £171.1m (18% variance).

Background

- 6 The Statement of Accounts for 2023/24 is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 7 The Group statements consolidate the accounts of: Cheshire East Council and two wholly owned subsidiaries (Ansa and Orbitas).
- 8 The accounts of a third wholly owned subsidiary (TPE), and three other companies Cheshire & Warrington Local Enterprise Partnership, Alderley Park Ltd and Cheshire & Warrington Development Fund Ltd although part of the Group, are not consolidated on the grounds of materiality.
- 9 This mirrors treatment of these organisations in 2022/23. The single entity statements for Cheshire East Borough Council will also be presented to the Committee for approval later this year.
- 10 The objective of the Statement of Accounts is to provide information about the organisation's financial performance that is useful to a wide

range of interested parties. Its purpose is to give readers and stakeholders clear information about the Group's consolidated finances and to answer questions such as: what did services cost; where the money came from; what are the significant events this year; and what is the Group's net worth?

- 11 Members are not required to approve the pre-audit statement of accounts for the Group or for the Council as a single entity. But the Interim Director of Finance & Customer Services (Section 151 Officer) is providing the committee with an update of the key messages from these accounts that she has signed off for publication. The Pre-Audit Statement of Accounts were published on the Council's website on the 17th July 2024 and the certified Statement of Accounts should be published by the 30th September 2024, in accordance with national deadlines.
- 12 It is expected that the final audited Statement of Accounts will be presented to this Committee for approval later, on the 5th December 2024; it is unlikely that the audited accounts will be published by the deadline of 30th September 2024, as the Council is yet to agree a start date for the audit of the 2023/24 accounts with Ernst Young.
- 13 The recommendations within the 2023/24 Third Financial Review and the Medium-Term Financial Strategy (MTFS) were clear in the treatment of the outturn and future reserve balances:

Revenue Outturn

- 14 The MTFS recognised emerging risks, such as inflation and particularly the Dedicated Schools Grant (DSG) deficit, which highlighted there is no alternative funding.
- 15 The financial outturn for Cheshire East Council is an overspend of £8.5m. This is net of appropriate allocations to useable reserves. Further detail is provided in **Table 1**. The closing balance on the General Fund reserve is £5.6m.

- 16 Table 1: Total Net Revenue Budget is overspent by £8.5m

2023/24	Revised Budget	Outturn	Variance	Forecast Variance FR3	Movement from FR3 to Outturn
	(NET) £m	£m	£m	£m	£m
Service Committee					
Adults and Health	138.0	149.8	11.8	5.0	6.8
Children and Families	81.9	90.1	8.2	10.0	(1.8)
Corporate Policy	41.9	37.3	(4.5)	(1.0)	(3.6)
Economy and Growth	24.9	20.4	(4.5)	(2.8)	(1.6)
Environment and Communities	48.2	50.5	2.3	3.1	(0.8)
Highways and Transport	21.1	19.6	(1.5)	(0.2)	(1.3)
Sub-Committee					
Finance Sub	(355.9)	(359.3)	(3.3)	(1.1)	(2.2)
TOTAL	(0.0)	8.5	8.5	13.0	(4.5)

Capital Outturn

- 17 Expenditure on the capital programme is £136.9m against a revised budget of £171.1m; that was reported to the Finance Sub Committee on the 11 January 2024. The underspend of £34.2m will be slipped into 2024/25 and future years. Budgets will be re-profiled as part of the outturn reporting. This level of slippage, at 18%, is a higher variance than 2022/23 (7%).
- 18 The original budget set in February 2023 was £214.7m; during 2023/24 project managers were asked to re-profile their forecasts resulting in the revised forecast of £171.1m. Capital receipts in year amounted to £3.5m against a forecast of £1.0m; in the first instance this improvement reduces potential borrowing costs. Treatment of capital receipts will be considered as part of the review of the Capital Strategy.

Table 2 : Total Capital Expenditure and Funding for the financial years 2023/24, and 2024/25 to 2026/27

	Outturn 2023/24 £m	Three Year Forecast			Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	
Expenditure					
Children and Families	29.0	56.3	32.1	12.3	129.7
Adults and Health	0.1	0.8	0.0	0.0	0.9
Highways and Transport	57.4	66.4	51.4	154.6	329.8
Economy and Growth	39.0	92.6	67.6	22.3	221.5
Environment and Communities	5.6	14.6	17.5	1.4	39.1
Corporate Policy	5.9	14.8	6.5	2.5	29.7
	136.9	245.5	175.1	193.1	750.7
Funding					
Grants and Other Contributions	70.0	189.7	94.5	167.9	522.1
Capital Receipts and Reserves	2.3	3.6	32.0	2.1	40.0
Borrowing	64.6	52.2	48.6	23.1	188.5
Total Funding	136.9	245.5	175.1	193.1	750.7

Consultation and Engagement

- 19 The accounts will be available for public inspection for 30 working days between the dates of 18th July to 29th August 2024, between 10 am and 4 pm Monday to Friday.
- 20 Any person may inspect, and make copies of the accounts and all books, deeds, contracts, bills, vouchers, receipts and other related documents of the Council for the year ended 31st March 2024, as stipulated in Section 25 of the Local Audit and Accountability Act 2014.
- 21 As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council-wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

Reasons for Recommendations

- 22 The Accounts and Audit Regulations 2015 require the Audit and Governance Committee to approve the Statement of Accounts after the external audit is completed.
- 23 To support this responsibility the Committee is provided with an overview of the key issues within the draft Statement of Accounts before the external audit work is completed. This allows committee members adequate time to scrutinise the statements ahead of the deadline for approval.
- 24 The Department of Levelling Up, Housing and Communities (DLUHC) put in place revised regulations that came into force on 22nd July 2022. The regulations stated that for the years 2022/23 to 2027/28 the deadline for the accounts to be signed off by has been extended from the 31st July to the 30th September.

Other Options Considered

- 25 Not Applicable

Implications and Comments

Monitoring Officer/Legal

- 26 The regulations arising out of the Local Audit & Accountability Act 2014 (Accounts and Audit Regulations 2015) prescribe statutory provisions regarding the overall format and approval procedures for authorities' financial statements. The detailed format of the Statement of Accounts is laid out annually by the Chartered Institute of Public Finance and Accountancy (CIPFA) in the form of the Code of Practice on Local Authority Accounting in the UK (the Code).
- 27 The pre-audit Statement of Accounts must be signed by the Council's Section 151 officer and published by the required deadline following the financial year end. Even though the pre-audit statements do not require committee approval at this stage in the process, it is however deemed to be good practice to present the accounts to Members before publication.
- 28 The audited statements are to be approved by this Committee and published by the 31st December 2024.
- 29 The legal implications surrounding the process of setting the 2023 to 2027 Medium-Term Financial Strategy were dealt with in the reports relating to that process.

Section 151 Officer/Finance

- 30 The Statement of Accounts summarises the financial activities of the Council for the preceding financial year and its position at the year end. It summarises the Council's income and expenditure, assets and liabilities, and its level of reserves and indebtedness. As the statements are subject to external audit and opinion, they present a key measurement of the overall financial performance of the authority. The Statement of Accounts is an important part of the Council's financial governance and stewardship arrangements.

Policy

- 31 There are no Policy implications.

Equality, Diversity and Inclusion

- 32 There are no Equality, Diversity or Inclusion Implications.

Human Resources

- 33 There are no Human Resources Implications.

Risk Management

- 34 The Local Government Act 2003 and the Local Government and Housing Act 1989 require the Statement of Accounts to be produced in line with recommended accounting practices. Failure to do so could result in a qualification of the accounts which may lead to further audit costs in future as well as an adverse impact on the Council's reputation.

Rural Communities

- 35 There are no Rural Communities implications.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 36 There are no Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND) Implications.

Public Health

- 37 There are no Public Health implications

Access to Information	
Contact Officer:	<p>Adele Taylor</p> <p>Interim Director of Finance and Customer Services (Section 151 Officer)</p> <p>adele.taylor@cheshireeast.gov.uk</p> <p>01606 271503</p>
Appendices:	Appendix A – Summary of the Group Accounts 2023/24
Background Papers:	Statement of Accounts

Audit and Governance Committee 29th July 2024

2023/24 Draft Financial Statements Cheshire East Group Accounts

The Accounts and Audit (Amendment) Regulations 2024

- The Accounts and Audit (Amendment) Regulations 2024 extend the statutory audit deadlines for 2023/24. The publication date for audited accounts has been extended from 31st July to 30th September 2024 for all local authority bodies.

IMPORTANT DATES

July 18th	Public Inspection (30 working days to 29 th August)
July 29th	Committee receive presentation on draft SOA
August to October (TBC)	Ernst Young on site for main audit
December 5th	Committee receive audit findings and SOA.
December 31st	Audited Statement of Accounts published

APPROVING THE ACCOUNTS

- The Group Accounts require the approval of the Audit & Governance Committee. Recommendations will be made at the Committee meeting on 5th December 2024.
- Each entity within the group also has a set of accounts that require approval, either by the Committee or a Company Board.
- The Cheshire East Group accounts are audited by Ernst and Young LLP.
- The companies accounts are audited by Grant Thornton UK LLP.

CHESHIRE EAST GROUP STATEMENT OF ACCOUNTS 2023/24

Supporting Narrative

- Overview of financial and operational performance.
- Includes achievements, risks and lots of facts and figures.

Management Accounts headlines

- Group useable reserves decreased by £33.7m to **£133.8m**
 - 96% of useable reserves have been earmarked.
 - Revenue spending was **£365.3m**
 - Net overspend was **£8.5m**
 - General Fund Balance decreased from £14.1m to £5.6m
 - Wholly Owned Companies spending was **£52.6m**
 - Wholly Owned Companies achieved a surplus of **£0.173m**

Cheshire East Council make up 99% of the Group.

CHESHIRE EAST MANAGEMENT ACCOUNTS 2023/24

- **£365.3m of Net revenue spending** supported services, an increase of £46.6m (15%) from 2022/23

- **£356.7m of Council Tax and Business Rates** were managed through the Collection Fund.
- **£136.9m of Capital Spending** was completed.

SUMMARY OF THE MAIN STATEMENTS

Group Movement in Reserves Statement

Movement in reserves (£m)	Usable	Unusable	Total
Opening Balance	167.5	548.5	716.0
I & E Surplus/(Deficit)	(33.1)	13.1	(20.0)
I & E (Adjustments)	(0.6)	0.6	0.0
Change	(33.7)	13.7	(20.0)
Closing Balance	133.8	562.2	696.0

Group Comprehensive Income & Expenditure Account

Income & Expenditure (£m)	2022/23	2023/24
Cost of Services	444.2	472.5
Other Income & Expenditure	19.2	12.7
Taxation and Non-Specific Grant	(417.5)	(452.1)
(Surplus) or Deficit on Provision of Services	45.9	33.1
Revaluation of Assets	(26.1)	(26.8)
Pension Liability	(84.3)	13.7
Total I & E (Surplus) or Deficit	(64.5)	20.0

Group Balance Sheet

Balance Sheet (£m)	2022/23	2023/24
Long Term Assets	1,189.2	1,266.4
Current Assets	115.2	108.6
Current Liabilities	(346.9)	(343.6)
Long Term Liabilities	(241.4)	(335.4)
Net Assets	716.1	696.0
Usable Reserves	167.5	133.8
Unusable Reserves	548.6	562.2
Total Reserves	716.1	696.0

Group Cashflow Statement

Cashflow (£m)	2022/23	2023/24
Opening Balance – cash & cash equivalents	40.9	28.6
Closing Balance	28.6	21.9
Net Increase / (decrease) in cash & cash equivalents	(12.3)	(6.7)

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OPEN

Audit and Governance Committee

29th July 2024

Draft Pre-audited Financial Statements – Wholly Owned Companies 2023/24 and Outturn Update 2023/24

Report of: Adele Taylor: Interim Director of Finance and Customer Services

Report Reference No: AG/17/24-25

Ward(s) Affected: Not applicable

Purpose of Report

- 1 This report confirms that the Council's wholly owned companies (WOC's) will publish, on their websites, their pre-audit Summary Financial Statements for year ended 31st March 2024, alongside the Council's 2023/24 Group Financial Statements.
- 2 Information on the 2023/24 pre-audit Financial Statements for the WOC's will be presented to the Committee. This step is taken to provide Committee members with an early summary of the Company single entity accounts and whilst the Committee do not approve the Financial Statements it enables them to review in advance of any formal responsibility to approve the Council Group Accounts which these Financial Statements feed into.
- 3 This report provides members with the pre-audited overview of the Company Outturn for the financial year 2023/24. Members are being asked to note the financial performance of the Companies.

Executive Summary

- 4 This report outlines the timelines and processes for the pre-audited WOC's Financial Statements for 2023/24.

- 5 This report also provides Members with an overview of the Outturn position for the Companies for the financial year 2023/24.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the summarised position of the WOC Financial Statements for year ended 31st March 2024 based on the information provided at this meeting and included in this report at Appendix 1.
2. Note the dates in relation to the approval process for the Financial Statements.
3. Note the overall financial performance of the WOC's in the 2023/24 financial year, as contained within the Appendix 1, as follows:
 - (a) ASDV Reserves increased by £0.173m, retained reserves are £2.016m.
 - (b) Wholly Owned Companies Net Core Contract Spending was £45.051m

Background

- 6 The Company financial statements are prepared in accordance Financial Reporting Standard 101 (Reduced Disclosure Framework) in accordance with recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).
- 7 Following the decision made by the Finance Sub-Committee on 25 June 2024, the draft financial statements for Ansa Environmental Services Ltd (Ansa) and Orbitas Bereavement Services Ltd (Orbitas) have been prepared on break up basis and comply with the Companies Act 2006.
- 8 The CEC Group statements consolidate the accounts of: CEC and two wholly owned subsidiaries (Ansa and Orbitas).
- 9 This mirrors treatment of these organisations in 2022/23. The single entity statements for Ansa and Orbitas will be presented to the Company Boards for approval in October 2024 and will also be brought back to the Committee for noting in the Autumn 2024.
- 10 The objective of the Financial Statements is to provide information about the WOC's financial performance that is useful to a wide range of interested parties including CEC as Shareholder. Its purpose is to give

readers and stakeholders clear information about the Company finances and to answer questions such as: what did services cost; where the money came from; what are the significant events this year; and what is the Company net worth?

- 11 Members are not required to approve the pre-audit company Financial Statements. However, the Director of Finance & Customer Services (Section 151 Officer) is providing the Committee with an early indication of the key messages from these Financial Statements as part of the overall financial reporting for the Cheshire East Group.
- 12 A Summary Financial Statement document comprising of the Statement of Consolidated Income (Profit & Loss) and the Statements of Financial Position (Balance Sheet) will be published alongside the Council's draft 2023-24 Accounts publication (18th July 2024) for each respective company on their website with a link to the CEC Group Accounts. Company Boards are responsible for approving the Financial Statements and ensuring that they are published at Companies House 9 months after the Accounting Date (31 March 2024), therefore on or before 31 December 2024.
- 13 The final audited Financial Statements will also be presented to this Committee for noting in the Autumn 2024 along with a copy of the respective External Audit Reports.

2023/24 Out-turn

- 14 The core contract expenditure of Ansa and Orbitas, charged at cost to CEC in 2023/24 is £45.051m.
- 15 Net (after tax) commercial profits of Ansa and Orbitas total £0.173m; adding to retained reserves, such that they now total £2.016m.

Consultation and Engagement

- 16 The WOC Summary Financial Statements will be made available on the company websites in line with the Council's draft 2023-24 Accounts publication date (18th July 2024).

The WOC's are required to publish their audited Financial Statements at Companies House on or before 31st December (for Accounting periods ending 31 March). Accounts for each of the private companies within the Cheshire East Group will also be provided to Companies House as required.

- 17 (website: <https://www.gov.uk/government/organisations/companies-house>)

Reasons for Recommendations

- 18 The draft Financial Statements present the financial performance for the companies for the financial year 2023/24. The Director of Finance & Customer Services (Section 151 Officer) is providing the Committee with an early indication of the key messages from these Financial Statements as part of the overall financial reporting for the Cheshire East Group.

Other options Considered

- 19 Not applicable.

Implications and Comments

Monitoring Officer/Legal

- 20 The financial statements have been prepared in accordance Financial Reporting Standard 101 (Reduced Disclosure Framework) in accordance with recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).
- 21 Following the decision made by the Finance Sub-Committee on 25 June 2024, the draft Financial Statements for Ansa and Orbitas have been prepared on a break up basis and comply with the Companies Act 2006.
- 22 The Accounts and Audit (Amendment) Regulations 2022 statutory audit deadlines for 2023/24 state the publication date for audited accounts 31st May 2024 for all local authority bodies. As part of the Cheshire East Council Group, the Wholly Owned Companies (WOC's) are required to comply with this same deadline but are only required to publish Draft Summary Financial Statements on their respective websites.
- 23 The audited Financial Statements are to be approved by the Company Boards and published by the 31st December 2024 on Companies House.

Section 151 Officer/Finance

- 24 The Financial Statements summarise the financial activities of the Companies for the preceding financial year and their position at the year end. They summarise the Company turnover and expenditure, assets and liabilities, and the level of reserves and indebtedness. As the statements are subject to external audit and opinion, they present a key measurement of the overall financial performance of the company. The

Financial Statements are an important part of Company and also Council Group financial governance and stewardship arrangements.

Policy

25 There are no Policy implications.

Equality, Diversity and Inclusion

26 There are no Equality, Diversity or Inclusion Implications.

Human Resources

27 There are no Human Resources Implications.

Risk Management

28 The financial statements have been prepared in accordance with Financial Reporting Standard 101 (Reduced Disclosure Framework) in accordance with recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006.

29 Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 101 "Reduced Disclosure Framework"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

Failure to prepare the financial statements as described above could result in a qualification of the accounts which may lead to further audit costs in future as well as an adverse impact on the Company and Council reputation

Rural Communities

30 There are no Rural Communities implications.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

31 There are no Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND) Implications.

Public Health

32 There are no Public Health implications

Access to Information	
Contact Officer:	Adele Taylor Interim Director of Finance and Customer Services (Section 151 Officer) Adele.taylor@cheshireeast.gov.uk
Appendices:	Appendix A – Presentation - Summary Wholly Owned Company Financial Statements 2023/24
Background Papers:	None

Audit and Governance Committee 29th July 2024

2023/24 Draft Financial Statements Wholly Owned Companies

Publishing deadlines

The Accounts and Audit (Amendment) Regulations 2023

- The Accounts and Audit (Amendment) Regulations 2023 statutory audit deadlines for 2023/24 state the publication date for audited accounts 31st May to 30th September 2024 for all local authority bodies.
- As part of the Cheshire East Council Group, the Wholly Owned Companies (WOC's) are required to comply with this same deadline but are only required to publish Draft Summary Financial Statements on their respective websites.
- The WOC's are required to publish their audited Financial Statements at Companies House on or before 31st December (for Accounting periods ending 31 March).

Important Dates

July 18th	Summary Financial Statements on company websites
July 29th	Committee receive report on draft Financial Statements – WOC's
July - Sept	Grant Thornton on site for main audit (July)
October	WOC Boards receive audit findings and Audited FS for Approval.
Date TBC	Committee receive audit findings and Audited Financial Statements for noting.
On or before December 31st	Audited Financial Statements deadline to be published at Companies House

Approving the Accounts

- The CEC Group Accounts require the approval of the Audit & Governance Committee.
- The wholly owned companies as entities within the CEC Group also have single entity accounts that require approval by the Company Board. Recommendations will be made at the October 2024 Board cycle.
- The Group of Companies accounts are audited by Grant Thornton UK LLP.

Wholly Owned Company – Single Entity Financial Statements

Strategic Report

- Overview of financial performance.
- Includes achievements, risks and lots of facts and figures.
- A separate Company led report on 2023-24 Operational Performance & Financial performance was provided to CLT (08/05/24).

Management Accounts headlines

- The WOC out-turn performance is split between Core Services provided to CEC and Commercial activities.
- Core Services provided to CEC should operate on a net cost basis i.e. if the company is requested by the Council to provide additional services – then the company is paid by the Council for the additional services.
- Commercial Activities are subject to Corporation Tax and out-turn profits are retained 100% by the Company.
- WOC Reserves increased by £0.173m (2022/23 £0.462m), leaving retained reserves at £2.016m.
- Wholly Owned Companies Net Core Contract Spending was £45.051m (2022/23 £37.94m)

Members of the Committee should consider:

- Relevance of the information provided
- Transparency of the accounts
- Engage with the Finance Team on any queries up to the Committee Date

The Finance Team will:

- Work with Grant Thornton and Mazars to complete the audit.
- Finalise the accounts based on feedback

Wholly Owned Company – Out-turn Performance 2023/24

Out-turn	Ansa £'000	Orbitas £'000
Core Management Fee 2023/24	40,676	1,974
Additional Management Fee claimed in year*	2,467	261
Revised Management Fee 2023/24	43,143	2,235
Core Out-turn 2023/24	42,921	2,130
Overspend / Under-spend at Out-turn	(222)	(105)
Rebate to CEC / (Additional Cost to CEC)	247	105
Core Out-turn – post rebate/Charge to CEC – (over)/under	(25)	0
Commercial Out-turn after Tax	132	66
NET Profit retained by Company	107	66

*Additional Management Fee claims, reflected in CEC in year reporting are in respect of:

- ANSA – Significant Inflation (Pay Award, Waste Contract Inflation / recycling income decline)
- Orbitas – Pay inflation plus Handyperson additional demand from Adult Social Care

Movement in reserves (£m)	Ansa	Orbitas	TSS	Total
Opening Balance	1.384	0.459	0.023	1.866
Dividend	-	-	(0.023)	(0.023)
In Year Profit	0.107	0.066	-	0.173
Change	0.107	0.066	-	0.173
Closing Balance	1.491	0.525	-	2.016

*TSS adjusted opening balance £0.023m being £0.106m less £0.083m rebate to CEC on reconciliation of 2021/22 final entries. A final Dividend from TSS to CEC £0.023m early 2023/24.

Ansa Environmental Services Limited - Out-turn Performance 2023/24

Statement of Consolidated Income	2023/24 £'m	2022/23 £'m
Turnover	50.456	45.614
Cost of Sales	(43.617)	(38.888)
Gross Profit or (Loss)	6.839	6.726
Administration Costs	(6.572)	(6.354)
Other Operating Income/Expenditure (net)	0.002	0.082
Net Operating Profit / (Loss)	0.269	0.454
Interest Receivable / Payable (net)	(0.179)	(0.093)
Corporation Tax	0.017	(0.078)
Net Profit	0.107	0.283

Statement of Financial Position	2023/24 £m	2022/23 £m
Long Term Assets	4.532	5.661
Current Assets	9.896	8.106
Current Liabilities	(9.205)	(7.534)
Long Term Liabilities	(3.732)	(4.849)
Net Assets	1.491	1.384
Shareholdings	-	-
Retained Reserves	1.491	1.384
Equity	1.491	1.384

Orbitas Bereavement Services Limited - Out-turn

Performance 2023/24

Statement of Consolidated Income	2023/24 £'000	2022/23 £'000
Turnover	2,543	2,502
Cost of Sales	(1,588)	(1,509)
Gross Profit or (Loss)	955	993
Administration Costs	(867)	(923)
Other Operating Income/Expenditure (net)	-	-
Net Operating Profit / (Loss)	88	70
Interest Receivable / Payable (net)	-	(1)
Corporation Tax	(22)	4
Net Profit	66	73

Statement of Financial Position	2023/24 £'000	2022/23 £'000
Long Term Assets	8	8
Current Assets	1,122	970
Current Liabilities	(604)	(519)
Long Term Liabilities	-	-
Net Assets	525	459
Shareholdings	-	-
Retained Reserves	525	459
Equity	525	459

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OPEN**Audit & Governance Committee****29 July 2024****Annual Complaints and Compliments 2023-2024**

Report of: Adele Taylor, Director of Finance and Customer Services**Report Reference No: AG/25/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 This report provides a summary and analysis of complaints and compliments received by the Council during the period 1st April 2023 to 31st March 2024.
- 2 The report highlights any areas of concern and examples of good practice. It provides assurance that matters raised as complaints by customers are being addressed; that action has been taken to rectify issues and that information arising from complaints has informed service improvements. Responsibility for services rests with the relevant service committee and members may wish to seek additional assurances from those service committees.
- 3 The report supports the strategic aims and objectives in the Council's Corporate Plan 2021-25 to become an open and enabling Council and specifically supports the objectives of the Council's Customer Experience Strategy.

Executive Summary

- 4 The Council provides the facility for customers to report compliments and complaints in relation to council services in an accessible and consistent way. Improvements have been made to the processes for these customer engagements following the approval of the Customer Experience Strategy by the Corporate Policy Committee in March 2021. As part of this approval the Committee continues to receive updated performance information on progress.
- 5 The Council provides in the region of 500 different services across a population of almost 400,000 residents. These range from place-based services, such as waste collection and highways management which are universal, to individual services such as social care and housing.

- 6 The Council received 3,051 complaints and 824 compliments in between April 2023 and March 2024 (see Appendix 8 for examples of compliments received). The figures for this report were run on the 22nd of March 2024.
- 7 In 2023/24, there was an increase of 16% in received complaints compared with 2022/23. There was a 15% decrease in compliments received compared to the previous year. Of the 3,051 complaints received in 2023/24, 225 were rejected, withdrawn or not pursued; and the remaining 2,826 were processed as official complaints.
- 8 Of the 2,826 processed complaints, 164 were Stage 2 complaints. There were 2 Stage 3 complaints in 2023/24.
- 9 The Council has a two-stage complaints procedure. Most complaints are resolved at Stage 1 where a complaint is investigated and responded to by a manager from the service being complained about. The council's Customer Charter sets a standard of 10 or 20 days to respond to a complaint (depending on the stage and whether statutory or non-statutory). The customer will generally receive a written response within 10 workings days, unless the matter has been resolved and the customer has been contacted directly by the service via telephone or email.
- 10 If the customer remains unhappy following the Stage 1 response and outcome, they can request that the complaint is considered at Stage 2. At this stage a review of the complaint is carried out by a manager who has not previously been involved with the complaint. It should be noted that the statutory complaints process for Children's Social Care has the option to go to Stage 3 if required.
- 11 Customer feedback is very important in the future development of services and this report provides data and activities related to feedback in the period 1st April 2023 to 31st March 2024, focusing on those services which received a comparatively high volume of complaints (compared with other services in the same committee); or where complaint volumes have significantly increased for a service. The Customer Services Team has continued to increase engagement with service leads throughout this period in line with the strategy. This has led to process changes, increased awareness, and insight as well as additional training.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

- 1 Note the Committee complaints and compliments data, and the briefing material in this report relating to 2023/24.
- 2 Note the issues raised and improvements made in respect to the management of complaints across the Council contained within the briefing material in this report.
- 3 Note the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman.

Background

- 12 The Council has a Corporate Complaints Policy covering all complaints about Council services other than Adults & Health and Children's Social Care complaints, which each have a separate statutory complaints process.
- 13 The policy provides for members of the public to contact the Council in several different ways. Most complaints are received either by email, via the Customer Contact Centre or are self-logged via the Council's website. Appendix 9 shows the volume of telephone contact with the Council for each committee, as well as the specific contact count for customer feedback.
- 14 The Local Government Act 1974 established the Local Government and Social Care Ombudsman. It empowers the Ombudsman to investigate complaints against councils and adult social care providers and to provide advice and guidance on good administrative practice. Once a complainant has exhausted the Council's complaints procedure, their next recourse, should they remain dissatisfied with the Council's response, is to contact the Ombudsman.
- 15 The Ombudsman will assess the merits of each case escalated to them and seek clarification from the Council as necessary before making the decision to investigate a complaint. Once the Ombudsman decides to investigate, they will try to ascertain if maladministration/Fault has occurred and whether there has been any resulting injustice to the complainant because of the maladministration/Fault.
- 16 In instances where maladministration/Fault with Injustice is found, the Ombudsman will usually make non-legally binding recommendations which they consider to be appropriate and reasonable. Although not legally binding, refusal to accept the Ombudsman's recommendation(s)

will trigger a Public Report. A Public Report is a detailed account of the complaint, outlining the failures by the Council in the investigation.

- 17 All complaints are a useful indicator of performance and provide the Council with an opportunity to review the quality of service provided and to make improvements. The Customer Relations Team within Customer Services reports the volume, outcome and time taken to resolve complaints to each Directorate on a quarterly basis. The volume of compliments, overall customer contact and, where appropriate, areas of concern and potential for service improvements are also reported.
- 18 During January 2024, we launched a complaints customer satisfaction survey, to gauge how customers who had made a complaint felt about the response they had received. The results from Quarter 4 (mid-January to end of March) are in Appendix 10. However, we do not yet have adequate meaningful data to start making improvements and changes to both the complaints service and the back-office departments – this will be done in the coming quarters.
- 19 Colleagues from several services have attended the in-house Customer Experience Training for Managers; and the feedback from the trainees via the training evaluation survey has been very positive.
- 20 At the start of Quarter 2, the Complaints Team introduced a ‘themes tracker’ to assist in understanding the root of complaints. This is referenced in the Briefing section below.
- 21 Data provided within this report relates to the ‘static’ SLAs – which are set out by the Charter. Two services (SEND and Development Management) currently have temporary Stage 1 complaint SLAs of 20 working days rather than 10 working days; and on occasion, services may agree a different SLA with the complainant / correspondent. Appendix 5 gives details of the static SLA data; Appendix 6 gives the ‘non-static’ SLA data – SLAs which have been agreed between the complainant and the responder which may fall outside the Charter’s SLAs.
- 22 The Adult Social Care Complaints policy has been reviewed; and one of the main changes is that the Stage 2 option has been removed. Relatively few adult social care complaints were escalated to Stage 2, with the majority being resolved at Stage 1. Instead, further work at Stage 1 – including the offer of a meeting and a further written response – will be completed where deemed necessary to provide further clarification to the complainant. They will then be referred to the Local Government & Social Care Ombudsman if they remain dissatisfied. In anticipation of the new policy being implemented, as of October the 1st

2023, we ceased escalating any complaints to a formal Stage 2 review. The new policy was published on the 8th of March 2024.

- 23 The LGSCO published the results of their consultation on their Complaints Handling Code on the 8th of February 2024. The Ombudsman believes that a single code that applies to all councils in England will make it easier for customers to know what to expect in terms of how their complaint is going to be dealt with; and that it will improve complaints handling and standards, resulting in better services. The published code is advisory only, though in 2025/26 they intend to start applying the code to their casework. The Corporate Complaints Policy is currently being revised; and the LGSCO code will be used as a foundation.
- 24 The council's Special Contact Measures Policy requires that the Audit & Governance Committee are updated annually regarding the number of special contact arrangements that have been put into place during the year. In 2023/24, 8 individuals were placed into step 1 of the policy and 2 individuals were placed into step 2.

Briefing

Adults and Health

- 25 Adults and Health received 146 complaints in 2023/24, 5% of the total received by the council. Of these, 30 complaints were rejected, withdrawn, or not pursued; the remaining 116 were processed as official complaints.
- 26 2023/24 saw a 14% decrease in received complaints compared with 2022/23 (170). There were 3 Stage 2 complaints processed in 2023/24, compared with 16 in 2022/23 (a reduction of 81%).
- 27 64% of processed complaints were answered within the static SLAs, compared with 59% in 2022/23.
- 28 Eight service areas within Adults and Health responded to complaints between April 2023 and March 2024.
- 29 Social Care Business Support & Finance received 31 complaints - 21% of Adults and Health complaints, a decrease of 64% compared with 2022/23 (85). 80% of processed complaints were responded to within the 10-working day SLA. 53% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
3%	13%	71%	0%	13%	0%	0%

- 30 There are 9 themes in the themes tracker for Social Care Business Support & Finance in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Up held	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Social Care Contributions	2	2	2	0	0	0	0
Disagree with Financial Assessment	0	0	5	0	0	0	0
Overpayments	0	2	1	0	0	0	0
Unprofessional Behaviour	1	1	1	0	0	0	0
Home Care Costs	0	2	0	0	0	0	0

- 31 The Adults service received 20 complaints (14% of Adults and Health complaints), the same number as 2022/23. 80% of processed complaints were responded to within the 10-working day SLA. 27% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
10%	30%	35%	10%	10%	5%	0%

- 32 There are 8 themes in the themes tracker for the Adults service in quarters 2 - 4 of 2023/24. The 5 key themes are:

Theme	Up held	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Care Home Costs	0	1	4	0	3	0	0
Complaint Against Individual Social Worker	0	0	2	0	0	0	0
Safeguarding	0	0	1	0	0	0	0
Care Assessment Incorrectly Carried Out	0	1	0	0	0	0	0
Disagree with Care Assessment	0	0	0	0	1	0	0

- 33 Adults Commissioning received 17 complaints (12% of Adults and Health complaints), a decrease of 11% compared to 2022/23 (19). 78% of processed complaints were responded to within the 10-working day SLA. 78% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
0%	76%	6%	0%	6%	12%	0%

- 34 There are 8 themes in the themes tracker for Adults Commissioning in quarters 2 - 4 of 2023/24. The 5 key themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Failures at Multiple Points in Care Process	0	1	1	0	1	0	0
Closure of Stanley Centre	0	0	0	0	2	0	0
Care Home Costs	0	1	0	0	1	0	0
Safeguarding	0	1	0	0	0	0	0
Quality of Care from 3rd Party Provider (Evolving Care)	0	1	0	0	0	0	0

- 35 Adults and Health received 364 compliments between April 2023 and March 2024, spread across 35 services. The Domiciliary Reablement North Team received the highest number (59); followed by the Domiciliary Reablement South Team (54) and the Dementia Reablement South Team (46).

Children and Families

- 36 Children and Families received 512 complaints in 2023/24, 17% of the total received by the council. Of these, 83 complaints were rejected, withdrawn, or not pursued; the remaining 429 were processed as official complaints.
- 37 2023/24 saw a 32% increase in received complaints compared with 2022/23 (388). There were 39 processed Stage 2 complaints in

2023/24, compared with 32 in 2022/23 (an increase of 22%). There were 2 processed Stage 3 complaints in both 2022/23 and 2023/24.

- 38 30% of processed complaints were answered within the static SLAs, compared with 25% in 2022/23. This percentage is impacted by SEN having a temporary 20-working day SLA at Stage 1. If this is considered, 68% of Children and Families complaints were answered within SLA.
- 39 Children's Social Care and SEND staff have continued to deal with increasing demand which impacts on caseloads, which combined with staff turnover and absence has affected the ability to respond to complaints in a timely manner. The Customer Relations Team have been proactive in trying to help teams respond to complaints.
- 40 Fourteen service areas within Children and Families responded to complaints in 2023/24.
- 41 The SEND Team accounts for 46% of all Children and Families processed complaints (233), an increase of 23% compared with 2022/23 (190). 8% of complaints were responded to within the static 10-working day SLA; though as previously noted this service has a temporary SLA of 20 working days and 85% of responses were made within this SLA. 87% of complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
16%	50%	2%	25%	1%	5%	1%

- 42 There are 17 themes in the themes tracker for the SEND Team in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Up held	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
School Placement	21	12	0	0	14	1	4
Required Support for EHCP Not Being Provided	7	12	6	0	5	2	1
EHCP Inappropriate	5	10	5	1	4	0	1
Annual Review Timescales Not Being Met	11	7	1	0	3	1	2
EHCP Not Created	9	8	1	0	1	0	1

- 43 The SEND Team commenced using the new complaints process at the start of Quarter 3. No SEND complaints received in the latter 2 quarters of 2023/24 have been escalated to Stage 2.
- 44 CIN/CP Crewe complaints account for 11% of all Children and Families received complaints (56), an increase of 30% compared with 2022/23 (43). 33% of processed complaints were responded to within the 10-working day SLA. 62% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
11%	30%	0%	5%	36%	13%	5%

- 45 There are 10 themes in the themes tracker for CIN/CP Crewe in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Up held	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Complaint Against Individual Social Worker	1	4	2	0	2	1	0
Safeguarding	3	0	1	0	1	0	0

Failures at Multiple Points in Care Process	0	1	1	0	0	1	1
Section 47 Investigation	0	1	1	0	0	0	0
Child Taken into Care	0	0	1	1	1	1	0

- 46 Education Travel accounts for 10% of all Children and Families received complaints (49), an increase of 444% compared with 2022/23 (9). 82% of processed complaints were responded to within the 10-working day SLA. 78% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
15%	68%	8%	0%	4%	5%	0%

- 47 There are 11 themes in the themes tracker for Education Travel in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Transport Provision	8	3	7	0	0	1	0
Change of Operator	4	3	0	0	1	0	1
Child Safety	6	1	0	0	0	0	0
Application Process	4	1	0	0	0	0	1
Transport Scheduling	3	0	1	0	0	0	0

- 48 We have created customer journey maps throughout the year, and these have been shared with the service for comment and to make suggestions as to where improvements can be made. Members of the Continuous Improvement Team have met with colleagues from Educational Travel; and suggestions around improving the customer experience during peak times have been put forward. The Customer Relations Team will meet with Educational Travel to discuss the coming year, and anticipated complaints around changes in education travel policy. The Customer Relations Team have also offered to go through

the complaints in the themes tracker for Quarters 2 – 4 of 2023/24 with Education Travel to identify policy complaints and discuss standard wording for responses to these.

- 49 Cared for Children and Care Leavers Service complaints account for 10% of all Children and Families received complaints (53), an increase of 51% compared with 2022/23 (35). 55% of processed complaints were responded to within the 10-working day SLA. 45% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
12%	42%	2%	12%	26%	4%	2%

- 50 There are 15 themes in the themes tracker for the Cared for Children and Care Leavers Service in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Complaint Against Individual Social Worker	3	0	7	0	1	0	1
Contact with a Child	6	0	1	0	1	0	0
Failures at Multiple Points in Care Process	2	2	2	1	1	0	0
Child Taken into Care	0	0	1	0	2	0	0
Leaving Care Status	1	0	2	0	0	0	0

- 51 Children and Families received 167 compliments in 2023/24, spread across 10 services. Family Services received the highest number (71); followed by the SEN Team (70) and Education (8).

Corporate Policy

- 52 Corporate Policy received 262 complaints in 2023/24. 9% of the total received by the council. Of these, 14 complaints were rejected, withdrawn, or not pursued; the remaining 248 were processed as official complaints.

- 53 2023/24 saw an 18% decrease in received complaints compared with 2022/23 (319). There were 12 Stage 2 processed complaints in both 2022/23 and 2023/24.
- 54 82% of processed complaints were answered within the static 10-working day SLA, compared with 77% in 2022/23.
- 55 Sixteen service areas within Corporate Policy responded to complaints in 2023/24.

The Council Tax Billing and Collections team account for 44% of all received complaints (120), a decrease of 34% compared with 2022/23 (181). 88% of complaints were responded to within the 10-working day SLA. 35% of complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
24%	49%	23%	2%	0%	2%	0%

- 56 There are 20 themes in the themes tracker for the Council Tax Billing and Collections team in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Bailiff Involvement	10	0	6	0	0	0	0
Receipt of Reminder Letter	3	0	6	0	0	0	0
Receipt of Summons Letter	0	0	8	0	0	0	0
Council Tax Rebates	2	0	5	0	0	0	0
Council Tax Arrears	2	0	4	0	0	0	0

- 57 Customer Service Centres (Macclesfield & Crewe) account for 13% of received complaints (33), a decrease of 35% compared with 2022/23 (51). 93% of complaints were responded to within the 10-working day

SLA. 77% of complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
12%	36%	0%	4%	48%	0%	0%

- 58 There are 9 themes in the themes tracker for Customer Service Centres (Macclesfield & Crewe) in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Advisor - Rude / Abrupt Manner	6	3	3	0	0	0	0
Telephone - Line Cutting Off	2	0	1	0	0	0	1
Inter-departmental Communication	1	1	0	1	0	0	0
Inaccurate Information Provided	1	0	0	0	0	0	1
Unprofessional Behaviour	0	0	2	0	0	0	0

- 59 Corporate Policy received 166 compliments in 2023/24, spread across 6 services. The Council Tax Billing and Collections team received the most compliments (98); followed by Customer Service Centres (36); and Business Rates Billing and Collection (29).

Economy and Growth

- 60 Economy and Growth received 68 complaints in 2023/24. 2% of the total received by the council. Of these, 7 complaints were rejected, withdrawn, or not pursued; the remaining 61 were processed as official complaints.
- 61 2023/24 saw a 19% increase in received complaints compared with 2022/23 (57). There were 3 Stage 2 complaints processed in 2023/24, compared with 6 in 2022/23, a decrease of 50%.

- 62 62% of processed complaints were answered within the static 10-working day SLA, compared with 53% in 2022/23.
- 63 Six service areas within Economy and Growth responded to complaints in 2023/24.
- 64 Strategic Housing accounted for 50% (34) of all Economy and Growth complaints received, a decrease of 6% compared with 2022/23 (36). 71% of processed complaints were responded to within the 10-working day SLA. 29% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
9%	65%	0%	0%	15%	0%	11%

- 65 There are 8 themes in the themes tracker for Strategic Housing in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Home Choice - Priority / Banding	0	1	7	0	0	0	0
Homelessness	2	0	3	0	0	0	0
Social Housing Eligibility	0	0	2	1	0	0	0
Home Adaptations	1	0	1	0	0	0	0
Disabled Facilities Grant	0	1	0	0	0	0	0

- 66 Assets & Property accounted for 34% (22) of all Economy and Growth complaints received, an increase of 29% compared with 2022/23 (17). 38% of processed complaints were responded to within the 10-working day SLA. 38% of complaints processed were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
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14%	59%	0%	18%	0%	9%	0%
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- 67 There are 9 themes in the themes tracker for Assets & Property in quarters 2 - 4 of 2023/24. The top 5 themes are:

Theme	Up held	Partly Upheld	Not upheld	Ong oing	Reje cted	Not Pursu ed	Withd rawn
No Response to Customer Contact	2	0	1	1	0	0	0
Maintenance of CEC Assets	2	0	1	1	0	0	0
Maintenance of Empty CEC Assets	1	0	0	1	0	0	0
Sale of CEC Assets	0	0	2	0	0	0	0
Boundary Responsibility	0	0	1	0	0	0	0

- 68 Economy and Growth received 2 compliments in 2023/24; Growth and Regeneration and Rural and Green Infrastructure received one each.

Environment and Communities

- 69 Environment and Communities received 1,678 complaints in 2023/24. 55% of the total received by the council. Of these, 53 complaints were rejected, withdrawn, or not pursued; the remaining 1,625 were processed as official complaints.
- 70 2023/24 saw a 36% increase in received complaints compared with 2022/23 (1,233). There were 95 Stage 2 complaints processed in 2023/24, compared with 60 in 2022/23, an increase of 58%.
- 71 70% of complaints were answered within the static 10-working day SLA, compared with 71% in 2022/23. This percentage is impacted by Development Management having a temporary 20-working day SLA. If this is considered, 79% of Environment and Communities complaints were answered within SLA.
- 72 Nineteen service areas within Environment and Communities responded to complaints in 2023/24.
- 73 Waste & Recycling accounted for 47% (790) of all Environment and Communities complaints received, an increase of 4% on the previous

year (758). 90% of processed complaints were responded to within the 10-working day SLA. 95% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
1%	34%	1%	61%	2%	1%	0%

- 74 There are 27 themes in the themes tracker for Waste & Recycling in quarters 2 - 4 of 2023/24. The top 3 are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Multiple Missed Bin Collections	447	21	15	0	3	2	3
Missed Bin Not Returned for in 5 Working Days	71	3	2	1	0	0	0
Multiple Missed Bin – Assisted Collection	42	0	1	0	0	0	0

- 75 Environmental Services (Waste Strategy) accounted for 33% (546) of all Environment and Communities complaints received. The service saw an increase of 1409% in 2023/24 compared with 2022/23 (35). 60% of processed complaints were responded to within the 10-working day SLA. 36% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
8%	45%	16%	7%	0%	24%	0%

- 76 There are 41 themes in the themes tracker for Environmental Services (Waste Strategy) in quarters 2 - 4 of 2023/24. The top 3 themes are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Damaged Bin Replacement Charge	100	2	106	0	1	4	1
Garden Bin Subscription Charge	4	5	133	0	0	5	0
Garden Waste Scheme	14	9	42	1	1	2	0

- 77 Development Management accounted for 11% of all received complaints for Environment and Communities (181), a decrease of 10% on 2022/23 (202). 29% of processed complaints were responded to within the static 10-working day SLA, though as previously noted this service has a temporary SLA of 20 working days and 91% of processed responses were made within this SLA. 56% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
31%	62%	1%	2%	3%	1%	0%

- 78 In the last quarter of 2022/23 and throughout 2023/24, Development Management have been working under the new complaints process. One of the key objectives being a reduction in Stage 2 complaints. 2023/24 saw a reduction of 24% for Stage 2 complaints, 38 compared with 50 in 2022/23. During this time, customer journey maps have been

created for the service; and these have been shared with the service for comment and to make suggestions as to where improvements can be made. Customer Services have also provided further training in using CRM, to ensure that colleagues in Development Management are aware of how the customer call back process works and that call backs are made within SLA.

- 79 There are 19 themes in the themes tracker for Development Management in quarters 2 - 4 of 2023/24. The top 3 are:

Theme	Up held	Partly Upheld	Not upheld	Ong oing	Reje cted	Not Pursu ed	Withd rawn
No Action - Planning Application	21	7	10	1	0	1	1
No Response to Customer Contact	17	12	6	0	0	2	0
Disagree with a Decision	1	14	11	0	2	0	0

- 80 Environment and Communities received 96 compliments in 2023/24, spread across 11 services. Waste and Recycling received the most compliments (44); followed by Grounds Maintenance (19); and Libraries (11).

Highways and Transport

- 81 Highways and Transport received 385 complaints in 2023/24. 13% of the total received by the council. Of these, 38 complaints were rejected, withdrawn, or not pursued; the remaining 347 were processed as official complaints.
- 82 2023/24 saw an 18% decrease in received complaints compared with 2022/23 (470). There were 17 Stage 2 complaints processed in 2023/24, compared with 30 in 2022/23, a decrease of 43%.
- 83 67% of complaints were answered within the static 10-working day SLA, compared with 71% in 2022/23.
- 84 Three service areas within Highways and Transport responded to complaints in 2023/24.
- 85 Highways accounted for 83% (320) of Highways and Transport complaints received, a decrease of 23% compared with 2022/23 (415). 79% of processed complaints were responded to within the 10-working

day SLA. 51% of processed complaints were upheld or partly upheld. The following primary causes were recorded:

Communication	Service Quality	Payments or Disputed Charges	Service Failure	Staff Conduct	Policy and Procedure	Legal and Regulatory
8%	82%	1%	3%	3%	3%	0%

86 There are 47 themes in the themes tracker for Highways in quarters 2 - 4 of 2023/24. The top 5 are:

Theme	Upheld	Partly Upheld	Not upheld	Ongoing	Rejected	Not Pursued	Withdrawn
Flooding	10	11	13	1	3	0	1
No Action - Reported Potholes	4	8	12	0	2	1	0
No Action - Street Lighting Issues	6	8	5	0	2	0	0
Gullies & Drain (Flooding)	5	6	7	0	1	0	0
No Action - Gullies and Drains	3	4	5	0	0	0	0

87 Highways and Transport received 26 compliments in 2023/24, spread across 3 services. Highways received the most compliments (23); and Parking Services (2) and Strategic Infrastructure (1).

Consultation and Engagement

- 88 Quarterly reports on complaints and compliments are provided to all directorates highlighting areas of concern and of good practice specific to their directorate. By recognising the key themes and primary causes of complaints, management teams are enabled to consider opportunities to drive improvements and to share best practice. This can form the basis of developing forward action plans to improve the service and its delivery. A key theme in complaints received across all directorates is communication with customers, and the work we are doing with customer service standards is important to making improvements.

Reasons for Recommendations

- 89 To ensure that the Committee is provided with assurances of service departments use of complaints to deliver service improvements in line with the Customer Experience Strategy.
- 90 To ensure that the Committee is kept informed of the Ombudsman's findings and to provide assurance that the Council is complying with the Corporate Complaints Policy and any recommendations made by the Ombudsman.

Option	Impact	Risk
Do nothing	Poor customer experience would not be addressed, lessons would not be learned and service improvements would not be made	Likely increase in complaints to Local Government Ombudsman with the potential for financial penalties and poor reputational impact

Implications and Comments

Monitoring Officer/Legal

- 91 Whilst there are no legal implications flowing directly from the content of this report, there are legal, reputational and resource implications in complaints that are taken through the corporate process and in addressing complaints which reach LGO and Public Report. Providing services with the data and trends is a means to influence and improve customer engagement.

Section 151 Officer/Finance

- 92 If Fault causing Injustice is found, the Council can be asked to pay compensation to a complainant, the level of which is determined on a case by-case basis. The cost of such compensation is paid for by the service at fault. In 12 cases where the Ombudsman found Fault with Injustice between April 2023 and March 2024, the Council was required to make compensation payments totalling £17,125. This represents a 339% increase on payments made between April 2022 and March 2023.
- 93 Two cases account for £13,275 of this compensation (£9,500 and £3,775). The remaining cases totalling £3,850.

Policy

- 94 Analysis of complaints enables services to identify and deliver improvements in service aligned with the Council's Customer Experience Strategy. If a high volume of complaints were received about a specific policy, a review of the relevant policy could be triggered and referred to the relevant service committee.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
1.Listen, learn and respond to our residents, promoting opportunities for a two-way conversation		

Equality, Diversity and Inclusion

- 95 When responding to complaints, the Council must ensure that people are treated fairly and that we comply with the Equality Act 2010, making reasonable adjustments where necessary. This may include providing responses in large font, using coloured paper, or communicating by specific means such as email only.

Human Resources

- 96 Whilst the primary purpose of this report is to inform Members of the outcome of complaints and to seek to secure improvements in performance, resource implications arise from the high numbers of complaints. These relate to the increased demand upon officers in researching the background to complaints and responding appropriately. Where complaints relate to specific staff members, for

example because of behaviour or attitude, these are escalated to the appropriate manager.

Risk Management

- 97 If recommendations made by the Ombudsman are not followed, this could trigger a public report, as detailed in paragraphs 14 to 16.

Rural Communities

- 98 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 99 Implications for Children and Young people are included in paragraphs 38 and 39 of this report – particularly relating to lack SEND provision or social care support.

Public Health

- 100 *There are no direct implications for public health.*

Climate Change

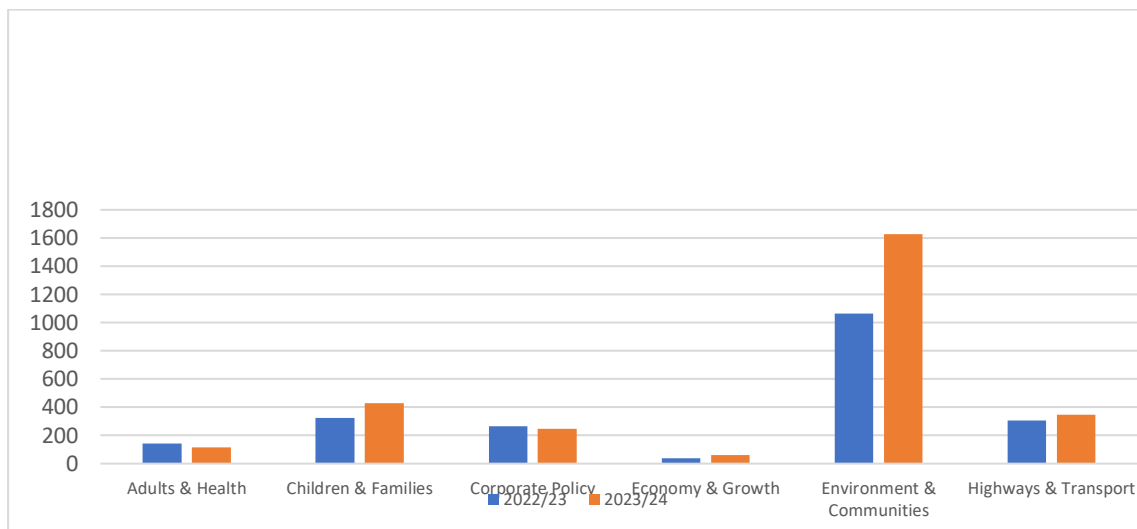
- 101 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Jane Farnworth, Acting Head of Customer Services Jane.farnworth@cheshireeast.gov.uk
Appendices:	<p>Appendix 1 - Comparison of total complaints by committee 2022/23 and 2023/24</p> <p>Appendix 2 - Comparison of complaint outcomes by committee 2022/23 and 2023/24</p> <p>Appendix 3 - Comparison of complaint outcome distribution by committee 2022/23 and 2023/24</p> <p>Appendix 4 - Processed complaint outcomes by committee, per complaint stage</p> <p>Appendix 5 - Complaint response timeframe performance 2023/24 by committee (static)</p> <p>Appendix 6 - Complaint response timeframe performance 2023/24 by committee (non-static)</p> <p>Appendix 7 - Compliments received 2023/24 by committee</p> <p>Appendix 8 - Examples of compliments received, by committee</p> <p>Appendix 9 - Contact volumes 2023/24 by committee</p> <p>Appendix 10 – Quarter 4 complaints survey report</p> <p>Appendix 11 - Outcome of complaints to the LGSCO by committee</p> <p>Appendix 12 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 10)</p> <p>Appendix 13 – Corporate Policy Committee Minute Extract</p> <p>Appendix 14 – Responses to questions raised at the Corporate Policy Committee</p> <p>Appendix 15 – Highways Customer Guide</p>

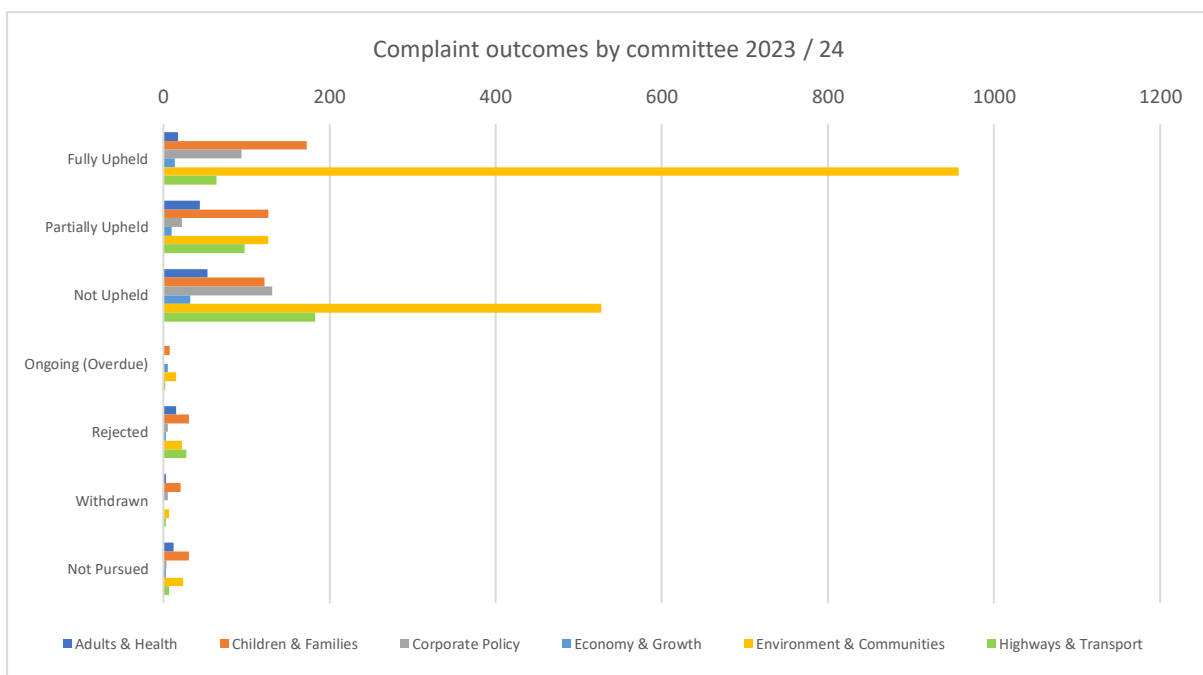
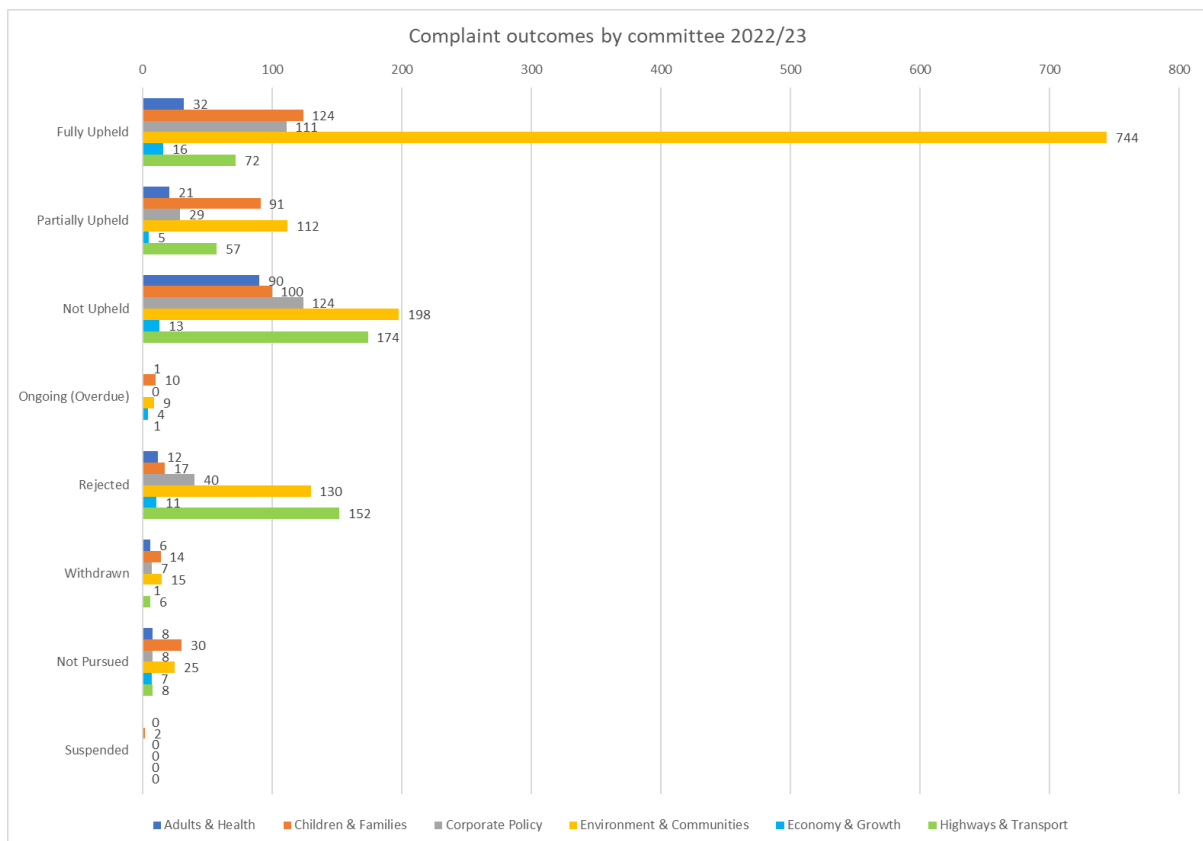
	<p>Appendix 16 – Reporting Highways matters – Members</p> <p>Appendix 17 – Reporting Highways matters – customers</p> <p>Appendix 18 – Highways Claims process</p>
Background Papers:	N/A

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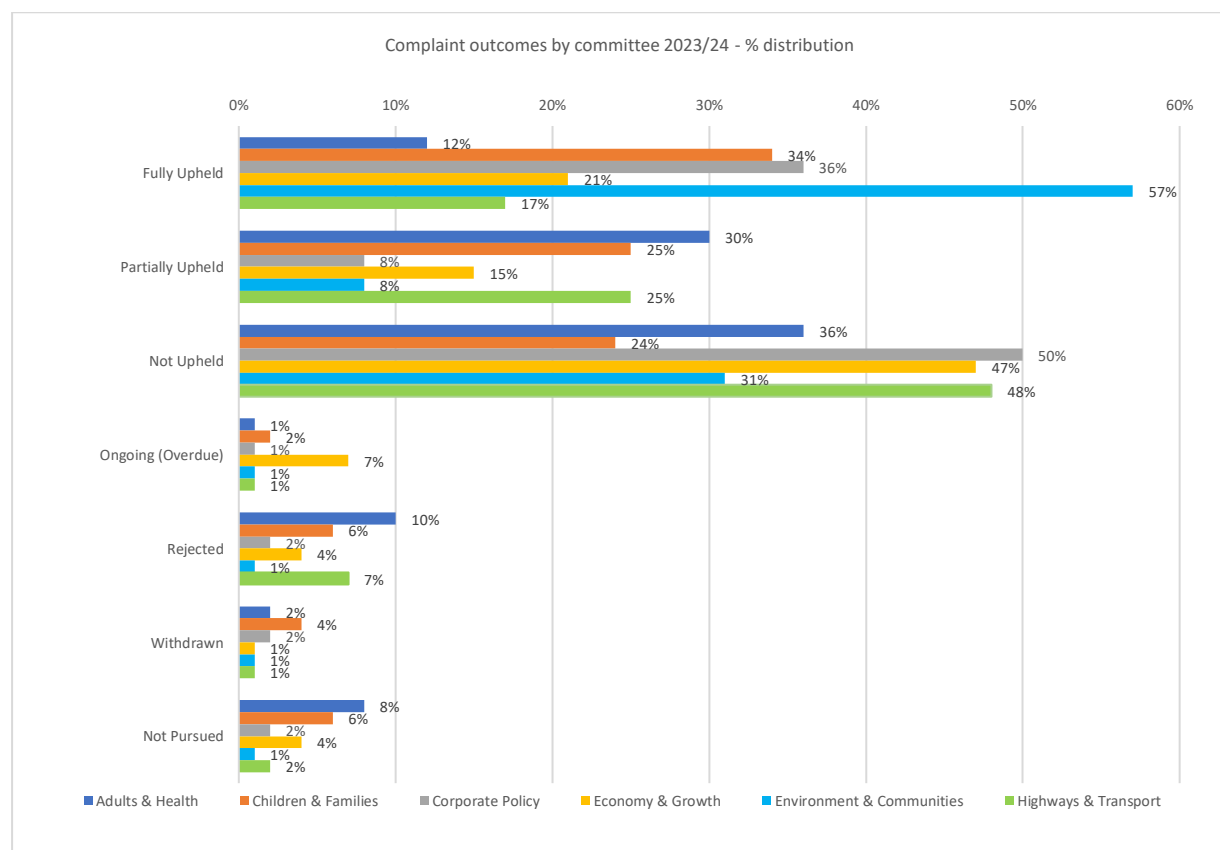
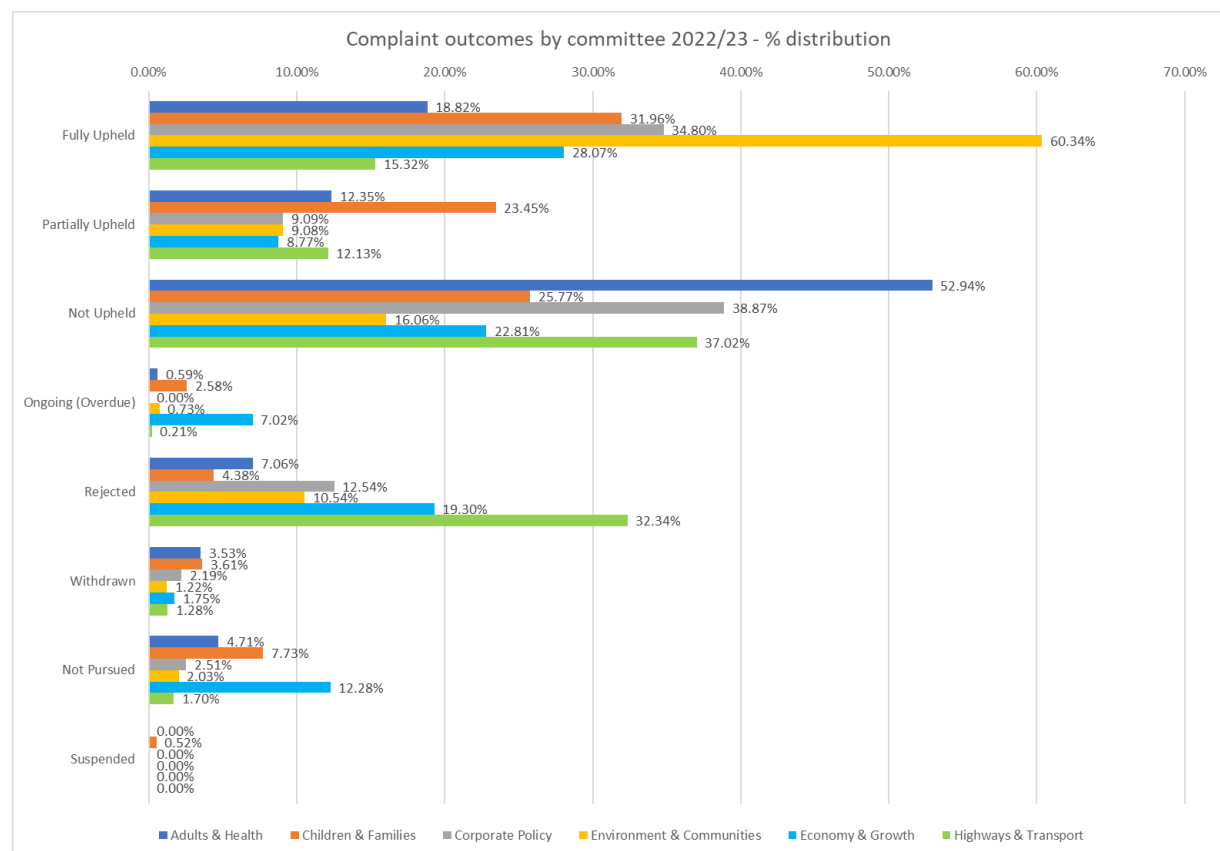
Appendix 1 - Comparison of total complaints by committee 2022/23 and 2023/24



Appendix 2 - Comparison of complaint outcomes by committee 2022/23 and 2023/24



Appendix 3 - Comparison of complaint outcome distribution by committee 2022/23 and 2023/24



Appendix 4 - Processed complaint outcomes by committee, per complaint stage**Stage 1**

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Adults & Health	17	44	51	1
Children & Families	161	106	110	4
Corporate Policy	90	20	125	1
Economy & Growth	13	9	31	5
Environment & Communities	935	112	471	12
Highways & Transport	61	98	183	2

Stage 2

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Adults & Health	1	0	2	0
Children & Families	8	16	7	3
Corporate Policy	4	2	6	0
Economy & Growth	1	1	1	0
Environment & Communities	22	14	56	3
Highways & Transport	2	5	9	0

Stage 3

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Children & Families	0	1	1	0

Appendix 5 - Complaint response timeframe performance 2023/24 by committee (static)

Committee	Processed Complaints	Ongoing (Overdue)	On Time	Overdue Response	% On Time
Adults & Health	116	1	74	41	64%
Children & Families	429	8	130	289	30%
Corporate Policy	248	1	204	43	82%
Economy & Growth	61	5	38	18	62%
Environment & Communities	1625	15	1144	466	70%
Highways & Transport	347	2	231	114	67%

Appendix 6 - Complaint response timeframe performance 2023/24 by committee (non-static)

Committee	Processed Complaints	Ongoing	On Time	Overdue	% On Time
Adults & Health	116	1	104	11	90%
Children & Families	429	8	293	128	68%
Corporate Policy	248	1	225	22	91%
Economy & Growth	61	5	40	16	66%
Environment & Communities	1625	15	1288	322	79%
Highways & Transport	347	2	272	73	78%

Appendix 7 - Compliments received 2023/24 by committee

Committee	Total Compliments
Adults & Health	364
Children & Families	167
Corporate Policy	169
Economy & Growth	2
Environment & Communities	96
Highways & Transport	26

Appendix 8 - Examples of compliments received, by committee

Adults & Health

- I just wanted to pass on to you my grateful thanks for your help as X's Social Worker...we were fortunate that we came into contact with yourself, and you restored our faith. After a while and getting to know X more you totally understood the difficulties we were facing, plus the fact that I wasn't coping, being the same age as hubby and with no family to assist. I can't thank you enough for your support, efficiency, and pleasant friendly manner, it helped us both a lot. Social Services are lucky to have you.
- All the carers who looked after myself were very professional and polite and respectful. They all treated my home with care and respect for my possessions. They were always on time and helped me with anything I needed including advice on how to solve some of the problems that occur with age and "wear and Tear". for all these things I would like to thank and compliment each and every one of them. Good fortune in the future.
- Your team have supported my stepmother (X) and her husband recently, during the first week of January 2024. I wanted to express my thanks for your help during this difficult time and
 - how pleasant all carers who visited were
 - the standard of care was spot-on. I saw this myself as my visit coincided with one of theirs.
 - ensuring my stepmothers dignity at all stages which is genuinely appreciated
 - high levels of health care, wearing of masks, gloves etc vital as my stepmothers immune system is compromised
 - being polite and caring but firm, encouraging her to walk when she didn't want to
 - noting her decline and calling emergency services both timely and paramount as she had developed Sepsis and could have declined rapidlyWe are extremely grateful. Please pass on my comments to your staff and with sincere thanks,
- Just a line to thank you for helping my dad and family and guiding us through processes which we were not aware of. Also, thank you for your pleasant and calm approach when dealing with dad who is 96 years young. On behalf of all the family Thanks again.

Children & Families

- Thank you so much for all your hard work!! I can't thank you enough for everything you have done for myself and X!! I'm crossing my fingers for a successful 12 months ahead. I will be sad not to have you as key worker as I feel you have been the first person to really listen, understand and work with us but I shall welcome the new key worker.
- I'd like to take this opportunity to thank you and your team for all your help over the last 6 months. We appreciate your desire to do what is right for X and to ensure it happens within the desired timeframe. All of this when you have resource pressures yourselves. Thank you so much for everything you have done.
- I would like to share that this contact referral for case escalation done by X was so detailed, clear, and easy to read. X had pulled it all together really well so when I reviewed it for Checs to progress it was clear straight away threshold has been met. Y SW who has the contact now also agreed how good it was which she has shared with Z.

- Massive thank you to X for all her support in my son's case at Malbank. X has made a huge difference, I'm full of praise.

Corporate Policy

- Firstly, I would like to thank you for taking the time to consider my email, also for getting back to me so efficiently I will make sure the direct debit is set up and make sure these payments are kept on top of in the future, again thank you for your help I really appreciate it.
- Amazing, thank you so much that is lifesaving! Your quick help is much appreciated!
- I spoke to X who was incredibly helpful and patient with my enquiry. He is an excellent asset to the council, and I hope he continues being as helpful as I found him.
- Thank you for your reply to my email so quickly, what you have suggested is brilliant. I really appreciate your help regarding my monthly council tax payments and a great weight has been lifted off my shoulders. Thank you again.

Economy & Growth / Environment & Communities / Highways & Transport

- I would like you to pass on our thanks to the men who empty our bins on X street in Congleton. They are regular, careful, never let us down, the drivers amazingly reverse up our little cul de sac without a problem, and all through the pandemic it was the same. So many people complain that I thought it was time they were thanked.
- I'd just like to say how lovely Macclesfield looks with all the flowers. I've lived here for 40 years, and I've seen such a change - it all looks more welcoming. I particularly like the wildflowers near Sainsbury's - breathtaking. I haven't seen a proper wildflower meadow since I was a child. And while I'm on the subject, full marks to whoever decided to mow down only a foot's width on the verges going out of town. It's forward thinking and a step in the right direction. Thank you.
- Hi folks...just wanted to say a huge thank you on how quickly you repaired the carriageway on a500 this week...I reported it by e mail last week....so impressed...many thanks
- We were visiting family this morning with my 3 children, 2 of which have special needs and are obsessed with trucks/vans vehicles. The silver bin collection truck had come round past around 8.10am (SK94DL). My children always loved watching it go past so they stood at the door and the two men who were on collection were so nice they took a minuet out of there very busy day to wave and talk to my children. And honestly, I can't thank them enough, my children were ecstatic they were so excited and have gone into to school to tell all their friends about it, I wanted to highlight how grateful I am to them both to take that time to make there day and they probably didn't realise how much it would affect them. But I wanted you to let you know how much of a credit they are to your company.
- Just wanted to say a huge thank you to your highways team for refreshing the white lines on Crewe Green roundabout it has made such a positive difference and i am sure will improve the safety for those using it on a daily basis like myself.
- Many thanks the Highways team who came out and cleared all the grids as described in the Highways team member's letter. I am delighted to read that this thorough deep clean of grids was

also carried out in Alderley Road and I will continue to monitor these too as I walk along. I would also like to thank the Highways team who did such a good job of clearing the debris left behind after the New Year flood from the pavements along Alderley Road and the lower end of Fulshaw Park South.

- I decided to visit Sandbach Library earlier today in the hope that I might be able to obtain some assistance with an IT task I was struggling with. I was hugely impressed by the very high standard of service offered there and the amount of help I was given. Special thanks to X and Y, who both individually helped me and were both superb.
- My mental health has been boosted by the warm and knowledgeable welcome I have received from library staff and other service users. There is a welcome to a venue for self-help, facilitated and aided by friendly people who seem genuinely interested in their customers and motivated to help them.

Appendix 9 - Contact volumes 2023/24 by committee

Committee	Total Telephony Contacts	Complaints & Compliments
Adults & Health	40,635	510
Children & Families	56,483	679
Corporate Policy	124,427	428
Economy & Growth	25,690	70
Environment & Communities	127,463	1774
Highways & Transport	25,665	411
Total	400,363	3872

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Complaints Satisfaction Survey

Quarter 4 data (Mid-January – March)

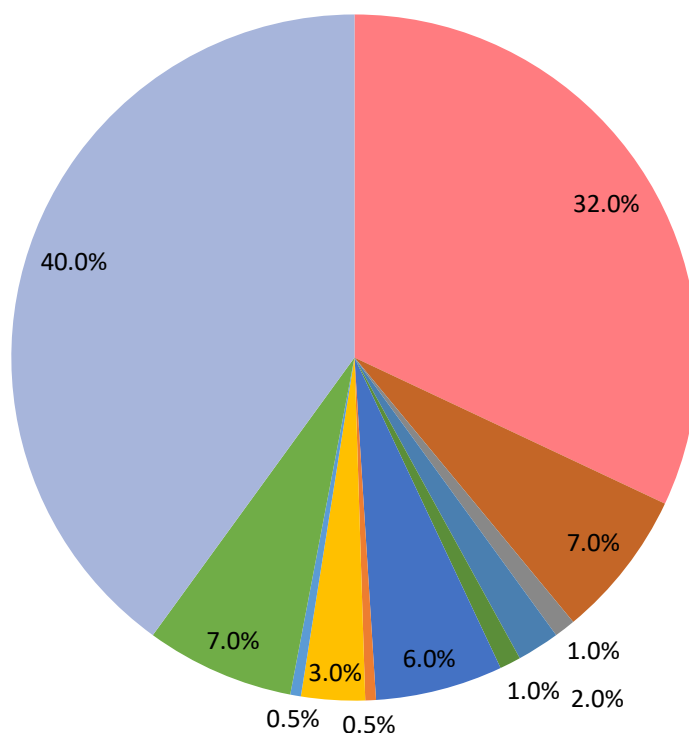
Survey Responses	
January	48
February	76
March	31
Total Q4:	155

Question: What was your most recent complaint to Cheshire East Council about? (Please select one option only)

The category selected the most was the 'Other (please specify)' at 40% (64 out of 155 responses). Of the 64 responses, 42% was regarding Waste Commissioning (18 regarding damaged bins/the replacement of damaged bins and 9 regarding the garden bin subscription service).

Missed bin collections was the second most selected category at 32% of responses.

Chart What was your most recent complaint to Cheshire East Council about?

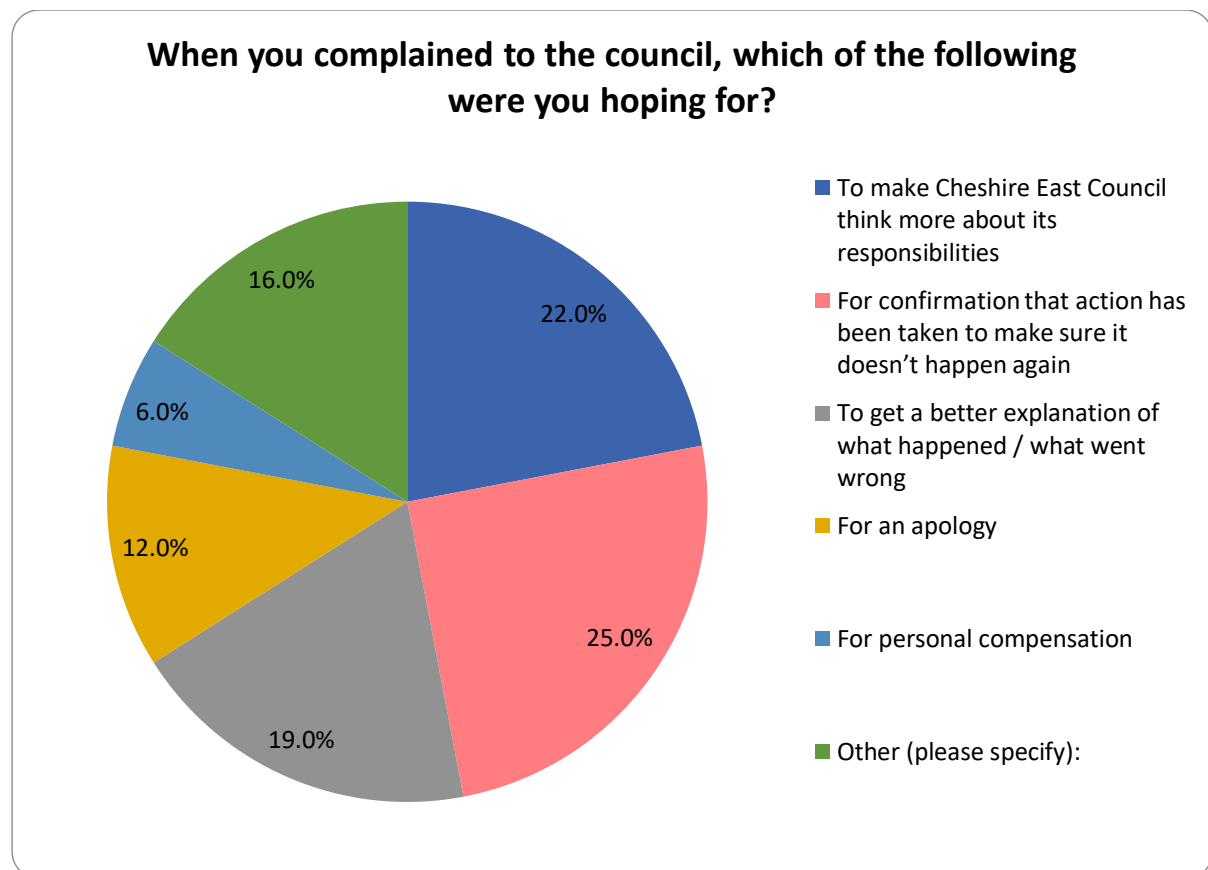


- Missed bin collection
- Maintenance of roads (e.g. potholes, resurfacing, damaged or missed signs)
- Flooding issue / concern
- Time taken to process a planning application
- Lack of planning enforcement
- Children's Social Care
- Special Educational Needs & Disabilities, SEND
- Adults Social Care
- Frequency of buses or a change in bus route
- An issue with council tax
- Parking dispute
- An issue with the service provided by customer services
- Other (please specify):

Question: *When you complained to the council, which of the following were you hoping for?*

In Quarter 4, we had a total of 155 responses. There were 311 responses to this question, as customer could select multiple answers therefore it is likely most customers picked 2 or more options when answering this question.

We had 50 customers select the 'Other' category. 30 of the 50 responses in the 'Other' category (60%) detailed something regarding Waste/Waste Commissioning.

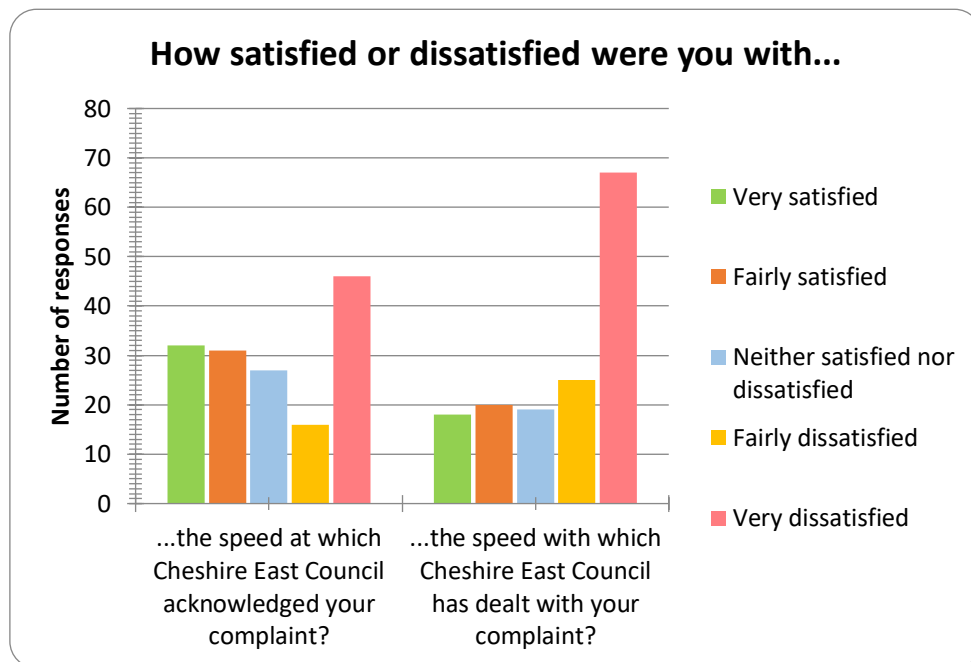


Question: *How satisfied or dissatisfied were you with...*

...the speed at which Cheshire East Council acknowledged your complaint?

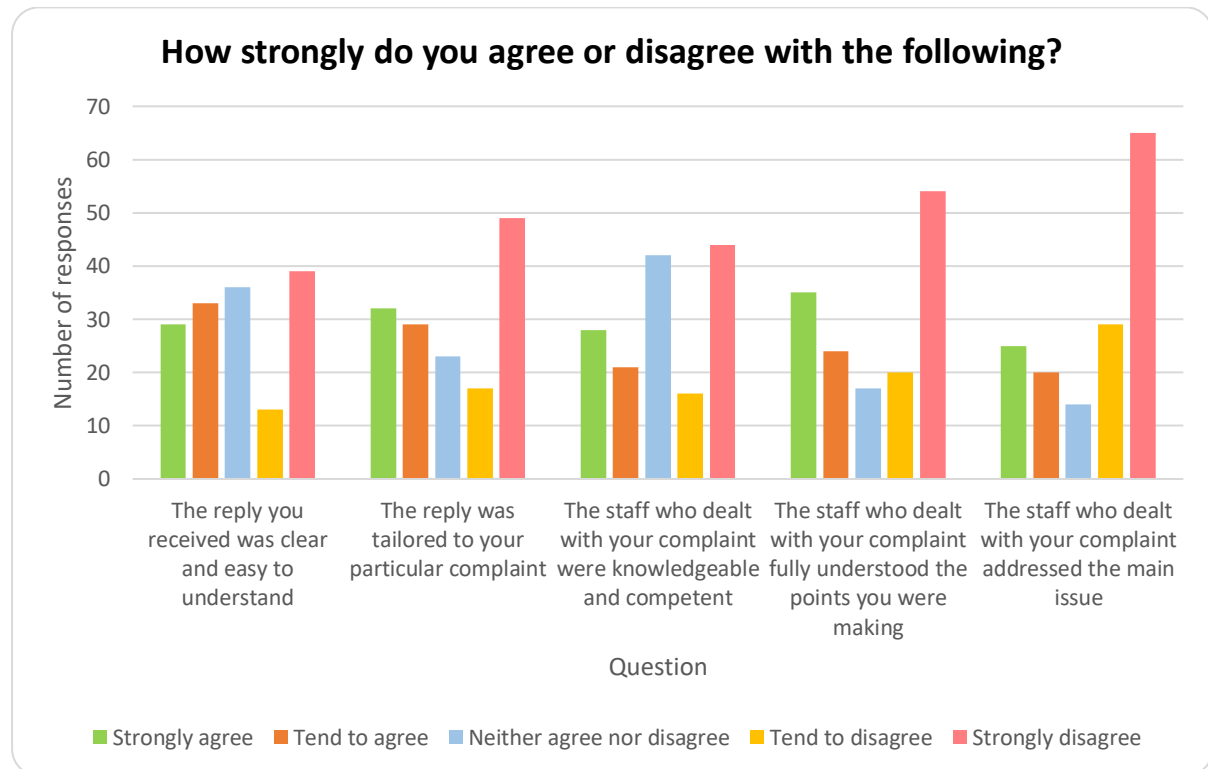
...the speed at which Cheshire East Council has dealt with your complaint?

Across both questions the answer selected the most was 'Very dissatisfied' with 38% of customers selecting this option.



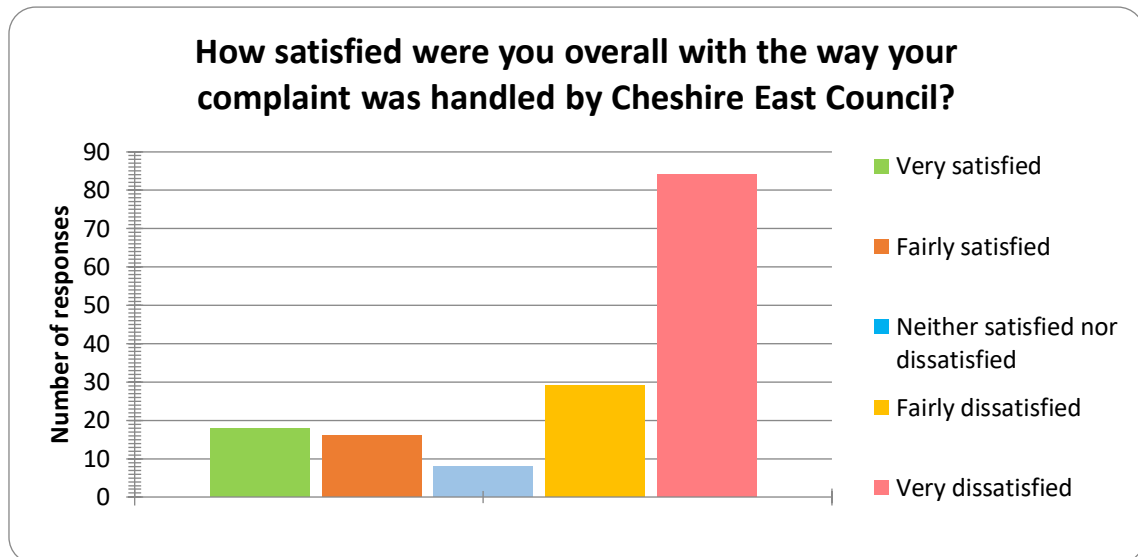
Question: *How strongly do you agree or disagree with the following? (5 questions to answer)*

For each of the 5 questions asked, 'Very dissatisfied' was selected the most in answer to the all questions, however as an average across all 5 questions 'Very satisfied' was the second most common answer.



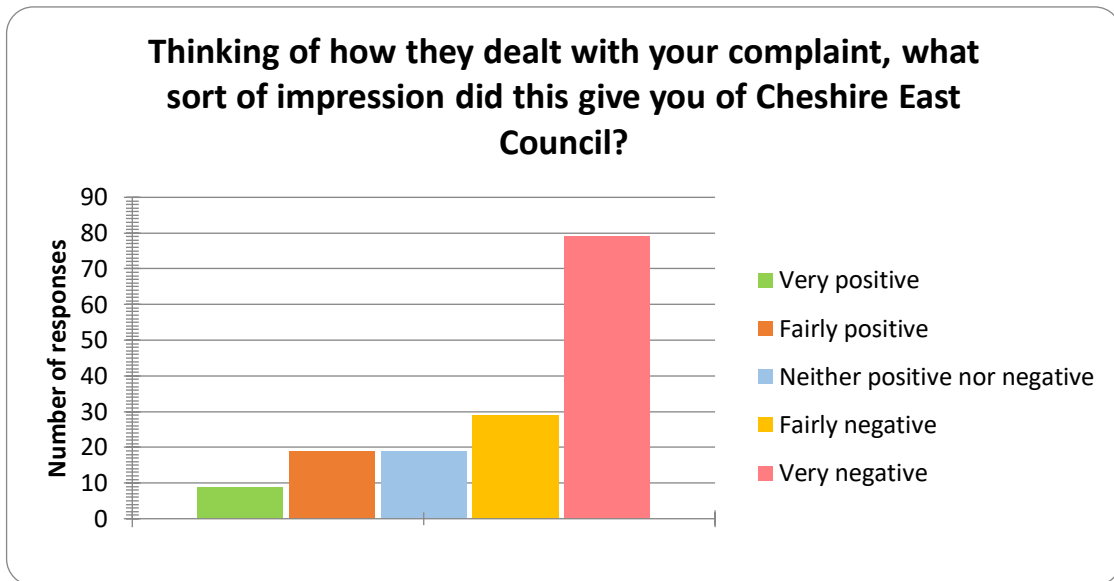
Question: *How satisfied were you overall with the way your complaint was handled by Cheshire East Council?*

‘Very dissatisfied’ was by far the most common answer to this question, with 54% of customers selecting this option. As a second part to this question customers were also asked ‘Why did you say that?’. 107 (out of 155) customers gave a reason for their selection, and the most common answer was that they felt that their complaint was still not resolved after going through the complaints process.



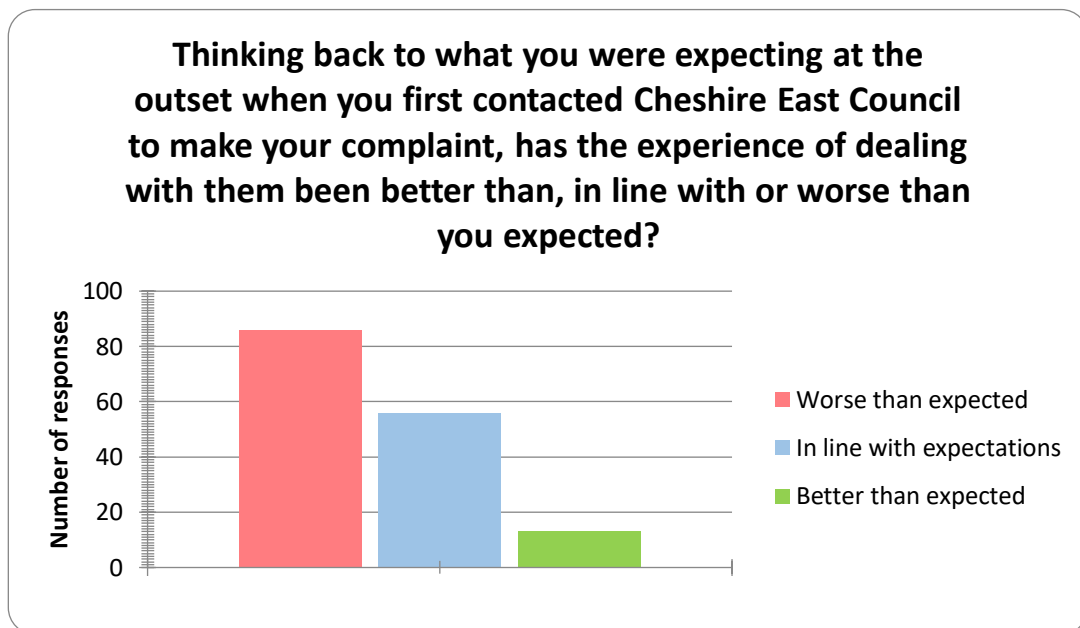
Question: *Thinking of how they dealt with your complaint, what sort of impression did this give you of Cheshire East Council?*

108 out 155 customers (70%) felt that the way their complaint was dealt with left them with either a fairly or very negative impression of Cheshire East Council. 18% of customers were left with a fairly or very positive impression and 12% neither positive nor negative impression.



Question: *Thinking back to what you were expecting at the outset when you first contacted Cheshire East Council to make your complaint, has the experience of dealing with them been better than, in line with or worse than you expected?*

56% of customer felt that their experience when making a complaint with Cheshire East Council was worse than they expected, 36% felt that their experience was in line with their expectations, and 9% felt that their experience was better than they expected.



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Appendix 11 - Outcome of complaints to the LGSCO by committee 1 April 2023 to 31 March 2024

Committee	Total number of final decisions	Outcomes of final decisions				Total compensation awarded
		Rejected	No fault	Fault but no Injustice	Fault with injustice	
Adults & Health	15	12	0	0	3	£2,400
Children & Families	28	18	2	2	6	£13,175
Corporate Policy	7	5	1	1	0	£0
Environment & Communities	28	24	3	0	1	£400
Economy & Growth	1	0	0	0	1	£150
Highways & Transport	11	8	0	1	2	£1,000
Totals	90	67	6	4	13	£17,125

Appendix 12 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 11)

Adults and Health Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Business Support and Finance	<p>The Ombudsman's final decision – 3 April 2023</p> <p>Summary: Mrs L complained about the way the Council handled her mother, Mrs X's direct payments. Mrs L said the Council was misleading and confusing in its communication and demanded payment Mrs X did not owe. The Council failed to provide clear and transparent financial information, incorrectly calculated Mrs X's account three times and delayed in pursuing the debt for 20 months. The Council will write off Mrs X's outstanding charges and pay Mrs X and Mrs L £200 each to recognise the frustration and uncertainty this caused.</p>	<p>Within one month the Council agreed to:</p> <ul style="list-style-type: none"> • write to Mrs X and Mrs L and apologise for the confusion, frustration and uncertainty caused to them and pay them £200 each to recognise the same; and • cancel the outstanding invoice against Mrs X's account. <p>Within three months the Council agreed to remind relevant staff:</p> <ul style="list-style-type: none"> • where discrepancies arise in audits to ensure the reasons for this are clearly explained to the person; and • of the importance of providing clear and transparent information to ensure people understand their responsibilities when accessing direct payments both at the point of arranging them and following any audit. 	<p>Apology letters issued on 5 April 2023</p> <p>Payments made on 28 April 2023</p> <p>Debt confirmed as written off 19 May 2023</p> <p>The minutes from an audit meeting have been shared with the team, and these discuss the corrective actions.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
<p>Learning Disability Team East</p>	<p>The Ombudsman's final decision – 14 April 2023</p> <p>Summary: Ms K complained the Council and its social worker failed its social care duties towards her daughter. We did not find enough evidence of fault in the processes the Council followed to reach its view. We cannot therefore criticise the merits of its decision. There was some fault in how it progressed and communicated a charity's grant. The Council agree to make payment to acknowledge the distress and uncertainty this caused Ms K.</p>	<p>To remedy the injustice the Council caused to Ms K, the Council should, within one month of the final decision:</p> <p>a) apologise in writing to Ms K and pay £100 to acknowledge the distress and uncertainty and time and trouble its failure to progress and follow up on the charity's grant and the confusion it caused her; and</p> <p>b) contact the Charity to agree how the approved grant payment can be used to purchase the epilepsy band for Miss X and inform Ms K if no agreement can be reached.</p>	<p>Apology letter issued 17 May 2023</p> <p>Payment made 17 May 2023</p> <p>Ms K was informed that the Council is unable to support accessing the epilepsy band via the charity.</p>
<p>Learning Disability Team East</p> <p>(Joint complaint with SEND)</p>	<p>The Ombudsman's final decision – 8 February 2024</p> <p>Summary: Mr X complained about how the Council looked for a new educational placement for his adult daughter, Ms Y. Mr X also complained about how the Council reviewed Ms Y's Education, Health</p>	<p>Within one month of the date of my final decision, the Council will take the following actions.</p> <p>a) Apologise to Mr X for the distress, uncertainty and frustration he experienced as a result of the faults identified in this decision. We publish guidance on remedies which sets out our expectations for how organisations should</p>	<p>Letter of apology issued 7 March 2024.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>and Care (EHC) Plan, about how it amended the EHC Plan and about its failure to secure the provision in Ms Y's EHC Plan. The Council was at fault. Mr X also complained about the supported living placement the Council identified for Ms Y. The Council was not at fault in how it decided the placement could meet Ms Y's needs but was at fault for moving Ms Y to the placement without a sufficiently lengthy transition or an up-to-date care and support plan. The faults caused Mr X and Ms Y significant injustice. To remedy that injustice, the Council should apologise to Mr X, pay him a total of £9500, issue Ms Y's amended EHC Plan and make improvements to its practice.</p>	<p>apologise effectively to remedy injustice. The Council should consider this guidance in making the apology I have recommended in my findings. b) Pay Mr X £400 in recognition of that distress, uncertainty and frustration. c) See under Children's Section. d) See under Children's Section. e) Pay Ms Y, care of Mr X, £1,500 in recognition of the significant impact on Ms Y's wellbeing of the short transition to supported living and the Council's failure to review her care and support plan before the move.</p>	<p>Payment of £1900 made on 7 March 2024 (as part of an overall payment of £9500 together with the related SEND case which equalled £7600)</p> <p>Please see the related SEND case.</p>

Children and Families Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
SEND	<p>The Ombudsman's final decision – 24 May 2023</p> <p>Summary: The Council gave flawed advice that a transition review to name a post-16 placement would be completed earlier than usual due to the complainant's anxiety. This raised expectations and caused disappointment and distress when the advice was reversed. The Council will apologise, pay £150 to acknowledge the distress caused, and make service improvements.</p>	<p>Within four weeks of the final decision: The Council will apologise to Ms X and her daughter again to acknowledge the period of raised expectations was from July to September and not just after the meeting in September.</p> <p>The Council will pay Ms X's daughter a symbolic payment of £150 to acknowledge the frustration, distress and disappointment caused by the flawed advice.</p> <p>The Council will share learning from this complaint with its SEN staff so that early reviews are only offered in appropriate circumstances and where there is a genuine intention to complete the review (which includes follow up actions) within a faster timeframe. While it may be appropriate to hold early meetings about transition to explore options, staff should be careful not to raise expectations that decisions about placement will be made outside the Council's usual timescale.</p>	<p>Apology letters issued 21 June 2023.</p> <p>Payment made on 12 June 2023.</p> <p>From email issued to SEND staff 21 June 2023: Reviews are only offered in appropriate circumstances and where there is a genuine intention to complete the review (which includes follow up actions) within a faster timeframe.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
			<p>While it may be appropriate to hold early meetings about</p> <p>transition to explore options, staff should be careful not to raise expectations that decisions about placement will be made outside the Council's usual timescale.</p>
SEND	<p>The Ombudsman's final decision – 24 July 2023</p> <p>Summary: Mrs X complained the Council delayed issuing her child, Child Y's amended Education, Health and Care (EHC) plan following an annual review in March 2022. The Council was at fault for the delay in issuing Child Y's EHC plan following the annual review. The</p>	<p>Within three months of the final decision the Council will provide us with evidence of how it has reviewed its procedures to reduce delays in issuing final EHC plans following annual reviews. It will provide us with an action plan of any actions it has taken or intends to take going forward.</p>	<p>Response sent to the Ombudsman on 24 October 2024:-</p> <p>Cheshire East Council have refreshed the Cheshire East Special Educational Needs and Disability</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>Council has already apologised to Mrs X for the delay, which was an appropriate remedy for the injustice caused. Child Y was not caused an injustice by the delay. The Council will provide evidence of how it will reduce similar delays to prevent a reoccurrence of the fault.</p>		<p>Partnership Strategy 2021-2025.</p> <p>Demonstrating the local authority's commitment to developing and making ongoing improvements to internal procedures to ensure compliance with statute and regulations associated with the annual review of EHC plans.</p> <p>The coproduction of the refreshed SEND strategy identifies the improvement of timeliness and transformation of annual reviews of</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
			EHC plans as a priority.
SEND	<p>The Ombudsman's final decision – 9 October 2023</p> <p>Summary: Mrs X complained about failures in the Council's handling of her request for a change of placement for her son, Y. The Council was at fault for a delay in finalising an annual review carried out in May 2022, failings in its handling of the change of placement request, and failures in sharing information with Mrs X. It will apologise, make a symbolic payment, and use the learning from this case to make improvements to its services.</p>	<p>Within one month of the date of the final decision, the Council will:</p> <ul style="list-style-type: none"> • apologise to Mrs X for the long delay in finalising the annual review in May 2022, the failings in its handling of the change of placement request, its delay in sharing information about its consultations with other schools, the failure of officer 1 to make a record of their visit to school 1 in May 2022, and the failure to share information that its panel would consider in December 2022; and • pay her £500 as symbolic payment to reflect the frustration, uncertainty, and avoidable time and trouble caused to her, and the additional uncertainty suffered by Y. <p>Within three months of the date of the final decision, the Council will:</p> <ul style="list-style-type: none"> • provide us with details of its review of its process for carrying out EHC plan reviews, including the steps it has taken and is taking to ensure that reviews are finalised within statutory timescales; 	<p>Letter of apology issued dated 19 October 2023.</p> <p>Payment of £500 made on 19 October 2023.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		<ul style="list-style-type: none"> • share this decision with its newly appointed SEND training manager to ensure that the learning from this case is shared with all relevant staff and included in the Council's rolling training programme, as appropriate. As a minimum this should ensure the Council either arranges a review or ensures by some other means that it has full and up-to-date information about a child's needs before considering a change or placement request or consulting with alternative educational settings. 	<p>Response sent to LGSCO 7 Dec 2023.</p> <p>Draft SEND Training Programme for 2024 shared with LGO 26 Jan 2024.</p>
SEND	<p>The Ombudsman's final decision – 13 October 2023</p> <p>Summary: Mrs Y complained the Council failed to deliver all Miss Z's special educational needs provision in her Education Health and Care Plan. We have found fault by the Council in failing to issue Miss Z's plan within the statutory timescale and the delay and failure in delivering parts of her special educational needs provision from</p>	<p>Within four weeks from the date of our final decision, the Council has agreed to:</p> <p>a) apologise to Mrs Y and to Miss Z for its failure to issue the EHC Plan on time and provide all of Miss Z's SEN provision from the start of the Autumn term 2022.</p> <p>b) <i>We publish guidance on remedies which sets out our expectations for how organisations should apologise effectively to remedy injustice. The organisation should consider this guidance in making the apology I have recommended in my findings;</i></p>	<p>Letter of apology issued dated 8 Nov 2023.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>September 2022 to July 2023. This fault has caused injustice. The Council has agreed to remedy this by apologising to Mrs Y and Miss Z, making payments to recognise the impact of the missed provision on Miss Z, and to reflect Mrs Y's distress, time and trouble and reporting to us on the position regarding the missing provision. It has also agreed to make a service improvement.</p>	<p>c) pay Mrs Y £350 to reflect the distress caused by the delay in issuing the plan, the failure to deliver all Miss Z's SEN provision, and her time and trouble bringing her complaint to us. <i>This is a symbolic amount based on the Ombudsman's published Guidance on Remedies;</i></p> <p>d) pay Miss Z £1,400 for each school term she did not receive PTSD therapy and SALT for the period from the start of the autumn term 2022 to 28 November 2022, and £1,000 for each school term she did not receive SALT from 28 November 2022 to the end of the summer term 2023. I have assessed this as a total of £3,425. This is to recognise the impact on Miss Z of the missed SEN provision; and</p> <p>e) report back to us on the position with regard to the delivery of Miss Z's SALT from September 2023. And what it will do to make up for the provision she has missed.</p> <p>Within three months from the date of our final decision, the Council has agreed to:</p> <ul style="list-style-type: none"> • Share learning from this decision with staff to ensure they are aware of the importance of issuing an EHC Plan within the required timescale following a SEND Tribunal order, and arranging 	<p>Payment of £350 made on 6 Dec 2023</p> <p>Payment of £3425 made on 30 Nov 2023</p> <p>Response regarding SALT provision sent to LGO on 14 Nov 2023</p> <p>Email sent to all SEND staff 4 Dec 2023</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		the provision to start from the date the plan is issued.	
SEND	<p>The Ombudsman's final decision – 7 November 2023</p> <p>Summary: Mrs X complained the Council failed to provide suitable alternative provision for her child W. She also complained the Council did not secure W's special educational provision and delayed in reviewing W's Education, Health and Care plan. The Council was at fault in how it considered whether it owed W the duty to provide alternative educational provision. It was also at fault for delay in reviewing W's Education, Health and Care plan and for poor complaint responses. This caused Mrs X frustration and distress and meant W missed out on educational provision. To remedy their injustice, the Council will pay Mrs X £850, apologise and carry out staff training.</p>	<p>Within one month of the date of the final decision, the Council will take the following action:-</p> <p>a) Apologise to Mrs X for the frustration she felt due to the delays carrying out W's annual review and its poor complaint responses and for the distress she felt due to the tuition panel's flawed consideration of W's referral.</p> <p>b) Pay Mrs X £250 in recognition of that frustration and distress.</p> <p>c) Pay Mrs X £600 to recognise the impact of the lost provision on W. This takes into account the provision W missed out on, their age and their ability to engage with that provision had it been put in place. <u>Total Payment = £850</u></p> <p>d) Remind staff in the medical needs tuition team that when considering a referral for tuition, the test they should apply is whether the child would receive a suitable education without the Council making arrangements.</p>	<p>Letter of apology issued 6 Dec 2023</p> <p>Payment of £850 made on 4 Dec 2023</p> <p>Evidence of action submitted to LGO 9 Jan 2024</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		<p>e) Provide the Ombudsman with evidence it has completed the training programme for staff on the new alternative provision school referral process.</p> <p>f) Remind staff that the recommendations they make for service improvements as part of complaint responses should be SMART (specific, measurable, achievable, realistic and time-limited).</p>	<p>Evidence of action submitted to LGO 9 Jan 2024</p> <p>Email issued to those staff on the rota for completing SEND Stage 2 complaint investigations 7 Dec 2023.</p>
<p>SEND</p> <p>(Joint complaint with Adults)</p>	<p>The Ombudsman's final decision – 8 February 2024</p> <p>Summary: Mr X complained about how the Council looked for a new educational placement for his adult daughter, Ms Y. Mr X also complained about how the Council reviewed Ms Y's Education, Health and Care (EHC) Plan, about how it amended the EHC Plan and about its failure to secure the provision in Ms Y's EHC Plan. The Council was at fault. Mr X also complained about the supported living placement</p>	<p>Within one month of the date of my final decision, the Council will take the following actions.</p> <p>a) Apologise to Mr X for the distress, uncertainty and frustration he experienced as a result of the faults identified in this decision. We publish guidance on remedies which sets out our expectations for how organisations should apologise effectively to remedy injustice. The Council should consider this guidance in making the apology I have recommended in my findings.</p> <p>b) Pay Mr X £400 in recognition of that distress, uncertainty and frustration.</p>	<p>Letter of apology issued 7 March 2024.</p> <p>Payment of £7,600 made on 7 March 2024 (as part of an overall payment of £9500 in conjunction with the Adults case</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>the Council identified for Ms Y. The Council was not at fault in how it decided the placement could meet Ms Y's needs but was at fault for moving Ms Y to the placement without a sufficiently lengthy transition or an up-to-date care and support plan. The faults caused Mr X and Ms Y significant injustice. To remedy that injustice, the Council should apologise to Mr X, pay him a total of £9500, issue Ms Y's amended EHC Plan and make improvements to its practice.</p>	<p>c) Pay Ms Y, care of Mr X, £7200 in recognition of Ms Y's lost educational provision. This equates to £2400 per term, in line with the Ombudsman's Guidance on Remedies. d) Issue Ms Y's final amended EHC Plan and make Mr X aware of his right to appeal the provision and placement named in that plan. e) See under Adults Section</p> <p>Within three months of the date of my final decision, the Council will also take the following actions.</p> <p>a) Remind staff they must issue a decision to amend, maintain or cease a child or young person's EHC Plan after an annual review meeting. b) Remind staff they must complete amendments to EHC Plans within the timescales set out in law, guidance and by caselaw. c) Review this case and identify what steps the Council should take to ensure its SEND and adult social care departments communicate effectively, particularly when a young person with an EHC Plan is moving to an adult social care setting.</p>	<p>which equalled £1900).</p> <p>Final EHCP issued on 10 January 2024. Copy sent to LGSCO with covering letters on 5 March 2024.</p> <p>ctions due by 8 May 2024.</p>
SEND	The Ombudsman's final decision – 28 February 2024	Within one month of the date of the final decision statement, the Council will:	

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>Summary: Mr X complained that the Council failed to implement provision from his son, Y's, Education, Health and Care Plan and did not follow its own corporate complaints procedure. We found the Council was at fault for not providing Y with suitable transition from primary school to his secondary school. We also found the Council was at fault in its complaint handling. The Council agreed to apologise, make a payment to Mr X and Y and review its process to improve its practice.</p>	<ul style="list-style-type: none"> • apologise to Mr X and Y for its failure to provide Y with the support he needed in transitioning to his secondary school and the distress and frustration this has caused them. The Council should refer to our guidance on making an effective apology; • pay Mr X £300 to remedy the distress, frustration, and unnecessary uncertainty he experienced; and • remind its staff, through appropriate training, of the Council's non-delegable duty to secure the Special Educational Needs provision set out in Section F of a child's Education, Health and Care Plan (EHC Plan). 	<p>Apology letter issued 27 March 2024.</p> <p>Payment of £300 made on 28 March 2024.</p> <p>Email reminder sent to SEND managers on 27 March 2024.</p>
SEND	<p>The Ombudsman's final decision – 13 March 2024</p> <p>Summary: Mrs X complained the Council failed to provide her child, Y, with suitable education and the content of their Education, Health and</p>	No actions.	No actions.

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>Care Plan. She also complained about the Council's communication. We ended the investigation about delivery of Y's Plan between September 2022 and January 2023 because it is unlikely we would find fault causing significant injustice. We also did not investigate a later period because Mrs X had a right of appeal to the SEND Tribunal. There was fault in the Council's communication, but the Council has already apologised, which is an appropriate remedy.</p>		

Corporate Policy Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Council Tax	<p>The Ombudsman's final decision – 12 September 2023</p> <p>Summary: Mr X complains the Council took recovery action on a historic Council Tax debt that he was not liable for. The Ombudsman finds fault with the Council for failing to contact Mr X before restarting recovery action. However, no injustice has been caused to Mr X as it would not have changed the action taken.</p>	<p>No corrective actions but advice provided by the Ombudsman in relation to historic Council Tax debt:-</p> <p><i>If the Council's query is for historic Council Tax debt in general, the Ombudsman has some guidance on what he expects Councils to consider before recommencing action. If no action has been taken for some time we always expect a council, before taking any recovery action, to contact the debtor first to remind them of the existence of the debt. We do not have a blanket rule on council's pursuit of historic debt. But councils need to consider if is fair and reasonable to enforce a</i></p>	

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		<p><i>specific liability order. Some factors to consider are –</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>If the debtor contested liability for the debt did the council tell them clearly at the time of their appeal rights?</i> <input type="checkbox"/> <i>If the debtor seems to have moved without telling the council what efforts, if any, did the council make at the time to trace their new address?</i> <input type="checkbox"/> <i>Does the council's delay mean the debtor will be unable to challenge liability now, as evidence may be no longer available?</i> <input type="checkbox"/> <i>If the debtor says they paid the debt has the passage of time meant the debtor's financial records are no longer available?</i> <input type="checkbox"/> <i>Has the council been actively pursuing the debt, so the debtor had ample opportunity to raise any queries?</i> <input type="checkbox"/> <i>Does any delay by the council justify giving a longer period to pay the debt than the council might normally consider?</i> <p><i>The debtor may not contest they owe the debt. So as long as the council has considered the above factors and come to a reasoned decision, we would not criticise them for taking recovery action.</i></p>	

Economy & Growth Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Assets and Property	<p>The Ombudsman's final decision – 6 February 2024</p> <p>Summary: Mr X complains the Council did not properly deal with his complaint about a defective Heat Pump in its market. We find the Council delayed providing its complaint response which caused Mr X uncertainty and frustration. The Council should apologise to Mr X, make a symbolic payment of £150 for his time and trouble resolving his complaint and undertake a period of monitoring and review if any further remedial works are necessary.</p>	<p>Within one month of my final decision date, the Council should:</p> <ul style="list-style-type: none"> • Write to Mr X and apologise for its delay in providing its complaints response and any avoidable uncertainty and frustration caused to him. • Make a symbolic payment of £150 to Mr X for his time and trouble in trying to resolve his complaint. • Check the Heat Pump and confirm it is working correctly and undertake any necessary remedial works if it is found to be defective. • Monitor the temperature in the Market for a period of six weeks to confirm it meets the HSE guidance. • Review if any further immediate action is required to improve the Market's temperature including the maintenance of the air curtains, 	<p>Apology letter issued 15 March 2024.</p> <p>Payment of £150 made 3 April 2024.</p> <p>We have been checking the Air Source Heat Pump to ensure it is working correctly and monitoring the temperature in the Market to confirm it meets the HSE guidance. The</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		installation of thermometers, temporary heating fans and its remote temperature management system.	Approved Code of Practice on the Workplace (Health, Safety and Welfare) Regulations suggests the minimum temperature for working indoors should normally be at least 16°C. A temperature log for a six-week period (Feb & Mar 2024) shows indoor temperatures achieving 16°C during occupancy hours.

Environment and Communities Committee

<u>Service</u>	<u>Summary and Ombudsman's Final Decision</u>	<u>Agreed Action</u>	<u>Action Taken</u>
Community Enforcement	<p>The Ombudsman's final decision – 28 April 2023</p> <p>Summary: Mr Q is making a complaint on behalf of his daughter (Miss G). He says the Council has failed to resolve issues relating to household bins being left for collection at a designated site which is close to Miss G's home. We found the Council was at fault for not taking agreed enforcement action for apparent breaches to the rules which were repeated and long lasting. The Council had agreed to control this problem when we investigated the issue in 2019. It failed to do so and bins and household waste has often been left outside Miss G's home for days unchallenged. This caused her an injustice because the fault adversely impacted on the use and enjoyment of her home. The Council has agreed to our recommendations for the Council to remedy the injustice suffered.</p>	<p>The Council will perform the following actions by 26 May 2023:</p> <p>a) Provide a written apology to Miss G and Mr Q which acknowledges the fault and injustice identified in this statement.</p> <p>b) Pay Miss G £400 to serve as an acknowledgement of the impact of the failings and the injustice caused to her.</p> <p>c) Clarify to Miss G and Mr Q how evidence of non-compliance with the bin rules should be submitted to the Council. It will also arrange to have a telephone call with either of them at the end of each month for the next three months to review and discuss any problems.</p> <p>The Council should also perform the following actions by 26 July 2023:</p> <p>d) The Council will arrange to monitor the situation with the bins in Miss G's area within the limited resources available to it. Patrols will be put in place by officers from the relevant Council department to monitor fly-tipping and we will use this resource as a way to monitor the situation, as well as to encourage Miss G and Mr Q to report instances of bins not being collected.</p>	<p>Apology letter issued 12 May 2023.</p> <p>Payment of £400 made.</p> <p>Miss Q has been advised that she can submit her own photos of any bins left out on her street direct to the Council.</p> <p>Miss Q had telephone conversations with a senior officer in May and June 2023.</p> <p>Monitoring completed during May, June and</p>

<u>Service</u>	<u>Summary and Ombudsman's Final Decision</u>	<u>Agreed Action</u>	<u>Action Taken</u>
			July 2023. The situation with the bins had improved following the period of monitoring.

Highways & Transport Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Highways	<p>The Ombudsman's final decision – 24 May 2023</p> <p>Summary: Mr X complains the Council entered his land without giving notice. We found the Council was at fault, but the apology it provided to Mr X in response to his complaint was an appropriate remedy to the complaint.</p>	<p>No specific actions as the fault had already been remedied via an apology:-</p> <p><i>As the visit on this occasion did not cause significant injustice, the Council accepted it needs to give notice to Mr X and the Council provided an apology to Mr X, I have now completed my investigation and closed my file. This is on the basis the Council is at fault, but a suitable remedy has already been provided.</i></p>	No actions.
Highways	<p>The Ombudsman's final decision – 24 August 2023</p>	The Council agreed to take the following action within 4 weeks of the final decision on this complaint:	Letter issued to Mr J on 12 September 2023.

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	<p>Summary: We found fault on Mr J's complaint about the Council failing to investigate reports of water ponding on the road outside his home following road works. It failed to explore this when he complained. The agreed action remedies the injustice caused.</p>	<p>a) Send Mr J a written apology for its failure to have clarified and explored the issue of potential ponding when he made a formal complaint.</p> <p>b) Remind complaint officers of the need to ensure new reports raised during the complaints procedure are referred promptly through to the appropriate department.</p>	<p>Reminder issued to Highways Formal Correspondence staff 12 September 2023.</p>
Highways	<p>The Ombudsman's final decision – 31 January 2024</p> <p>Summary: Mr Q complained about the Council's response to flooding events affecting his home. We found fault in the Council delaying in instructing an engineering consultancy to report into the cause of the flooding. Also, in some of its response to that report which found fault in how had scrutinised a flood risk assessment and in its later communications with Mr Q. We found this caused him injustice in avoidable distress and frustration. The Council has accepted these</p>	<p>The Council has accepted the Ombudsman's findings and agreed that within 20 working days of the final decision, it would take the following action to remedy Mr Q's injustice:</p> <p>a) it will make an apology to Mr Q taking account of guidance in section 3.2 of our published guidance on remedies Guidance on remedies - Local Government and Social Care Ombudsman. The apology will come from an appropriately senior officer and specifically recognise the Council was at fault for how it scrutinised the developer's FRA before approving the development at the crux of Mr Q's complaint. It should recognise the consequent effect of that and the distress of flooding events on Mr Q and his wife;</p>	<p>Letter of apology issued 27 February 2024.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	findings and agreed actions that we consider will remedy this injustice, set out at the end of this statement.	<p>b) it will make a symbolic payment to Mr Q of £1000. Of this £250 is to remedy the injustice identified in paragraph 67, £500 to remedy that identified in paragraph 73 and £250 to remedy that identified in paragraphs 84 and 87.</p> <p>The Council has also agreed a commitment to continue to update Mr Q on the progress of the implementation of its action plan at least once every eight weeks. As its last update was sent mid-January, the next update will be sent no later than six weeks from the date of this decision statement. The Council has committed to provide such updates in all circumstances. It will also put in writing its reasons should it come to the view the action plan has completed, or if it considers it can make no further progress in its implementation, at which point such updates will cease.</p>	<p>Payment made 26 February 2024.</p> <p>Update provided to Mr Q on 27 February 2024 and 13 March 2024.</p>

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APPENDIX 13

Corporate Policy Committee – June 2024 minute extract

ANNUAL COMPLAINTS AND COMPLIMENTS REPORT 2023-24

The committee received the report which provided a summary and analysis of complaints and compliments received by the Council during 1 April 2023 – 31 March 2024. Members queried the increase in complaints during 2023-24 and if this was linked to resource gaps across the authority and recent pulse survey results. It was confirmed that trends/themes of complaints were monitored and any complaints relating to time delays as a result of staffing gaps would inform discussions on resourcing and if this was sufficient. Members asked for the total costs to the council in dealing with complaints and an indication of the impact of complaints on individual committee budgets. Officers committed to providing a written response.

Members queried highways related complaints and noted that these were dealt with by Ringway Jacobs. It was confirmed that not all enquiries to the council were dealt with as formal complaints, and these were often routine 'Service Requests' or 'insurance complaints'. Officers committed to providing a written response which would include a process chart for highways related enquiries and how these were dealt with. Officers also agreed to provide a written response in relation to the process for dealing with damage to cars as a result of potholes and the cost implications arising from these claims/the budget this came from.

RESOLVED:

That the Corporate Policy Committee

1. Note the complaints and compliments data, and the briefing material provided for 2023-24.
2. Note the issues raised within the report and improvements made in respect to the management of complaints across the council.
3. Note the council's compliance with the Corporate Complaints Policy and recommendations of the Local Government Ombudsman.

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APPENDIX 14

Responses to questions raised by members of the Corporate Policy Committee – Annual Complaints and Compliments Report

Q. Members queried the costs of dealing with complaints.

R. “It is difficult to provide an accurate amount in terms of the amount spent on dealing with complaints due to the varying nature of how much input is required for each complaint depending on the complexity of what needs to be investigated.

For example, a SEND Stage 1 response will take longer to formulate than a Waste and Recycling Stage 1 response. For our purposes, we stated that a Stage 1 complaint can take anywhere between 30 minutes to 2 hours on average.

Customer services instead considered an average time taken to resolve complaints at each stage and the likely involvement of levels of staff that would be involved. This meant that the calculation (in officer time only and without any other overheads or rectification costs), it was determined that this costs on average a Stage 1 costing £40 and a Stage 2 costing £71.”

Q. Members queried highways related complaints and noted that these were dealt with by Ringway Jacobs.

It was confirmed that not all enquiries to the council were dealt with as formal complaints, and these were often routine ‘Service Requests’ or ‘insurance complaints’.

Officers committed to providing a written response which would include a process chart for highways related enquiries and how these were dealt with.

Officers also agreed to provide a written response in relation to the process for dealing with damage to cars as a result of potholes and the cost implications arising from these claims/the budget this came from.

R.

1. Ringway-Jacobs is the Council’s highways service provider. The service is branded as Cheshire East Highways (CEH).
2. Service requests are where customers ask for a service to be provided. Complaints are where a service hasn’t been provided or there is perceived to be a problem with service provision.
3. Complaints received by the service are administered by CEH in line with the Council’s Corporate Complaints, Compliments and Suggestions Policy and procedures.
4. Cheshire East Highways received nearly 40,000 service requests and 301 complaints during the last financial year.
5. The attached Highways Customer Guide provides details of how to contact the service (Appendix 15).

6. Two quick reference guides for the Highways service (one for members and one for customers) are also attached (Appendix 16 and 17).
7. Process for dealing with highways claims is set out in Appendix 18.

Highways Customer Guide - How to contact us and when.

How to report a request in the first instance

Highways adopts an asset management led approach and as such it is important for our customer contact to be in the right channel at the right time. This ensures that we can deal with your service requests as efficiently as possible.

We have an infographic document called 'Reporting Highway Matters – customers' which reiterates the different ways to contact us.

All service requests that we receive must be present on our engineering tool, Confirm.

Confirm allows our team to assess and manage your enquiry independently to establish whether any work is required. Should work be required we can assess your enquiry against similar works within the area or across Cheshire East to provide best value for money.

In addition, should we decide that work is not currently needed we may decide to monitor as part of our routine safety inspections or, to consider or include this location in our future programmes.

To ensure that your service request reaches Confirm we request that you either:

- Log your enquiry on our [reporting tool](#)
- Telephone the Customer Services Team on (0300) 123 5020

If you log your service request via our reporting tool then you will receive progress reports, which will keep you updated on our decision and what, if anything, we plan to do.

Although we do carry out regular inspections, if we aren't aware of the problem then we can't do anything about it!

Please note – logging a service request more than once does not increase its priority – Multiple enquiries result in us taking longer to respond!

What's next if you are dissatisfied with the outcome of your service request?

We aim to provide a high-quality service but acknowledge that things can go wrong.

The Council describes a complaint as:

'A complaint is an expression of dissatisfaction about the Council's action or lack of action or about the standard of a service. This also applies to an organisation or contractor acting on behalf of the Council'

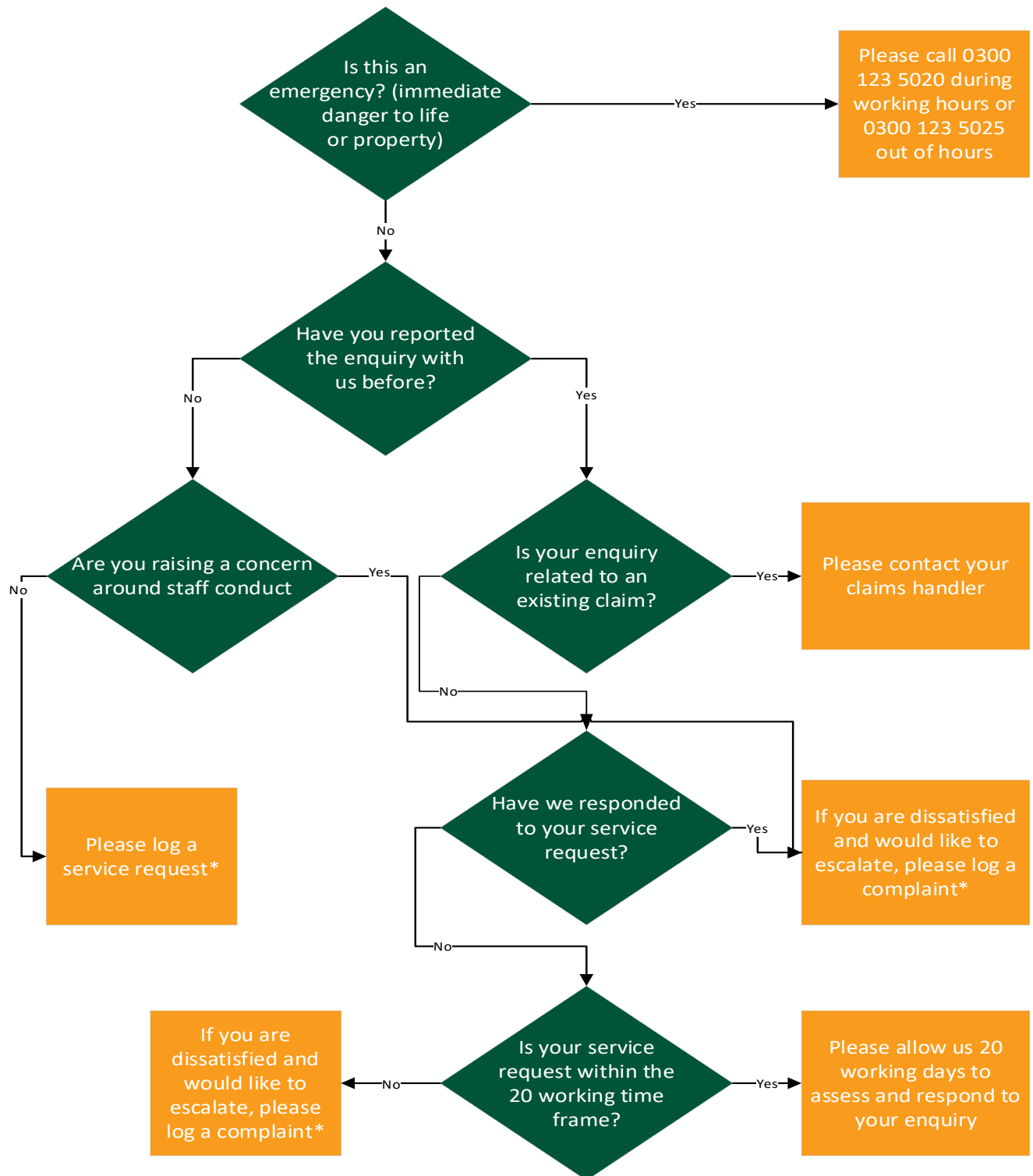
After you have submitted a service request you could consider escalating your enquiry to a complaint should you:

- Not be happy with the service that you have received
- Not feel we have done what we said we would do
- Not be provided with an update within timeframe
- Not be happy with our decision and you require more information to understand why we made that decision

In cases like the above, the service request can be escalated to a complaint. This can be done by:

- email us at letusknow@cheshireeast.gov.uk
- phone us 0300 123 5038

Visual guidance on our process



*Please refer to details on how to report on previous page

We are on hand to make sure our network is **safe, functional and available**.

Reporting through our **official channels** ensures that your reports are dealt with efficiently and allows us to **provide accurate and timely responses** on any action taken.

You should use the following:

Reporting an emergency



To report any issues that presents an **immediate danger**, call us on **0300 123 5020** during working hours, or out of working hours on **0300 123 5025**.



Ringing emergencies through makes us aware at the earliest opportunity and allows us to **act fast**




Existing highways infrastructure - FixMyStreet

To report a repair or replacement of existing items like streetlights, potholes, and damaged kerbs, submit a maintenance request using [FixMyStreet](#).

Contact Democratic Services to submit an MES request if you're not satisfied with the response or don't receive one.

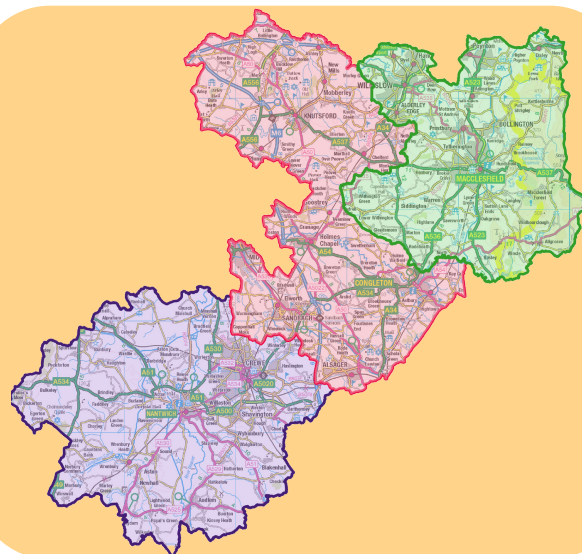
Members' Enquiry Service (MES)

The Members' Enquiry Service (MES)  provides confidential support and information to Cheshire East elected Members for complex enquiries that cannot be logged through FixMyStreet. To log enquiries, contact memberenquiries@cheshireeast.gov.uk



Member Funding

For anything relating to Member Funding queries, contact your Senior Highways Officer. If unsatisfied with the response or if there is no response, escalate the query through the MES process via Democratic Services.



Senior Highways Officers

(For Members information and use only)

- Andy Simpson - **North** - 07702 220106
- Ian Freestone - **Central** - 07549 208917
- Andrea Bickerton - **South** - 07794 088620

Webpages

Our designated highways **webpages** provide information on improvements in your area, key network information, service information and more:

 [Roadworks and travel disruption](#)

 [Gritting and snow clearance](#)

 [Road repair programme](#)

 [Road safety](#)

 [Road gullies and drains](#)

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Existing highways infrastructure - FixMyStreet

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For anything you cannot report through the reporting tool, you can email

CheshireEastCouncilCustomerServices@CheshireEast.gov.uk or, you can call the team on 0300 123 5020.

Complaints



If you are not happy with the response you have received or what has been done, you can raise this with us via our official channels:



Webpages

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 [Roadworks and travel disruption](#)

 [Gritting and snow clearance](#)

 [Road repair programme](#)

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Highway claims - explained

Background

Statutory duty

Cheshire East Borough council is the Highway Authority for all roads and footways that are maintainable at public expense within the Borough of Cheshire East, excluding those roads that are the responsibility of Highways England (essentially motorways). We discharge our maintenance duties through Cheshire East Highways (CEH) as our service provider.

This means that under Section 41 of the Highways Act 1980, the council has a statutory duty to maintain the fabric of the public highway. However, provided that the council takes reasonable steps to do this, it is in a position to defend claims under Section 58 of the Act.

The council's [policy](#) of regular inspections and the subsequent actions to repair are designed to meet that duty and demonstrate in court that the council takes a responsible attitude to its duties.

Courts consider the reasonableness of a council's approach to maintenance (i.e. response times to repairing defects) and determine if the council has complied with its own policies.

Third party claims

When the council receives a claim from a third party relating to damage or injury occurring on the highway, it will usually relate to an alleged breach of its statutory duty to maintain and inspect.

The council is indemnified against high value third party claims (above a specified level) through a commercial insurance provider.

Where the council believes it has complied with its Statutory Duty, it will liaise with its insurance provider and gather the necessary evidence requested by the insurer's solicitor.

Any awards against the council below the insurance policy excess are funded through the council's Insurance budget. The costs associated with gathering evidence are funded through Highways' budgets.

The council's repudiation rate for third party claims is typically in the mid-90% region, which is very high and among the best authorities in the country. However, this only demonstrates that the council is addressing its Statutory Duty. It does not mean our roads are in good condition.

The cost of claims

Where we do pay out on claims, most are "below deductible" (i.e. our 'excess'). This amount is typically relatively low. CEH indemnifies the council for the cost of claims where they have not provided services as required. This is assessed on a case-by-case basis.

The real cost in claims is defending them and remaining compliant. This is the cost of carrying out inspections and addressing defects we become aware of. There are also the costs of processing the claims and maintaining insurances that are there to protect us against high value claims.

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OPEN

Audit and Governance Committee

29 July 2024

Audit and Governance Committee - Progress Against CIPFA Review Actions

Report of: Director of Governance and Compliance (Monitoring Officer)

Report Reference No: AG/03/24-25

Ward(s) Affected: All

Purpose of Report

- 1 This report provides the Audit and Governance Committee with progress on the implementation of actions agreed after the CIPFA review of the Audit and Governance Committee. An effective Audit and Governance Committee supports the Council's aim in the Corporate Plan 2021-2025 of ensuring transparency in all aspects of council decision making.
- 2 In agreeing and implementing and monitoring the actions arising from CIPFA's review, the organisation recognises the value of the Audit and Governance Committee, and the need for it to strive for continuous improvement to remain effective and actively add value to the organisation's overall governance arrangements.

Executive Summary

- 3 This report follows on from the progress report provided to the Committee in December 20223, regarding the implementation of actions arising from the CIPFA review. The actions had been endorsed by the Audit and Governance Committee in June 2023, and updates are set out in detail in Appendix 1 to this report.
- 4 Progress against the actions remains positive; action has now been taken on all recommendations where possible to do so, with further

actions scheduled to take place regarding the Annual Report of the Committee (September 2024) and the Annual Monitoring Officer report (September 2024). Further reflection on the effectiveness of the Committee will be undertaken in preparation for the Annual Report of the Committee.

- 5 Arrangements for further briefing and training to the Committee are set out in Appendix 2 for the Committee to review, amend, and endorse.

RECOMMENDATIONS

The Audit and Committee is recommended to:

1. Note the progress made on the implementation of actions following the CIPFA review of the Audit and Governance Committee. (Appendix 1)
2. Endorse the areas of briefing and training set out in Appendix 2
3. Identify any further actions required to ensure that the Audit and Governance Committee operates as effectively as possible.

Background

- 6 In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA, the Audit and Governance Committee endorsed a review of the Committee to be undertaken by CIPFA, against their updated guidance “Audit committees: practical guidance for local authorities and police.”
- 7 The subsequent report was shared at a workshop in April 2023, held with the Members of the Audit and Governance Committee, and the officers who advise and support the Committee. In that workshop, a series of actions were developed in response to the report’s action plan.
- 8 The recommendations and actions were shared with the Committee in June 2023, and following endorsement of these at that meeting, Officers and Members have been working on implementing these. An update on these was provided to Committee in December 2023, and has been updated further for this report. (Appendix 1)
- 9 Of the 23 actions, work has either completed, or is in hand on all, apart from those which will be picked up in the preparation of the 23/24 Annual Report of the Committee.
- 10 The changes in approach engendered by the CIPFA Review, training and follow up work is demonstrated by the committee’s constructive

approach to a number of matters where further assurance has been sought over the past year, including the S106 internal audit report, assurance updates on the management of the Dedicated Schools Grant deficit and briefings on leadership capacity, recruitment and retention and organisational capacity. Members of the committee Chair and Vice are engaged in with other committees to ensure assurance and oversight, and are meeting regularly with the lead officers who support the Committee.

- 11 To support the ongoing development of the Committee, a skills assessment has been undertaken using the CIPFA guidance. Members of the Committee have assessed themselves against the “core knowledge” areas set out. Responses were received by 80% of the members, and there has been a change to membership since this was undertaken.
- 12 Member responses were generally positive about their understanding of the Committee’s role, their organisational knowledge, and for many of the core assurance areas covered by the Committee. A proposed programme of training and briefing is set out in Appendix 2. This has been set out against each of the “core knowledge” areas, and includes a suggest frequency of the sessions, who will deliver them, and the key focus of the sessions.
- 13 In terms of the practical arrangements, sessions will take place outside of the scheduled Committee meetings and will be provided either via Teams or face to face, depending on the subject matter. Sessions on Teams will be recorded where possible, and recordings and presentations will be made available to members via the Councillor Hub.
- 14 Subject to endorsement, a more detailed schedule of the sessions will be prepared and circulated to Committee members. Additional requests will be identified though discussion with Members.

Consultation and Engagement

- 15 Members of the 22/23 Committee participated in the CIPFA review. Members of the 23/24 Committee have been engaged with the implementation of the actions through reports to the Committee, and through the Terms of Reference working group.

Reasons for Recommendations

- 16 Adopting and implementing the actions discussed at the Member and Officer workshop demonstrates that Committee’s terms of reference reflect the current good practice model, shared in the CIPFA guidance. These, along with practical changes set out in the actions, seek to

improve the overall effectiveness of the Council's Audit and Governance Committee and demonstrate the Council's committee to strong governance.

Other Options Considered

- 17 The Committee could choose not to undertake the proposed training, which may undermine the overall objective of engaging with CIPFA and the action plan. Additional requirements for training and briefing will be identified through discussion with Members.

Implications and Comments

Monitoring Officer/Legal

- 18 The CIPFA position statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. The review of the Council's Audit and Governance Committee has been carried out against the position statement, and the detailed supporting guidance.

Section 151 Officer/Finance

- 19 There are no changes to the Council's medium term financial strategy arising from this report. Training and briefing to the Committee will be carried out in the most efficient way possible but will be provided from within existing resource unless specialist external support is required. This would be subject to spend review and procurement processes being followed.

Policy

- 20 The review of the Council's Audit and Governance Committee has been carried out against the position statement, and the detailed supporting guidance; any changes arising from the review will seek to ensure the Committee adopts and acts in accordance with best practice guidance. Ensuring the effective working of the Audit and Governance Committee supports the Council's "Open" aim in the Corporate Plan 2021-2025; ensuring there is transparency in all aspects of council decision making.

Equality, Diversity and Inclusion

- 21 There are no equality implications arising from this report.

Human Resources

- 22 There are no human resources implications arising from this report.

Risk Management

- 23 The adoption of the recommendations and actions arising from the review is intended to manage the risk of the Council's Audit and Governance Committee being ineffective. In receiving update reports on progress in the implementation of the actions, the Committee will be able to reflect on whether the actions are achieving the desired outcome.

Rural Communities

- 24 There are no rural communities' implications arising from this report.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 25 There are no Children and Young People/Cared for Children implications arising from this report.

Public Health

- 26 There are no public health implications arising from this report.

Climate Change

- 27 There are no climate change implications arising from this report.

Access to Information	
Contact Officer:	Josie Griffiths, josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix 1: Committee Action Plan with Progress Appendix 2: Proposed Training and Briefing for Audit and Governance Committee
Background Papers:	CIPFA Review of the Audit and Governance Committee – (Item 7, Report and Appendices, Audit and Governance Committee 8 June 2023) Progress Against CIPFA Review Actions Item 9, Audit and Governance Committee, 7 December 2023

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Recommendation 1: Update the Audit and Governance Committee’s terms of reference to set out its purpose, role and position within the governance arrangements at Cheshire East Council and its activities in relation to risk management. In particular, focus on its ability to make a difference and to support the Council to operate more effectively. Consider if the Committee’s name appropriately reflects its role. Consider if its size could be reduced.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
1	<p>The Committee Terms of Reference will be updated to address the issues identified in the comparison between the Committee’s current Terms of Reference and the July 2022 CIPFA guidance provided by CIPFA.</p> <p>A detailed report will be brought to a future meeting of the Audit and Governance Committee to consider and recommend new Terms of Reference to Council for adoption.</p>	<p>Responsibility: Head of Audit and Risk, Director of Governance and Compliance.</p> <p>Timescale: To be scheduled on Work Programme; first report to July 27th, 2023, meeting, Audit and Governance Committee, 18th October 2023 Council.</p>	<p>The Audit and Governance Committee received a report on July 27, 2023. The Committee endorsed the creation of a working group to review and update the Terms of Reference.</p> <p>The working group has met fortnightly to review the existing ToR, using the recommended actions from the CIPFA Review, and the CIPFA guidance, including the model code.</p> <p>Terms of Reference will be presented to the 8 December meeting for the Committee to recommend onto full Council.</p>	<p>Revised Terms of Reference were considered by the Audit and Governance Committee in December 2023 and recommended to Council for adoption.</p> <p>Council approved the revised Terms of Reference at it’s meeting on 27 February 2024.</p> <p>Reflection upon the Terms of Reference will be undertaken by the Committee, and reference to good practices and relevant information will be shared with Committee members.</p>
2	<p>Time to be scheduled for meeting preparation and post meeting debriefs. Key attendees for these would be the Chair, Vice Chair, relevant officers, and the democratic services officer. This would ensure any requests, issues or concerns from the Committee can be considered in further detail, and the appropriate form of presentation or report to meet requirements can be agreed upon and be prepared accordingly.</p>	<p>Responsibility: Head of Audit and Risk, Director of Governance and Compliance.</p> <p>Timescale: Arrangements to be discussed with Chair and Vice Chair, relevant officers before July 27th meeting.</p>	<p>Meetings are now diarised for the Committee Chair, Vice Chair and lead officers. These are scheduled to happen for post meeting de-briefs, interim meetings, and pre-meeting briefings.</p>	<p>Arrangements as per the October 2023 update continue to be in place.</p> <p>No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.</p>
3	<p>Meeting attendees should be in mixed seating rather than political groupings, to emphasise the apolitical nature of the Committee. Formal and informal party politics and political behaviours need to be avoided in the Committee.</p>	<p>Responsibility: Head of Audit and Risk, Director of Governance and Compliance.</p> <p>Timescale: Arrangements to be discussed with Chair and Vice Chair, relevant officers before July 27th meeting.</p>	<p>Seating at meetings is now mixed amongst political groups.</p> <p>Induction training for members, including substitutes emphasises the need for apolitical behaviours.</p>	<p>No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.</p>
4	<p>Progress appointment of the second co-opted independent person to the Committee. Progress appointment of the second co-opted independent person to the Committee.</p>	<p>Responsibility: Head of Audit and Risk with support from Democratic Services, and engagement from Audit and Committee Chair, Vice Chair and Members.</p> <p>Timescale: Arrangements to be discussed with Chair and Vice Chair, relevant officers before July 27th meeting.</p>	<p>The Committee agreed to progress the recruitment to the second co-opted person to the Committee at its meeting on 27 July 2023.</p> <p>Following a successful recruitment process, Mrs Jennifer Clark has been appointed as the second co-opted member at full Council on 18 October.</p>	<p>Full Council approved the appointment of Mr Ron Jones as the first co-opted person in April 2022 for a four year period and the Mrs Jennifer Clark as the second co-opted member in October 2023, again for a four year period.</p> <p>Subject to both co-opted members remaining in post, no further action is required until mid 2025 when consideration of recruitment would need to begin again.</p>

Recommendation 2: Once the Committee's terms of reference has been revised, look for ways to reduce the length of the agenda, including identifying items that could be dealt with outside the committee cycle and reporting only those matters where audit committee input is needed. The briefing sessions should be used to this effect. Keep the audit committee and standards roles separate.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
5	Agenda items should be clearly linked to the Committee's Terms of Reference. Each report to the Committee should be clear on why the report is being brought to the Committee, the decision or response needed by the Committee, and what assurances the report provides.	Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Director of Finance and Customer Services and report authors. Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	Report writers will be being encouraged to include clear links to the Committee's Terms of Reference. This will be checked through the report review and clearance processes.	No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.
6	The Work Programme and/or Terms of Reference should include an indication of how frequently each aspect of the Terms of Reference needs to be addressed; for example, the work programme needs to be reviewed at each meeting, whilst some reports are received annually only.	Responsibility: Head of Audit and Risk, Democratic Services Officer and report authors. Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting	Following the review and refresh of the Terms of Reference, a supplementary document for the Committee will be created, which will advise on these aspects. This will be an informal document for the Committee's benefit.	This action is ongoing and will be linked to the action in (1).
7	Retain public speaking on the agenda for each meeting but should follow the usual time allowances set out in Committee Procedure Rules.	Responsibility: Democratic Services, Chair and Vice Chair Timescale: Can be implemented once endorsed.	Public Speaking has been retained on the agenda. The usual timing allowances are recommended to be followed and have been followed since May 2024.	No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.
8	Agreement on taking reports for noting and managing agenda length will be discussed with the Chair and Vice Chair and senior officers supporting the discussion, with briefing sessions for the full Committee on the forthcoming meeting agenda items being introduced.	Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Director of Finance and Customer Services, Chair and Vice Chair. Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	Agenda items, agenda length and the appropriate format of report are discussed as part of the post meeting/preparation meetings between lead officers and the Chair and Vice Chair. All committee member briefings for each meeting have been introduced.	No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.
9	As contract non-adherences and waivers are reported to the Finance Sub-Committee, to avoid duplication, these should not be brought to the Audit and Governance Committee, unless there are specific concerns identified by Finance Sub Committee around trends and patterns which should be brought to Audit and Governance Committee.	Responsibility: Director of Finance and Customer Services Timescale: Can be implemented once endorsed.	The annual procurement report, which included the detail on contract non-adherences and waivers trends for the year was reported to the Audit and Governance Committee in July 2023. No concerns have been raised by the Finance Sub Committee for consideration by the Audit and Governance Committee since May 2023.	No further action recommended at this point but will be monitored as part of ongoing review of effectiveness.

10	When the Committee agenda requires consideration of Code of Conduct/standards items, the agenda should be arranged to provide a clear break between these items.	Responsibility: Director of Governance and Compliance, Democratic Services Officer Timescale: Can be implemented once endorsed, and as required.	No Code of Conduct items have been required to be considered by the Committee since May 2023. As and when this is necessary, the Committee agenda will be arranged to ensure there is a clear break between other agenda items, and Code of Conduct matters.	As indicated in the last update, no Code of Conduct matters of consideration have been required for the Committee – the suggested format of agenda items will be adopted when necessary.
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Recommendation 3

Develop person specifications for the chair of the audit committee and its members. Carry out a skills audit of the committee and develop a relevant training programme, both to support those who are new to the Committee and as a refresher for more experienced members. Training should support members to discuss and agree how the Committee is going to address a topic and should be undertaken both to share knowledge and to develop an appropriate culture for the Committee. We suggest that the training offered and the take up are included in the annual report of the Committee (see recommendation 9) and also in the AGS. Training should be mandatory for all committee members at the start of each electoral term and when joining or returning to the Committee mid-term

Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
11	A skills audit can be carried out early in the term of the new Committee, and this will inform the programme of training and informal briefings to develop the Committee's overall knowledge and understanding.	Responsibility: Head of Audit and Risk, Democratic Services Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	A skills audit will be carried out before the end of 2023, with the results being used to inform a programme of training. Committee members and substitutes have all received induction training. Members have been invited to sessions on the preparation of the statement of accounts and the work of internal audit.	Any new or substitute members have been provided with induction training as required. A pragmatic approach to this is taken depending on the previous experience and knowledge of the member in relation to the Committee. A skills assessment has been undertaken and the outcome and recommended training plan is included in this report.
12	Training offer and take up to be included in the annual report of the Committee, the Annual Governance Statement. Additionally, the wider Member Training offer and take up will be included in the annual Monitoring Officer report to the Committee.	Responsibility: Head of Audit and Risk, Director of Governance and Compliance. Timescale: Can be implemented once endorsed.	This content will be included in the Committee's Annual Report 2023/24.	Updates will be provided to the Committee in September 2024 via the Annual Report of the Committee and the Monitoring Officer's report.

Recommendation 4

Consider asking each party to nominate a committee substitute who will be trained in the same way as a permanent member of the committee. Only these trained substitutes should be allowed to cover for an absent member.

Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
13	This is currently happening informally, as substitutes are provided with induction training, and the same substitutes tend to be used. By asking groups for nominated substitutes, these substitutes would be invited to briefings and training sessions to ensure their level of knowledge is maintained. The Terms of Reference will retain reference to trained substitutes being able to cover absences.	Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Group Leaders and Administrators Timescale: Can be implemented once endorsed.	Since May 2023, any substitutes who have needed to attend the Committee received induction training, and briefing on the items on the agenda for the meeting they are covering. The Terms of Reference will include reference to trained substitutes being able to cover absences.	Whilst nominated substitutes have not been established, any substitute to the Committee receives induction training. The Terms of Reference have been updated to reflect this; <i>To ensure that the Committee remains focussed on its assurance role, all members of the Committee, and any designated substitute, must be appropriately trained.</i>

Recommendation 5: Consider requiring a delay before members who have previously held senior positions in the council are included on the Audit and Governance Committee. Consider also excluding members who are senior in political groups.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
14	The adoption of the delay in joining the Audit and Governance Committee, for members who have previously held senior positions in the Council, and members who have held senior roles in political groups to be included in the revision of the Committee's Terms of Reference.	1. Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Group Leaders and Administrators Timescale: See Recommendation 1	This is being included in the proposed Terms of Reference.	This is now referenced in the Terms of Reference <i>Members may not review decisions as part of the Audit and Governance Committee that they have made as a member of another committee.</i> <i>Members who hold senior positions in political groups should not be appointed to the Audit and Governance Committee.</i> <i>A delay of 12 months should be followed before Members who have previously held senior positions in the Council are appointed to the Audit and Governance Committee.</i>

Recommendation 6: Maintain a strategic approach to risk, focussing on the material matters around risk management arrangements. Taking deep dives into individual strategic risks may be helpful if acting as a risk committee, inviting risk owners to present their risks, to enable a more informed discussion and to increase risk accountability.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
15	Ensure the revisions to the Terms of Reference emphasise the role of the Committee in receiving assurance on the effectiveness of the risk management framework and risk management processes including “deep dives” on the strategic risk register items.	Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Timescale: See Recommendation 1	This is being reflected in the proposed Terms of Reference.	The updated Terms of Reference emphasises the assurance role of the Committee in receiving assurance on the effectiveness of arrangements in place, including, but not limited to the strategic risk register, as well as the wider assurance on the wider risk management framework. <i>The Committee receives reports and assurances from across the organisation. In doing so, the Committee will consider the effectiveness of the arrangements described, identifying further information needed and/or making recommendations for improvements and additional action required, which can include further reporting on matters to those charged with governance...</i> <i>... To consider the effectiveness of the system of risk management arrangements by receiving regular reports on the adequacy and effectiveness of the Council's risk management and reporting arrangements.</i>
16	Provide training to the Audit and Governance Committee on undertaking “deep dive” reviews.	Responsibility: Head of Audit and Risk Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	This will be included in the risk management section of the Committee's training programme.	Committee members received training on risk management in January 2024 which included roles and responsibilities of the Committee, other committees, and other individuals in relation to risk management. The Committee has received detailed briefings on individual strategic risks, has identified further areas for future briefings, and as part of the recommendations on the risk updates to the Committee will be invited to identify further areas.

Recommendation 7 The Audit and Governance Committee must formally review the full accounts, demonstrating their active engagement in this delegated responsibility. If the current arrangements continue, all questions dealt with outside meetings, other than purely technical ones, should be raised and answered in a formal meeting to ensure a transparent discussion. The report accompanying the accounts should set out members' role, requiring them to challenge, review and approve the accounts rather than noting them.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
17	A focused workshop on the statement of accounts and the Committee's role in relation to them will be scheduled, with the expectation that this will enable the Committee to engage positively and constructively in the Committee meetings.	Responsibility: Director of Finance and Customer Services, Head of Financial Services Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	A workshop was held on Friday 28 th July 2023 for Cheshire East Members. Further sessions will be arranged after discussion with Committee Members.	Further training on the Statement of Accounts will be set up as part of the recommended training plan. An introductory meeting with the Council's new external auditors, EY will also be scheduled.

Recommendation 8 Meet internal and external audit separately, formally and in private at least once a year and meet internal audit informally between meetings.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
18	Meetings with the Chair and Vice Chair of the Committee and the Council's External Auditors prior to each Committee meeting already take place. These could be developed to ensure that the full Committee meet with External Audit at these meetings, or ahead of the Committee a couple of times a year – useful timing of this would probably be to coincide with report on the external audit plan approach, and the completion of their work.	Responsibility: Director of Finance and Customer Services, Head of Financial Services Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	Meetings with the Chair and Vice Chair, and the Council's External Auditors are scheduled ahead of each Committee meeting. The External Auditors will be invited to meet with the full Committee ahead of the completion report.	Meetings between Mazars and the Chair and Vice Chair have been taking place. These will continue during the transitional period, and meetings between the Chair and Vice Chair and EY will be scheduled. Briefing for the full Committee will also be scheduled.
19	Meetings with internal audit could be included as part of wider briefing on progress against the annual internal audit plan.	Responsibility: Head of Audit and Risk Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27 th meeting.	The Head of Audit and Risk is in regular contact with the Chair and Vice Chair of the Committee. Members received a briefing on the work of internal audit on 30 October 2023, and further suggestions on briefing the Committee on the work of internal audit are being considered.	The Head of Audit and Risk is in regular contact with the Chair and Vice Chair of the Committee. Further briefing and training for the Committee

Recommendation 9 The Committee and officers should work together to rebuild trust and a mutually supportive relationship. In particular, members must respect the confidentiality of the information shared with them in the Committee.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
20	As per proposed action (8), all member briefings will be introduced to ensure members and officers have greater opportunity to discuss the agenda items in detail, and build knowledge and experience, which will support Members to ask constructively challenging questions in the public Committee meetings.	As per proposed action (8).	These have been introduced and are being held by Teams to facilitate the greatest possible attendance. Feedback from members on the briefings to date has been positive.	These now form part of the "business as usual" approach for the Committee and no formal further action is suggested at this point but will be monitored as part of ongoing review of effectiveness.

21	When appropriate, informal briefings will be used to cover confidential background information on reports. Members and officers would both need to respect the confidentiality of the information being shared and understand the reasons for the need for it to remain confidential. Respecting this will be key to building trust and support between the roles of members and officers	<p>Responsibility: Head of Audit and Risk, Director of Governance and Compliance, Director of Finance and Customer Services, Chair, Vice Chair, Group Leaders and Group Administrators.</p> <p>Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27th meeting.</p>	<p>Informal briefings have been used to support the S106 internal audit review and its receipt at the 28 September meeting.</p> <p>Officers and Members found this approach to be constructive and useful.</p> <p>This approach will be used as and when needed.</p>	As above, these now form part of the “business as usual” approach for the Committee and no formal further action is suggested at this point but will be monitored as part of ongoing review of effectiveness.
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Recommendation 10 Focus Committee discussions and activities towards the future, learning lessons, looking for improvements and supporting solutions that help the Council to operate effectively. Any working groups should be properly constituted.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
22	The revisions to the Terms of Reference (Proposed Action 1) need to make it clear that the Audit and Governance Committee is a Committee of the Council and serves to ensure that the Council is functioning as it should. A reminder could be given by the Chair at the start of the meeting to provide focus on what is required from the Committee.	As per proposed action (1).	<p>This action has been supported by constructive input from Members and reflected in the recommendations to the Committee in each report.</p> <p>Consideration on how any working groups should be constituted has been addressed on an individual basis and agreed by the Committee.</p>	<p>Member and officer input to the Audit and Governance Committee continues to be constructive and supportive of achieving an effective Audit and Governance Committee.</p> <p>Reflection on the Committee’s function and purpose will be formally captured as part of the Committee’s Annual Report to full Council.</p>

Recommendation 11 Produce an annual report to the Council from the Audit and Governance Committee Chair. Also consider producing a short briefing note from the Chair after each meeting, summarising the key points to be shared with all members.				
Ref	Proposed Actions	Responsible person and date	October 2023 Update	July 2024 Update
23	An annual report of the Committee to Council is produced, but the observations on how this could be improved in terms of the outcomes and impact of the Committee’s work will be included, along with any recommendations for what the Committee needs to include, or can stop doing, if appropriate. The content of the annual report will also be supported by the regular debrief meetings which will be introduced as per proposed action (2).	<p>Responsibility: Head of Audit and Risk, Democratic Services Officer, Chair, Vice Chair,</p> <p>Timescale: Arrangements to be discussed with Chair and Vice Chair and relevant officers before July 27th meeting.</p>	This production of the 2023/24 Annual Report of the Committee will reflect the impact of the actions of the review and how they have been implemented.	<p>The proposed Annual Report of the Committee will be considered by the Committee at it’s September 2024 meeting for recommendation to Council.</p> <p>The report will need to make clear observations on the impact of the Committee’s work to date and how the changes arising from the CIPFA review have impacted upon the effectiveness of the Committee.</p>

Proposed Training and Briefing Programme – Audit and Governance Committee

Where briefing or training sessions are proposed, these will take place outside of the scheduled Committee meetings and will be provided either via Teams or face to face, depending on subject matter. Sessions on Teams will be recorded where possible, and recordings and presentations will be made available to members via the Councillor Hub.

“Core Knowledge” refers to the Core Areas of Knowledge which are set out in CIPFA’s Knowledge and Skills Framework for Audit Committee Members.

Area	Core Knowledge	Proposed Training
Induction	An induction briefing for new members to the Audit and Governance Committee, including substitutes.	<p>As required, briefing provided by lead officers to the Committee.</p> <p>This will cover</p> <ul style="list-style-type: none"> • the role of the Committee • Terms of reference and the Committee work programme • Key sources of assurance • Lead officers <p>Briefing material will be made available via the Councillor Hub.</p>
Organisational Knowledge	<ul style="list-style-type: none"> • An overview of the governance structures of the authority and decision-making processes • Knowledge of the organisational objectives and major functions of the authority 	<p>Annual session for the Committee from the Monitoring Officer and Section 151 Officer.</p> <p>Information will also be available to Members through reports to service committees and full Council in respect of significant changes to objectives or the Constitution.</p>
Role of the Audit Committee	<ul style="list-style-type: none"> • An understanding of the Audit and Governance Committee’s role, and relationship within the wider governance and decision making of the Council, including relationships with other Committees and bodies. • The Committee’s Terms of Reference and its accountability and reporting arrangements 	<p>Annual session for the Committee from the Monitoring Officer, Section 151 Officer and Head of Audit and Risk Management.</p> <p>Any changes to the role of the Committee or its Terms of Reference would be subject to separate review and reporting to the Committee.</p>

Area	Core Knowledge	Proposed Training
Financial Management and Accounting	<ul style="list-style-type: none"> • Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. • An understanding of good financial management practice as set out in the CIPFA Financial Management Code (FM Code) and the level of compliance with it. • Knowledge of how the organisation meets the requirements of the role of the CFO as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) • An overview of the principal financial risks the authority faces. 	<p>Sessions for Committee members to support their role in reviewing the financial statements will be timetabled ahead of the draft and final statement of accounts being received by the Committee– these will be led by the Section 151 officer.</p> <p>Annual session for the Committee on the CIPFA Financial Management Code will be provided by Finance to support reports to Finance Sub Committee and the Audit and Governance Committee regarding the level of compliance.</p> <p>Reports to the Audit and Governance Committee, Finance Sub Committee, Corporate Policy Committee and Service Committees will provide the information on principal financial risks to the authority – additional/specific briefing on these should be requested via the Section 151 officer.</p>
Internal Audit	<ul style="list-style-type: none"> • An awareness of the key principles of the PSIAS and the LGAN. • Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter. • How the role of the head of internal audit is fulfilled. • Details of the most recent external assessment and level of conformance with the standards. • Internal audit's strategy, plan and most recent annual opinion. 	<p>Annual session for the Committee from the Head of Audit and Risk Management, timed to support the approval of the annual audit plan.</p> <p>Further information and assurance to the Committee is also provided via the audit plan, update reports, and annual opinion.</p> <p>Detailed briefings in relation to areas of concern, such as no assurance reports, or failure to implement agreed actions will be scheduled as necessary.</p>
External Audit	<ul style="list-style-type: none"> • Knowledge of the role and functions of the external auditor and who currently undertakes this role. • Knowledge of the key reports and assurances that external audit will provide. • Familiarity with the auditor's most recent plan and the opinion reports. 	<p>Introductory session for the Committee to meet with EY as new external auditors to be scheduled.</p> <p>Annual session for Committee members from the external auditors and the finance team will be timetabled ahead of receiving the external auditor's plan, covering the approach to the work and assurances the committee will receive.</p>

Area	Core Knowledge	Proposed Training
	<ul style="list-style-type: none"> Knowledge about arrangements for the appointment of auditors and quality management undertaken. 	<p>As required, the Committee will receive briefing on the role of Public Sector Audit Appointments, and any changes to the arrangements per The Local Audit and Accountability Act 2014, which would impact on the role, scope and appointment of external audit.</p>
Risk Management and Business Continuity	<ul style="list-style-type: none"> Understanding of the principles of risk management, including how it supports good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including the role of members and of the audit committee. Knowledge of the current risk maturity of the organisation and any key areas of improvement. 	<p>Annual session for the Committee from the Head of Audit and Risk Management on the principles of risk management, policy and strategy and roles and responsibilities.</p> <p>Members have regular updates to the Committee on the Council's risk management arrangements and strategic risk register items.</p> <p>The Committee will identify individual areas to receive detailed briefing upon the risk and risk management activity.</p>
Corporate Governance	<ul style="list-style-type: none"> Knowledge of the seven principles as outlined in Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016). The requirements of the AGS. How the principles of governance are implemented locally as set out in the local code of governance. 	<p>Sessions from the Monitoring Officer and the Head of Audit and Risk Management will be scheduled to support the Committee in reviewing and approving the Annual Governance Statement, (draft and final).</p> <p>As required, the Committee will receive briefing on the local Code of Corporate Governance and the Good Governance Framework to support the Committee in receiving updated versions.</p>
Counter Fraud	<ul style="list-style-type: none"> An understanding of the main areas of fraud and corruption risk that the organisation is exposed to. Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014). Knowledge of the organisation's arrangements for tackling fraud. 	<p>An annual session for the Committee from the Head of Audit and Risk Management on the organisation's arrangements for counter fraud will be scheduled.</p>

Area	Core Knowledge	Proposed Training
Values for Standards in Public Life	<ul style="list-style-type: none"> • Knowledge of the Seven Principles of Public Life. • Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (e.g. code of conduct). • Knowledge of the whistleblowing arrangements in the authority. 	Annual session for the Committee from the Monitoring Officer and Deputy Monitoring officer regarding the Committee's role in relation to code of conduct matters will be scheduled to support the annual report to the Committee from the Monitoring Officer.

OPEN

Audit and Governance Committee

29 July 2024

**Draft Annual Governance Statement
2023/24**

Report of: Rob Polkinghorne, Chief Executive

Report Reference No: AG/04/24-25

Ward(s) Affected: All

Purpose of Report

- 1 The purpose of this report is for the Committee to receive the draft Annual Governance Statement (AGS) for 2023/24.

Executive Summary

- 2 Each year, Cheshire East Council produces an AGS that explains how it makes decisions, manages its resources, and promotes values and high standards of conduct and behaviour.
- 3 The review is carried out against the Council's Code of Corporate Governance. The draft AGS, at Appendix A, reflects activity over the 2023/24 financial year, and includes activity up to the date of providing the report to Committee. The draft will be further updated to cover the activity up to the date of approval of the Council's Statement of Accounts.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Receive and review the draft AGS 2023/24, noting that the final proposed AGS will be provided to a future meeting of the Committee for approval.
2. Approve the proposed changes to the significant issues as detailed in Sections 7 and 8 of the draft Statement.

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| 3. Approve the removal of the significant governance issue relating to Health and Social Care Integration from future statements. |
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Background

- 4 There is a strong correlation between effective governance and effective service delivery. Whilst the Statement, by its nature is only signed off once a year, the process of review is continuous, to give assurance on the effectiveness of the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority.
- 5 In preparing the draft AGS, reliance has been placed on existing reports, which have been referenced throughout the Statement.
- 6 Sources of assurance for the Committee in considering the draft AGS include the progress updates on items included in the AGS, the annual Internal Audit Opinion 2023/24, the Annual Monitoring Officer's reports and interim update reports from Internal Audit and Risk Management.
- 7 Whilst assurance of this kind always forms a significant part of the AGS production, it is also supplemented by the outcome of separate assurance exercises such as the management assurance statements. This is currently ongoing and will be completed prior to the final AGS sign off. The Statement will be updated as necessary for any issues arising.
- 8 In March 2024, Audit and Governance Committee agreed the Final 2022/23 AGS and delegated authority to the Chief Executive and Leader of the Council to sign off the AGS upon completion of the External Audit work and sign off the 2022/23 Statement of Accounts.
- 9 As the External Auditors had not completed their work on the 2022/23 Statement of Accounts to allow sign off at the May 2024 meeting of Audit and Governance Committee, an additional update on progress against the significant governance issues was provided to the meeting.
- 10 In accordance with the requirement for the Statement to be current at the time of approval, the 2022/23 Statement reflects matters up until the point in which it was approved. As such, there is an element of duplication in the 2023/24 Statement.
- 11 Updates on items recognised in previous Statements are included in Section 7 which will be further updated before the final Statement is presented for approval. Out of the five continuing areas for concern, one of these has been restated for 2023/24 to reflect the latest issues and proposed actions to address these challenges. The Council Funding issue has been included in the Statement for a number of

years and although the overarching issues remain, the detail has developed and required updating to ensure it presents an accurate picture to the Council and its stakeholders.

- 12 The assessment of the effectiveness of our governance arrangements for 2023/24 has identified three arising significant governance issues in relation to 'Children's Services Response to Ofsted Inspection', 'Governance and Internal Control', and 'Partnership Working', details of which can be found in Section 8 of draft Statement.
- 13 The update on significant governance issues, provided to Audit & Governance Committee in May 2024, recommended that the Health and Social Care Integration issue should be removed from future Statements. This recommendation was not agreed.
- 14 The new issue included in the draft Statement for 2023/24 covers wider partnership arrangements, including those relating to health and social care, and therefore effectively replaces/supersedes the existing issue. It is therefore recommended that Health and Social Care Integration is removed from future Statements.
- 15 A workshop for Members regarding the AGS and the Statement of Accounts will be offered prior to the final AGS being considered by the Committee.
- 16 Once approved, the AGS will be signed by the Leader of the Council and the Chief Executive and then published on the Council's website along with the Statement of Accounts.
- 17 The Council's external auditors, Mazars, presented their Audit Completion Report for 2022/23 to the March 2024 meeting of Audit and Governance Committee and stated that their work would be completed to allow publication of the final statement of accounts at the end of March/early April.
- 18 In response, the Committee delegated responsibility to the Section 151 Officer to sign of the final statement of accounts upon completion of the external audit work and approved the final AGS for 2022/23.
- 19 However as at July 2024, Mazars work remains incomplete with officers continuing to provide responses to queries raised and both the final statement of accounts, and the Value for Money Opinion for 2022/23 remain outstanding.
- 20 As such, the 2022/23 AGS has not been signed and published as this is required to be done alongside the statement of accounts for the period. To mitigate this, Audit and Governance Committee received a detailed

update on the significant governance issues detailed in the 2022/23 AGS in May 2024.

Consultation and Engagement

- 21 The draft AGS has been considered by the Corporate Leadership Team, the Risk and Assurance Board and senior managers to ensure all issues impacting the Council have been considered.

Reasons for Recommendations

- 22 In accordance with the Accounts and Audit Regulations 2015, the final AGS should be approved by Members of the Council meeting as whole, or by a committee by 30 September. The Audit and Governance Committee has delegated authority to approve the AGS.

Other Options Considered

- 23 None applicable.

Option	Impact	Risk
Do nothing.	The AGS is not reviewed and approved by Members of a Council meeting or committee.	Failure to comply with the Accounts and Audit Regulations 2015.

Implications and Comments

Monitoring Officer/Legal

- 24 The production of the AGS is required by Regulation 6(1) (b) of the Accounts and Audit Regulations 2015, which sets out the timescales by which it must be published.
- 25 The preparation and publication of the draft AGS has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA): “Delivering Good Governance in Local Government (2016)”.

Section 151 Officer/Finance

- 26 There are no direct financial implications for the Medium Term Financial Strategy arising from the content of the Annual Governance Statement. The production of the AGS aligns with the production of the Annual Accounts. The final AGS will be published alongside the Audited Accounts.

Policy

27 There are no direct policy implications.

Equality, Diversity and Inclusion

28 There are no direct implications for equality, diversity and inclusion.

Human Resources

29 There are no direct human resources implications.

Risk Management

30 The Authority is required to prepare and publish an AGS to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015. Failure to prepare the Statement will result in noncompliance of legislation by the Council.

Rural Communities

31 There are no direct rural communities implications.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

32 There are no direct implications for children and young people, including cared for children, care leavers and children with special educational needs and disabilities (SEND).

Public Health

33 There are no direct public health implications.

Climate Change

34 There are no direct climate change implications.

Access to Information	
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Appendices:	Appendix A – Draft Annual Governance Statement 2023/24

Background Papers:	N/A
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Annual Governance Statement 2023/24

DRAFT

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 Limited for 2023/24

- 1.4. We, as Chief Executive and Leader of the Council, 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 2023/24 and up to the time of its approval. The draft 2023/24 Annual Governance Statement will be presented to the Audit and Governance Committee on 29 July 2024.
- 1.6. To date, our assessment of the effectiveness of our governance arrangements for 2023/24 has identified three arising significant governance issues relating to Children's Services Response to Ofsted Inspection, Governance and Internal Control and Partnership Working, which can be found in Section 8.
- 1.7. Five issues from the 2022/23 Statement; Council Funding, Health and Social Care Integration, Planning, ASDV Governance and Executive and Wider Leadership Team Capacity are included again as continuing areas of concern for 2023/24.
- 1.8. Of the five continuing areas of concern, the Council Funding issue has been restated for 2023/24 to reflect the latest issues and proposed actions to address the challenges. This issue has been included in the Statement for several years and although the overarching issues remain, the detail has developed and required updating to ensure it presents an accurate picture to the Council and its stakeholders.

- 1.9. 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.
- 1.10. The final Annual Governance Statement 2022/23 was approved by Audit and Governance Committee at their March 2024 meeting with authority given for it to be signed upon conclusion of the external audit work on the 2022/23 financial statements. The external auditors have yet to complete this work and as such, the Annual Governance Statement remains unsigned.

Rob Polkinghorne Chief Executive	Cllr Nick Mannion 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 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.

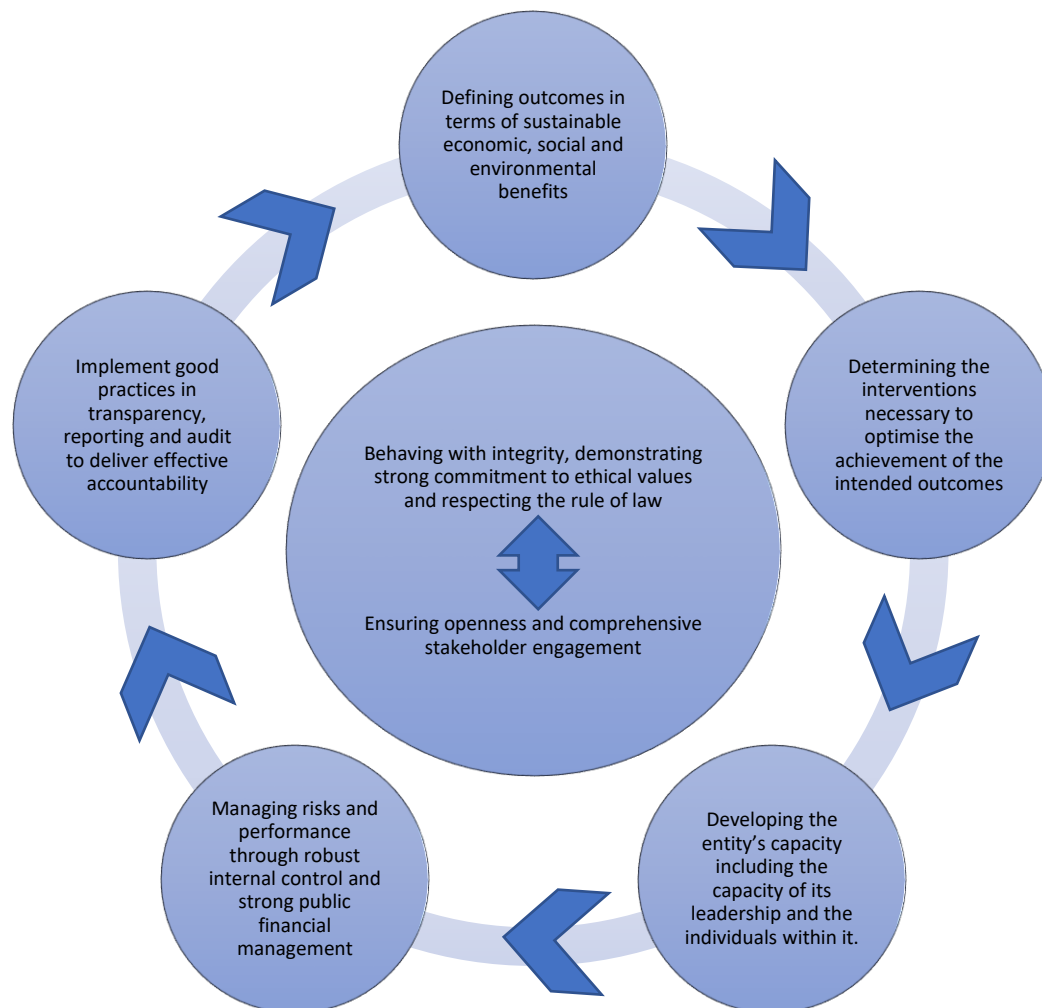
3.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

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 Annual Governance Statement will be published in July 2024 and will be updated as necessary to ensure this Statement remains current for when the Audit and Governance Committee considers it as final alongside the final Statement of Accounts.
- 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 2023/24 which are set out below.
- 5.2. The Governance Framework described below and shown in Appendix 2 has been in place since 4 May 2021, when the committee system model of governance took effect. A diagram explaining the committee system can be found at Appendix 3.

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 2021-2025. The Corporate Plan 2021-2025 was approved by full Council on 17 February 2021 and sets out the priorities of the administration, within the context of the needs of the borough, the views of residents and the resources available.
- 5.4. The Medium-Term Financial Strategy (MTFS) 2023-2027 was agreed at the 22 February 2023 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.
- 5.5. The Corporate Plan 2021-25 is reviewed by the Corporate Policy Committee as part of the Council's performance management accountability framework. Quarter 3's performance for 2023/24 was considered at the meeting on 21 March 2024. Quarter 4's performance for 2023/24 was considered at the 13 June 2024 meeting.
- 5.6. In June 2024, Corporate Policy Committee approved the development of a new strategic plan for Cheshire East for 2025 onwards. The Committee also recommended an update to the current Corporate Plan 2021-25 for the final year which will be put to Council on 17 July 2024.
- 5.7. The 2022/23 provisional financial outturn was reported to the Finance Sub Committee on 7 June 2023. The final outturn 2023/24 was reported to the Finance Sub Committee on 25 June 2024. The draft Statement of Accounts 2023/24 was reported to the Audit and Governance Committee on 29 July 2024.
- 5.8. 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. This includes the Poynton Relief Road which was completed in Spring 2023.
- 5.9. As recognised in previous Statements, the sustained and increasing financial pressures on 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 2023/24 is provided later in this Statement.

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

- 5.10. 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.

- 5.11. The Council undertook extensive pre-budget consultation, setting out change proposals for consideration over the period 2023/24 to 2026/27. Stakeholders were invited to comment on the Council's pre-budget report using an online survey during January 2023 and a summary of the responses formed part of the consideration of the MTFS 2023/27 by Council at the meeting held 22 February 2023.
- 5.12. The MTFS clearly identifies how resources will be matched against the delivery of priorities established in the Council's Corporate Plan.
- 5.13. The Strategy also provides information on delivering financial stability, the budget setting process, and the Council's Capital, Investment and Reserves Strategies.

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

- 5.14. The Chief Executive, Executive Directors and Statutory Officers met regularly during 2023/24 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 2.
- 5.15. In March 2024, Corporate Policy Committee received a paper setting out three preliminary activities required to allow the development of the Council's future transformation programme. The activities considered and approved by the Committee relate to:
- The creation and implementation of Council-wide officer boards
 - A Local Government Association (LGA) review of decision-making accountability
 - LGA peer challenge
- 5.16. The Council's Constitution defines the standards of conduct and personal behaviour expected of, and between, members, staff, 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.
- 5.17. In May 2023, a comprehensive programme of events was held to welcome newly elected members to the authority and provide support for them in their role as a Cheshire East Councillor.

- 5.18. The programme covered subjects such as - an introduction to Cheshire East Council, the Councillor's code of conduct and working effectively as a Cheshire East Councillor in May 2023, committee procedures and service committee briefings in June 2023 and scrutiny skills, financial management and ICT support in July 2023. Out of the new cohort of 38 members, every member attended at least one event.
- 5.19. As the induction programme includes subjects which are of key importance to a members' role, attendance is mandatory, but numbers were affected by a significant increase in members with daytime commitments. Accordingly, twilight sessions, which commence at 4pm or later, are now scheduled on a routine basis to make the programme more accessible.
- 5.20. To promote the importance of members' core skills, a supplementary online induction programme was launched in September 2023, which includes mandatory modules on Safeguarding Children and Adults, Equality, Diversity and Inclusion and General Data Protection Regulations (GDPR). As this is an annual programme which has not yet concluded, attendance statistics are not yet available. The 2024-2025 programme will launch in September 2024.
- 5.21. 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.
- 5.22. Interim arrangements remain in place to cover the Executive Director - Corporate Services and the Executive Director - Place. The former Chief Executive left the Council in October 2023 with interim arrangements put in place with immediate effect. In December 2023, Council appointed a permanent Chief Executive who took up post in January 2024. In February 2024, it was announced that the Section 151 Officer would be leaving the Council in May 2024. Subsequently, an Interim Section 151 Officer was appointed, and this arrangement continues into 2024/25.
- 5.23. The Council publishes a Pay Policy Statement by 31 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 2023/24 Pay Policy Statement was recommended to Council from the Corporate Policy Committee. The Policy was approved on 22 February 2023 where it was also agreed that it would be reviewed in-year and any further changes be approved by the Monitoring Officer and published accordingly. The 2024/25 Pay Policy Statement was put to the Corporate Policy Committee on 18 January 2024 and approved by Council on 27 February 2024.
- 5.24. The Workforce Strategy 2021-25 sets out how the Council will develop the capacity and capability of its workforce to support the priorities identified within the

Corporate Plan and deliver the MTFS. The Corporate Policy Committee received an update report on progress against the Strategy in November 2023.

- 5.25. All staff are required to undertake mandatory training on protecting and managing information, dignity at work and equality in the workplace. Completion and compliance are 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

- 5.26. The Audit & Governance Committee received the 2022/23 Annual Risk Management Report on 27 July 2023. This Committee also received regular risk management updates during 2023/24 and the 2023/24 Annual Risk Management Report was received at the 29 July 2024 meeting.
- 5.27. During 2023/24, the Corporate Policy Committee received quarterly updates on the Council's Strategic Risk Register, alongside reports on the financial position of the organisation, and the performance management. The co-ordinated delivery of these updates supports a cohesive commentary to the Committee. The risk update reports also include the identification of emerging risks and horizon scanning across global and local risk updates to provide useful context and background to the Council's register.
- 5.28. Operational risk registers are included in the directorate and service business plans. These are reviewed by the team plan owners, and risks are considered for escalation to the Strategic Risk Register as necessary.
- 5.29. 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.
- 5.30. Scrutiny powers under Section 21 of the Local Government Act 2000 are fulfilled through the Children and Families, Adults and Health, Environment and Communities and Corporate Policy Committees.
- 5.31. Each of the service committees scrutinised quarterly performance scorecards and budget proposals for the 2023/24 period relevant to their area of focus.
- 5.32. The Information Governance Group (IGG) met regularly throughout 2023/24, 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.

- 5.33. The Contract Management System is being rolled out across the Council with 250 contract managers trained. A new contract handover procedure has been developed to formally hand contracts back to services once a procurement is complete. This details the role and responsibilities and links to the contract management framework. Performance data is being added by services and contracts can now be signed via DocuSign through Atamis. The contracts register is included within Heads of Service business plans and performance dashboards are being created to monitor performance at a service level. Procurement reports are regularly provided to Finance Sub-Committee which include pipeline, contracts, waivers, and relevant procurement updates.
- 5.34. Cabinet Office Contract Management and Procurement Act 2023 training is live and available on learning lounge. Modification, extension, and Contract Procedure Rules training is also available as eLearning packages which provide an overview of what is required from contract managers and the wider procurement community. Regular updates are provided in the procurement bulletin to ensure services are kept up to date with the latest information. New processes and procedures have been developed and are available on the CEntranet.
- 5.35. 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.
- 5.36. During 2023/24, the Audit and Governance Committee received or approved a broad range of reports and assurances, including:
- Approval of the Internal Audit Plan, subsequent progress reports and the Annual Internal Audit Opinion
 - The Committee's Annual Report
 - The External Audit Plan and progress reports, and a summary of the key findings identified during the External Auditors certification process
 - The Annual Risk Management Report and updates on Risk Management
 - The Annual Governance Statement and associated progress update reports
 - 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. An annual update on this is provided to the Audit and Governance Committee.

- Member Code of Conduct Sub-Committee Report summarising the recent Member Code of Conduct complaints and associated investigations involving elected members of a Parish Council
- Information Governance Reports
- The Annual Monitoring Officer Report which includes Maladministration Decision Notices from Local Governance and Social Care Ombudsman

5.37. The *Audit Committees – Practical Guidance for Local Authorities and Police* was released by CIPFA in September 2022. Furthermore, CIPFA were engaged to undertake an independent review of the effectiveness of the Audit and Governance Committee during 2022/23. The Committee received a progress report on 9 March 2023 and attended a workshop in April 2023 to receive the CIPFA report findings and to propose actions back to the Committee. The CIPFA review findings report, and proposed action plan was subsequently taken to the Audit and Governance Committee on 8 June 2023. An update on progress against the action plan was reported to the Committee on 7 December 2023 and 29 July 2024.

5.38. The 2022/23 Audit and Governance Committee Annual Report was presented to the Committee on 28 September 2023.

5.39. The final 2022/23 Annual Governance Statement was put to the Committee on 7 March 2024.

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

5.40. 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 2023/24 which was received by the Audit and Governance Committee on 29 July 2024 and is as follows:

Internal Audit Opinion

The Council's framework of risk management, control and governance is assessed as Limited for 2023/24

5.41. 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 has been given as "limited". This is the first time since 2009 that there has been a limitation on this opinion.

5.42. This 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.

- 5.43. Despite the challenges highlighted above, Internal Audit are satisfied that there has been appropriate engagement for Internal Audit across the organisation, through assurance work, consultancy and advice, and the understanding of the assurance taken from other sources to assess the framework of risk management, control, and governance as Limited for 2023/24.
- 5.44. Counter Fraud activity is reported to the Audit and Governance Committee through the regular Internal Audit progress reports. The latest updates were provided to the December 2023 and May 2024 meetings.
- 5.45. The Council has a number of wholly owned companies. Several changes were made following an independent review of these Alternative Service Delivery Vehicles (ASDVs).
- 5.46. The following ASDVs were in operation during 2023/24:
- Orbitas Bereavement Services Limited
 - ANSA
 - Tatton Park Enterprises Limited
- 5.47. In May 2022, the Finance Sub-Committee approved the recommendation of the Shareholder Working Group for “the inclusion of the Bereavement Services Contract on the Procurement Pipeline Report for a period of 5 years, with an extension for a further 3 years, at a value determined by the Commissioner for Bereavement Services in line with the current MTFS”. The Council entered into a new contract for the provision of bereavement services with Orbitas Bereavement Services on 31 March 2022 for a period of 5 years with the option to extend for a further 3 years.
- 5.48. The Finance Sub-Committee is responsible for the management of the Council’s involvement in ASDV’s. In September 2023, the Sub-Committee considered a report setting out the key findings and recommendations of the Shareholder Working Group in relation to the governance of the Council’s wholly-owned companies. In March 2024, the Sub-Committee received a presentation on the progress made in relation to the Ansa review. In June 2024, the Sub-Committee considered the Wholly Owned Companies Strategic Options Review – Outcomes report.
- 5.49. Everybody Health and Leisure (Everybody) is an independent charitable trust which delivers recreation and leisure facilities. The Council retains ownership of significant assets such as buildings. Everybody 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 Everybody runs to 30 April 2029.

- 5.50. The Shared Services Joint Committee oversees the management of the services provided 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 on all 8 shared services including ICT Services, the Transactional Service Centre. They have also overseen the review of the shared services.
- 5.51. The Shared Services Joint Committee has also received regular progress reports during 2023/24 on the Hybrid ICT Programme – Project Gemini. A new model for ICT Services was agreed by both Councils in February 2023. The new model involves the retention of a shared network and data centre and separation of the other ICT functions that are currently shared.
- 5.52. 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.
- 5.53. The Accounts and Audit (Amendment) Regulations 2022 legislation prescribes the format and timescale of the production of the Annual Governance Statement and the Statement of Accounts for local authorities as follows:
- Publication of draft statements (Accounts and AGS) reverted to 31 May from 30 September.
 - Publication of final statements (Accounts and AGS) remains at 30 November up to and including 2027.
- 5.54. The Audit and Governance Committee considered the draft 2022/23 statement at the 27 July 2023 meeting. The Committee reviewed the final statement at the meeting held on 7 March 2024. The delay in presenting the final AGS to the Committee was as a result of the external auditors not completing their work on the financial statements.

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

- 5.55. 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.

- 5.56. 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.
- 5.57. In September 2023, the Audit and Governance Committee received the Annual Report of the Monitoring Officer 2022/23, which provided background and an overview on the Monitoring Officer's statutory duties. The report also 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.
- 5.58. Section 151 responsibilities for 2023/24 were covered by the Director of Finance and Customer Services. The Director of Finance and Customer Services left the Council on 6 May 2024. An Interim Director was appointed and joined the Council on 29 April 2024 to allow for a handover period. These arrangements complied with the arrangements set out in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 5.59. The Monitoring Officer responsibilities were covered by the Director of Governance and Compliance Services.

Ensuring openness and comprehensive stakeholder engagement

- 5.60. The Council's open data portal 'Insight Cheshire East' holds most 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.
- 5.61. 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.
- 5.62. Committee meetings continued to be audio cast throughout 2023/24. 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.
- 5.63. The Council publishes delegated officer decisions on its website, demonstrating how the provisions of the Constitution have been exercised.
- 5.64. 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.

- 5.65. Council employees receive a weekly internal newsletter (Team Voice) in addition to service specific communication and briefings.
- 5.66. Weekly Manager Share and Support sessions were provided throughout 2023/24. 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. Furthermore, monthly “in the know” sessions are held to keep staff updated with what’s going on around the Council and to allow feedback from staff.
- 5.67. 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.
- 5.68. Since 2020, the Chief Executive has provided regular video updates to staff via a Vlog. The videos and transcripts are available on the CEntranet. Furthermore, during 2022/23 “Coffee with” sessions with the Chief Executive were introduced and continued during 2023/24.
- 5.69. 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 annual awards which was held in January 2023 after the disruption of the last couple of years. The recognition panel itself includes volunteers from across the organisation.
- 5.70. The Council’s Corporate Leadership Team has continued to meet virtually with staff groups from across the organisation and offer an opportunity for staff to raise any questions or issues they have directly with their Senior Managers.
- 5.71. 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 2.

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 throughout 2023/24.

- 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 following issues are included again as continuing areas of concern for 2023/24 in the updates in Section 7. This recognises the continuing significance of these specific areas, at national and local levels:
- Council Funding
 - Health and Social Care Integration
 - Planning
 - ASDV Governance
 - Executive and Wider Leadership Team Capacity
- 6.8. For 2023/24, the Council Funding significant issue has been reviewed and restated to reflect the latest issues and proposed actions to address the challenges. The issue has been included in the Statement for several years and although the overarching issues remain, the detail has developed and required updating to ensure it presents an accurate picture to the Council and its stakeholders.
- 6.9. The Council's assessment of its governance arrangements has identified three additional significant issues arising during 2023/24 relating to the areas listed below. Details of these can also be found in Section 8:
- Children's Services Response to Ofsted Inspection
 - Governance and Internal Control
 - Partnership Working
- 6.10. The review has considered the effectiveness of the Council's governance arrangements against the principles set out in the Code of Corporate Governance.
- 6.11. **Whilst the Council generally has appropriate systems and processes in place to ensure effective governance is maintained, areas of concern have been identified in preparing the 2023/24 draft. These specific areas are identified in Sections 7 and 8.**

7. Progress against ongoing issues identified in previous Annual Governance Statements

Council Funding <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22 and 2023/24</i>	
Description of issue at the time	<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>
Responsibility	<p>Director of Finance & Customer Services</p>
Action proposed	<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> <p>Funding estimates are transparent and reported to the Finance Sub-Committee. Working Groups from the Sub-Committee have also reviewed estimates in detail. This includes estimates within all financial strategies that make up the over-arching Medium Term Financial Strategy.</p>

Progress update for 2023/24 AGS	<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 throughout July 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).</p> <p>The Transformation Programme noted as required in the MTFS is underway, with a transformation partner being appointed recently; work has commenced with an update due at Council in July around delivery of that transformation plan. This plan must be submitted to DLUHC by 27 August as part of the criteria for final approval of Exceptional Financial Support.</p> <p>Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.</p>
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<u>Health and Social Care Integration</u> <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22</i>	
Description of issue at the time of inclusion in AGS	<p>Since the 1 July 2022, integrated care systems have been formalised as statutory bodies following changes brought about by the 2022 Health and Care Act and has meant the abolishment of the Clinical Commissioning groups.</p> <p>Cheshire East Council sits within the Cheshire & Merseyside ICS footprint, which comprises of 9 Local Authority Areas.</p> <p>The central aim of ICS's is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and care.</p> <p>The key challenges and risks that this presents are as follows:</p> <ul style="list-style-type: none"> • That the ICS is not a partnership of equals across the broader health, wellbeing and social care system

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	<ul style="list-style-type: none"> • Risk that central control remains at central level and decision making and delegations are not devolved to place • National versus local tensions • Budget deficits
Responsibility	Executive Director of Adults, Health and Integration
Action proposed at the time of inclusion in the AGS	<p>Ensuring representation at a Cheshire and Merseyside level.</p> <p>All Integrated Care Systems (ICS) are made up of two constituent elements, the Integrated Care Partnership (ICP) and the Integrated Care Board (ICB). For Cheshire and Mersey Integrated Care System (C&MICS):</p> <ul style="list-style-type: none"> • The Leader of the Council represents Cheshire East Council on the Integrated Care Partnership, which in Cheshire and Mersey is called the Health and Care Partnership • The C&M ICB constitution makes provision for two local authority chief executives to be members of the Board, one from Cheshire and Warrington and one from the Mersey City Region, to represent the views of local authorities. The role will rotate between local authorities on a 3 year cycle. There is also a Director of Public Health on the board <p>Collaboration with the ICB local representative, Mark Wilkinson - Place Director.</p> <p>In Cheshire East, the Place Director has dotted line accountability to the Chief Executive and routinely attends the Corporate Leadership Team. In addition, joint management arrangements across the local ICB team and the Adults Health and Integration Department are progressing.</p> <p>The Place Director is a permanent and full member of the Cheshire East Health and Wellbeing Board.</p> <p>Ensuring local priorities are understood and communicated.</p> <p>Partners are currently refreshing the Cheshire East Health and Wellbeing Strategy to ensure that aims and ambitions are relevant post-pandemic, and joint outcomes, a joint implementation plan and a shared performance management framework are in development.</p> <p>A shared approach to communicating with residents has yet to be developed.</p>
Progress update for 2023/24 AGS	<p>The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners.</p> <p>The Cheshire East partnership is flourishing and a recent review of hospital discharge arrangements, carried out in Cheshire and</p>

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	<p>Merseyside by the national discharge team, has commented on the strength of Cheshire East leadership and partnership arrangements.</p> <p>However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice.</p> <p>A number of specific interventions have been made, including a letter from the Leader setting out the Council's concerns.</p> <p>We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p> <p>Council approved the Health and Care Partnership Terms of Reference on 18th October 2023.</p> <p>The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners. However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice. We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p>
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ASDV Governance

Description of issue at the time of inclusion in AGS	<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> <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>
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	<p>A comparison of the Council's current governance arrangements against the CIPFA guidance has highlighted risks in the current company structures, and with the levels of transparency and assurance. Improvement in the reporting and assurance can be achieved which will mitigate these risks and bring Cheshire East's arrangements in line with best practice.</p>
Responsibility	Director of Governance and Compliance
Action proposed at the time of inclusion in the AGS	<p>Work has been undertaken to identify proposed changes to the current ASDV governance and reporting arrangements to ensure that they broadly align with the good practice as described in the CIPFA guidance.</p> <p>This has also proposed that a full review of the overall company structures and governance arrangements is undertaken and that a reporting structure is implemented to strengthen insight into the operation of the Council's ASDVs.</p> <p>The review is proposed to include a review of directors, the process for their appointment, and the training and support provided to them.</p> <p>A working group has been established and stage 1 of the review was completed in December 2022.</p>
Progress update for 2023/24 AGS	<p>Following an extensive review of Ansa Environmental Services and Orbitas Bereavement Services Ltd, a decision was made by the finance sub-committee on 25 June 2024 that the services provided by Ansa and Orbitas are to be brought back-in house and delivered directly by the council.</p> <p>This decision will deliver a one-off saving of £1m in 2024/25 to support the medium-term financial strategy, followed by a permanent minimum reduction in costs each year of £200k from 2025/26 onwards.</p> <p>The decision to bring the services delivered by Ansa and Orbitas back in-house forms part of our whole-organisation transformation programme to help us to move towards financial sustainability.</p> <p>Subject to a formal consultation with trade unions and engagement with staff affected by the changes, the new working arrangements are expected to be introduced through a phased approach.</p> <p>This change process is in the advanced planning stage with the aim to complete it in full before the end of March 2025, with Ansa and Orbitas staff members transferred to join some of our existing teams.</p>

Planning	
Description of issue at the time of inclusion in AGS	<p>In November 21, the Chief Executive and Environment and Communities Committee requested an objective review of the planning application backlog in Planning Services be undertaken.</p> <p>The backlog had accumulated over some time as a result of increasing workloads, vacant posts and impacts on delivering the service from the Covid 19 pandemic. The backlog was significant in number and was attracting complaints about the service from both within and beyond the Council, with potential for reputational damage to both the Local Planning Authority and the Council. An objective Deep Dive review was undertaken, led by the Executive Director of Place.</p> <p>The findings, recommendations and next steps for the service were received and noted by the Environment and Communities Committee on 31 October 22. It was also noted that a range of measures had already been implemented, particularly in relation to reducing the backlog of planning applications.</p>
Responsibility	Executive Director of Place
Action proposed at the time of inclusion in the AGS	<p>The review has produced a detailed Modernisation Plan for the service including a significant number of actions and improvements that have been identified through the review.</p> <p>Workstream leads have been identified and many actions are underway, implemented or partially implemented from the review.</p> <p>Work to remove the applications backlog had advanced in recent months although workloads remain significant in the service.</p> <p>Performance scorecards have been developed to report to the new Modernisation Board - when established this introduces a new level of reporting and governance for the Modernisation Plan. Terms of Reference for the Board are now agreed.</p> <p>Performance reports from the service will continue to be reported to the Environment and Communities Committee with additional regular oversight by CLT also being introduced to monitor progress within the service.</p>
Progress update for 2023/24 AGS	<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</p>

	<p>review aligned to the following seven key ‘task and finish’ workstreams. Ownership of development and delivery of these workstreams has been clearly assigned to 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"> 1. Customer Experience and Communications 2. IT Systems and Processes 3. Performance and Governance 4. Training and Development 5. Service Restructure 6. Culture and Leadership 7. Section 106 Audit <p>It should be noted that several of these workstreams will take longer to conclude and that there will be others which are brought online to continue to drive the wider service improvements needed. There is a need to carefully prioritise the available resources to deliver the required changes in a managed way.</p> <p>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.</p> <p>A brief summary of progress against each workstream is as follows:</p> <p><u>Workstream 1 – Customer and Communications</u></p> <p>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.</p> <p>Led by the Place Communications Business Partner a new communications and engagement plan has been developed focussed on embedding a “one team” approach within the Service, focussing on more proactive engagement with staff and promoting the work of the service both internally and externally. This workstream will also cover communications relating to the S.106 audit responses.</p> <p><u>Workstream 2 – IT Systems and Processes</u></p> <p>The implementation of the IT system for Planning and Land Charges has been delayed due to supplier issues, however the current programme plan anticipates a ‘go live’ in mid – late August 2024. The positive impact on the service and its resources which the implementation of this system will provide should be significant. A tailored training programme for all staff who will use the system will be implemented once the system is live.</p>
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	<p>A validation checklist was recently presented and approved by Committee and will be implemented shortly, with the overarching objective of encouraging improved quality of planning applications.</p> <p><u>Workstream 3 – Performance and Governance</u></p> <p>The initial performance scorecard has been subject to a further degree of development to include performance indicators relating to S.106/CIL.</p> <p>The planning backlog has reduced, through the use of various different approaches, from a peak of 2876 cases down to 1479 cases as at 1st July, with an increased focus on older applications in recent months. The number of live cases are therefore now close to normal levels but the general reduction in application submissions is also a contributing factor. This emphasises the collective importance of the workstreams such as the completion of the restructure in seeking to bring in more resource.</p> <p>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.</p> <p>Simple QA systems are being developed around decision making, including lessons learned and in the development of a knowledge hub. This is to drive consistency and quality of decision making across the service.</p> <p><u>Workstream 4 – Training and Development</u></p> <p>In parallel with other workstreams a training and development offer for the service is being developed in conjunction with the corporate training offer.</p> <p>This will specifically focus on;</p> <ul style="list-style-type: none"> • 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 <p><u>Workstream 5 – Service Restructure and Resources</u></p> <p>The restructure of the whole service has now been completed, having gone live on 1st July 2024, with outstanding actions relating to internal recruitment processes ongoing. Future external recruitment into remaining vacancies will be dependent on available budgets and income trajectories., however any external recruitment is likely to be challenging due to the current job market conditions.</p> <p><u>Workstream 6 – Culture and Leadership</u></p> <p>Led by the Interim Director this workstream focusses on implementing a consistent culture and “one team” approach.</p>
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	<p>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.</p> <p>This workstream will also be the link into the wider Brighter Future programme a refresh of which is being developed corporately.</p> <p><u>Workstream 7 – Section 106 Audit</u></p> <p>Progress has taken place on the s106 audit recommendations, with updates offered to the Member Working Group in May.</p> <p>Additional resource is in place, Exacom the new dedicated IT system has been implemented and a data integrity check with related services is now progressing, including bespoke training for officers.</p> <p>New S.106 monitoring processes have been established to operate in parallel, as follows:</p> <ul style="list-style-type: none"> • 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 <p>Where issues are identified a clear escalation process is now in place.</p> <p>The Procedure document, the need for which was established across several audit recommendations, and which sets out all the above processes is now substantially drafted and subject to final amendments will be presented to the Corporate Leadership Team.</p> <p>Member training dates have been secured in late July with further sessions to follow in September. New ward-based reporting will be rolled out to Members following this training.</p> <p>Addressing issues with legacy agreements will be considered as the next stage of the review process.</p> <p><u>Member updates</u></p> <p>A full update on progress against the Improvement Plan is scheduled to be offered on an informal basis to the Environment and Communities Committee in mid-July 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 improvements and through other governance channels.</p>
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<u>Executive and Wider Leadership Team Capacity</u>	
Description of issue at the time of inclusion in AGS	<p>The Council's Corporate Leadership Team (CLT) comprises the Chief Executive as Head of Paid Service, with the most senior officers of the organisation; Executive Directors for each of the Council's 4 Directorates and the Council's Statutory Officers, S151 Officer and Monitoring Officer. CLT meetings are also regularly attended by the Cheshire East Place Director (Cheshire and Merseyside Integrated Care Board).</p> <p>During 2022/23, interim arrangements were introduced to manage the absence of the Executive Director, Place, ensuring that there is senior leadership capacity in the Directorate. In October 2023, the Executive Director, Place left the Council, and it was confirmed that the interim arrangements have continued. However, these interim arrangements are not subject to backfill which impacts upon the wider management capacity within the Place directorate.</p> <p>In May 2023, the Executive Director, Corporate Services left the organisation, and interim management arrangements are in place for this Directorate, which ensures direct reporting lines between the Head of Paid Service and the Section 151 and Monitoring Officer roles.</p> <p>In July 2023, the former Chief Executive was announced as the preferred candidate for the Chief Executive role at Bradford Council and was subsequently confirmed in that post. The former Chief Executive left Cheshire East Council on the 13 October 2023.</p> <p>On the 18 October 2023, Council appointed an Interim Chief Executive with immediate effect whilst the ongoing recruitment process for a permanent candidate took place.</p> <p>On 13 December 2023, Council appointed a permanent Chief Executive who took up post on 3 January 2024.</p> <p>In February 2024, it was announced that the Section 151 Officer will be leaving the Council in May 2024 and interim arrangements are being put in place pending a permanent appointment to the role.</p> <p>Ensuring that there are sufficient and stable senior management arrangements for an organisation the size and complexity of Cheshire East Council must always be balanced against ensuring the arrangements are proportionate and offer effective and efficient use of resources.</p>
Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	To review the Corporate Leadership Team and wider senior management structure to ensure sufficient capacity to meet statutory responsibilities and deliver the transformation programme required to meet the objectives and address the financial position of the Council.

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<p>Progress update for 2023/24 AGS</p>	<p>The Local Government Association (LGA) has undertaken a Decision-Making Accountability (DMA) review to examine current senior management roles to help ensure a stable senior management structure is in place. This will provide recommendations for a revised organisational structure which is effective at making decisions, with clear accountabilities and roles, and that are efficient in their use of management resources.</p> <p>An update on progress in relation to the DMA review will be presented to Council in July 2024. Following completion of the DMA review, a permanent senior management structure will be agreed and implemented.</p> <p>A series of development sessions for Corporate Leadership Team (CLT) and Wider Leadership Community (WLC) has been developed, with the first of these sessions held on 12th April. Additional sessions for CLT and WLC will continue through the year.</p> <p>Recruitment to a number of key senior interim roles has also taken place to provide cover for the Director of Finance and Customer Services & s151 Officer, Director of Policy and Change, Director of Commissioning, Director of Family Help & Children's Social Care, Director of Environment and the Director of Transformation.</p> <p>Recruitment to the permanent Executive Director of Place role is currently underway with recruitment to the permanent Executive Director of Corporate Services to take place following the completion of the DMA review.</p> <p>The Chief Executive will also be briefing members of Audit & Governance Committee in relation to this issue prior to their meeting on 29 July 2024.</p>
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8. Significant Governance Issues 2023/24

- 8.1. The significant governance issues the Council recognises as arising during 2023/24 are detailed below. A description of the issue, along with details of the actions undertaken to date, and any further actions required to manage the issue is also given. These issues will need implementing and monitoring by the Council to ensure that actions are undertaken in line with this plan. Progress will be monitored by the Corporate Leadership Team and reported to the Audit and Governance Committee.

<u>Children's Services Response to Ofsted Inspection</u>	
<p>Description of issue at the time of</p>	<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>

inclusion in AGS	<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. 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 & 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>
Responsibility	Executive Director Children's Services

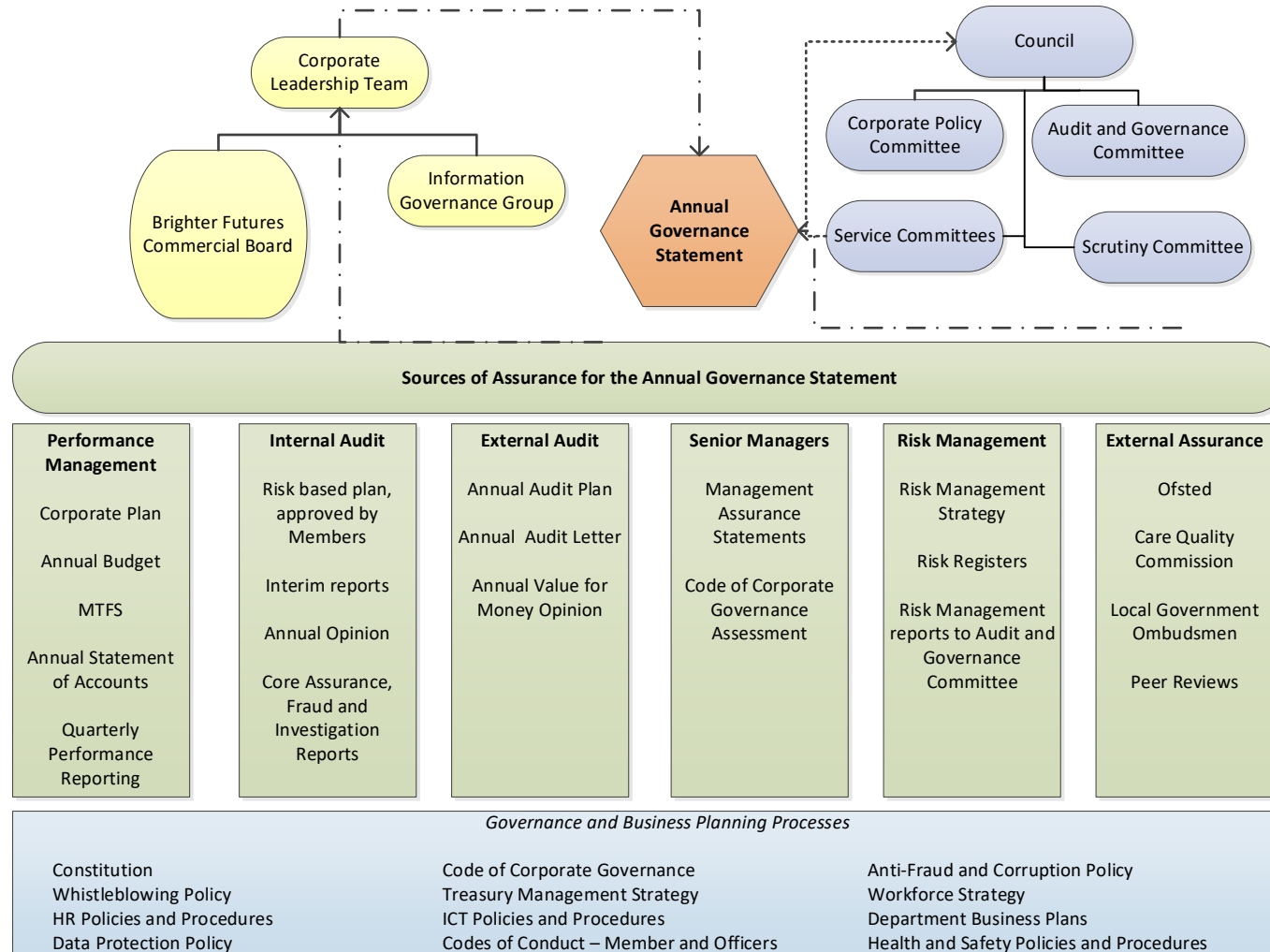
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Action proposed at the time of inclusion in the AGS	<p>The following actions are required to facilitate the required improvements and to comply with the recommendations from the Ofsted inspection report:</p> <ul style="list-style-type: none"> • Produce an Improvement Plan for submission to Ofsted by 23 August 2024 following approval by Council on 17 July 2024. • Hold a task and finish workshop for Children and Families Committee to review and scrutinise the draft improvement plan. • Establish an Improvement Board to monitor and drive improvements identified in the Ofsted inspection report. • Provide regular assurance reports to Children and Families Committee to update on progress and impact measured against the Improvement Plan.
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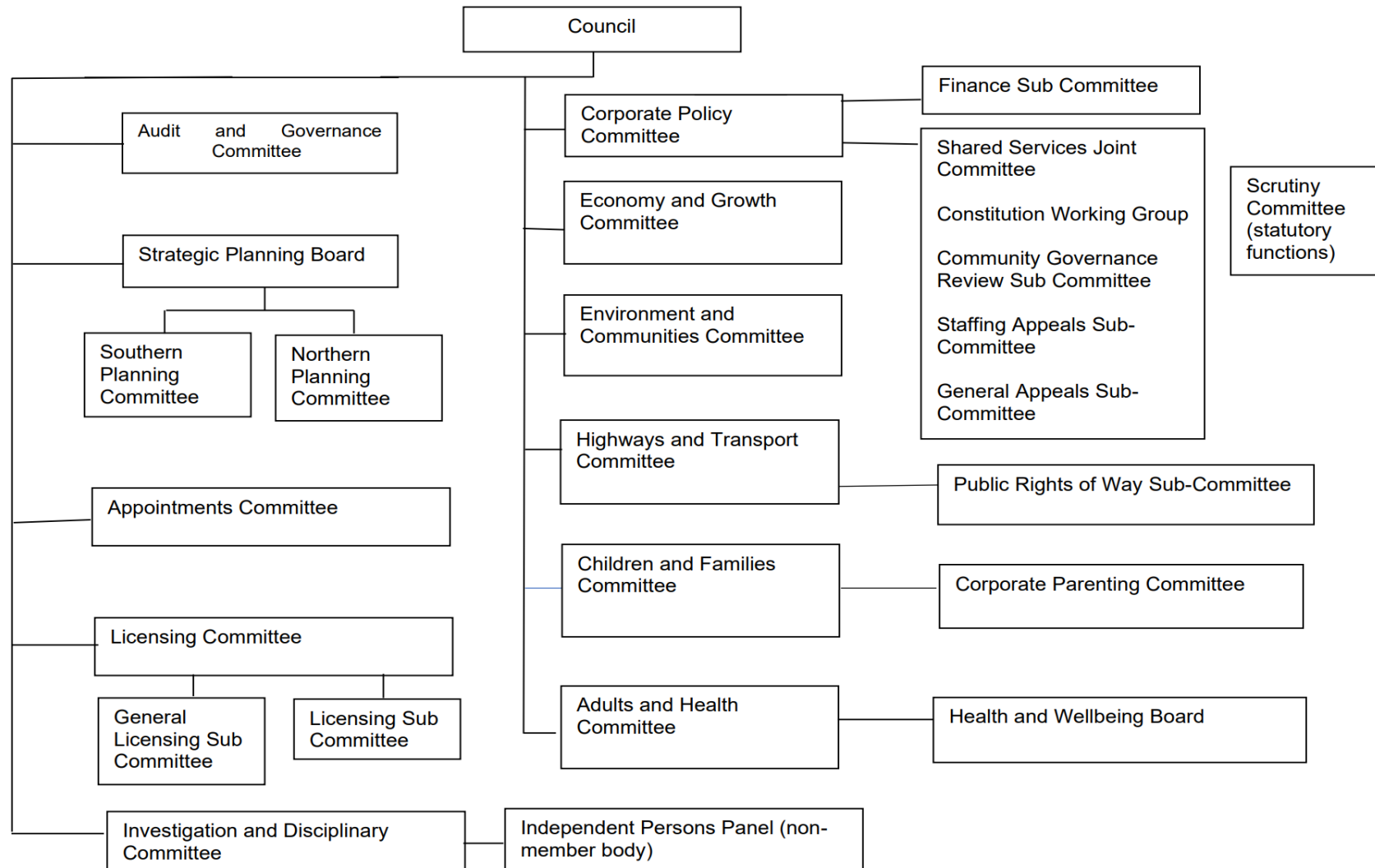
Governance and Internal Control	
Description of issue at the time of inclusion in AGS	<p>The Head of Audit and Risk Management's opinion as the Chief Audit Executive on the Council's framework for governance, risk management and internal control for 2023/24 has been given as "limited". This is the first time since 2009 that there has been a limitation on this opinion.</p> <p>This 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>The outcome of the Corporate Peer Challenge, taken alongside the other matters recognised in the AGS as significant governance issues all demonstrate a significant challenge for the organisation as overall.</p> <p>In focusing on the programme of transformation required to delivery 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>
Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	<ul style="list-style-type: none"> • Use of internal audit and external partners where appropriate to provide independent assurance on the implementation of change programmes. • Reporting on implementation of change to demonstrate timely and effectiveness of progress to external partners, Members, and senior leadership as required.

Partnership Working	
Description of issue at the time of inclusion in AGS	<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, for its long-term economic stability and to ensure success in addressing strategic ambitions to reduce health inequalities and address the consequences of climate change and will be a pre-requisite for ensuring the Council is able to fully engage with and benefit from the opportunities presented by devolution.</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.</p>
Responsibility	<p>Director of Policy Executive Director of Adults, Health & Integration</p>
Action proposed at the time of inclusion in the AGS	<p>The key activities that that will be undertaken are:</p> <ul style="list-style-type: none"> • Mapping of current formal partnership arrangements • Review of formal governance arrangements in place to support individual partnerships eg Better Care Fund Section 75 • Review of membership and leadership of formal partnership arrangements • Recommendation for revised partnership structures aligned to strategic aims and the revised organisational operating model • Partnership arrangements are reflected in the council's overarching communication and engagement strategy

Appendix 2: The Governance Framework 2023/24



Appendix 3: The Committee Structure



OPEN

Audit and Governance Committee

29 July 2024

Internal Audit Annual Opinion Report 2023/24

Report of: David Brown, Director of Governance and Compliance

Report Reference No: AG/01/24-25

Ward(s) Affected: All

Purpose of Report

- 1 To provide the Audit and Governance Committee with details of the work undertaken by Internal Audit during 2023/24 and how this contributes to the annual opinion on the Council's control environment.

Executive Summary

- 2 This report provides the Audit and Governance Committee with the Internal Audit annual opinion on the overall adequacy and effectiveness of the Council's control environment for 2023/24.
- 3 All principal local authorities subject to the Accounts and Audit Regulations 2015 must make provision for internal audit in accordance with the proper practices.
- 4 The Chief Audit Executive provides a written report to those charged with governance the primary purpose of which is to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control i.e. the control environment. This is provided at Appendix A.
- 5 The report also details work undertaken by Internal Audit during 2023/24.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note and consider the contents of the Internal Audit Annual Opinion Report 2023/24 (Appendix A); and
2. Note the Internal Audit opinion on the Council's framework of risk management, governance, and internal control for 2023/24 as "Limited".

Background

- 6 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the Council, via the Audit and Governance Committee, that these arrangements are in place and operating properly. The annual internal audit opinion informs the Annual Governance Statement. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council's objectives.
- 7 It should be noted that Internal Audit's risk-based approach includes focussing on areas where issues are known or expected to exist. Clearly this approach adds value to the organisation, but, by its nature, may also result in lower overall assurance levels.
- 8 A report summarising the work undertaken, the issues identified, and the actions required is produced for each review undertaken. The process of reviewing the report from draft to final ensures that the findings are confirmed to be factually accurate, and that the management actions will result in improvements to the control environment. Draft reports are agreed with the appropriate managers, and the Final reports are shared with the relevant Executive Director. The implementation of agreed actions is monitored through the follow up process, and performance in this area is reported regularly to the Corporate Leadership Team and the Audit and Governance Committee.

Consultation and Engagement

- 9 The Internal Audit Annual Opinion Report 2023/24 has been considered by Corporate Leadership Team (CLT) and the Risk and Assurance Board.

Reasons for Recommendations

- 10 The Public Sector Internal Audit Standards (PSIAS) require the Council's Chief Audit Executive (Head of Audit and Risk Management) to deliver an annual audit opinion and report which can be used to inform the Annual Governance Statement (AGS).

Other Options Considered

- 11 No other options are available.

Option	Impact	Risk
Do nothing	Failure to consider the effectiveness of the Council's system of internal audit, and the Internal Audit opinion on the Council's control environment.	This could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015 and a failure to meet the terms of reference of the Committee.

Implications and Comments

Monitoring Officer/Legal

- 12 Section 151 of the Local Government Act 1972 requires Councils to make arrangements for the proper administration of their financial affairs and the Accounts and Audit Regulations 2015 establishes a specific responsibility for the Council to conduct a review at least once a year of the effectiveness of its system of internal control.

Section 151 Officer/Finance

- 13 The Internal Audit team is appropriately resourced to comply with statutory and best practice requirements. Resourcing of the Internal Audit team is regularly monitored and reported upon to the CLT and the Audit and Governance Committee.

Policy

- 14 There are no direct policy implications.

Equality, Diversity and Inclusion

- 15 There are no direct implications for Equality and Diversity.

Human Resources

16 There are no direct implications for Human Resources.

Risk Management

17 Failure to consider the effectiveness of the Council's system of internal audit, and the Internal Audit opinion on the Council's control environment, could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015.

Rural Communities

18 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

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

Public Health

20 There are no direct implications for public health.

Climate Change

21 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Josie Griffiths Head of Audit and Risk josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix A: Internal Audit Annual Opinion Report 2023/24
Background Papers:	N/A



Internal Audit Annual Opinion Report 2023/2024

1. Summary - Head of Audit and Risk Management Opinion 2023/24

- 1.1. Throughout 2023/24, the level of available resource within the Internal Audit team, and the application of that resource has been carefully monitored to ensure that sufficient assurance work could be undertaken to enable an annual opinion to be formed.
- 1.2. Sufficient work has been undertaken, but in the context of a significantly challenging environment for the organisation, which has presented in number of clear changes from previous years, the Council's framework of risk management, governance, and internal control is assessed as "Limited" for 2023/24. This change of assessment will be referenced in the Council's draft Annual Governance Statement for 2023/24.
- 1.3. The Council is engaged on a significant journey of transformation and change to ensure that Council services are delivered on a sustainable basis, and the overall financial position, including the four-year funding gap is addressed.
- 1.4. The Internal Audit team will engage with the transformation programme and individual projects to ensure that the impact of proposals for change do not undermine the overall control environment to undesirable and unsafe levels. This will require, like other parts of the organisation, a review of the skills and capacity required in the Internal Audit team.
- 1.5. Despite the wider challenges to the organisation, it is important to recognise that the positive and constructive engagement of the Audit and Governance Committee, our Corporate Leadership Team and Wider Leadership Community with Internal Audit. We are all grateful for this support to address the issues identified through our work, and the improvements this should deliver.

2. Introduction

- 2.1. Local Government Internal Audit sections must comply with the requirements of the Public Sector Internal Audit Standards (PSIAS) (2017) and the accompanying Local Government Application Note.
- 2.2. As set out in the PSIAS, the Council's Chief Audit Executive (the Council's Head of Audit and Risk Management) must provide an annual report to the Audit and Governance Committee - timed to support the Annual Governance Statement. This must include:
 - an annual Internal Audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk, and control framework (i.e., the control environment)
 - a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies), and
 - a statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme (QAIP).

2.3. It should also include:

- disclosure of any qualifications to that opinion, together with the reasons for the qualification
- disclosure of any impairments ('in fact or appearance') or restriction in scope
- a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the Internal Audit function against its performance measures and target
- any issues judged particularly relevant to the annual governance statement; and
- progress against any improvement plans resulting from QAIP external assessment.

2.4. Internal Audit is required to form an annual opinion on the adequacy and effectiveness of the Council's internal control environment. This includes consideration of any significant risk or governance issues and control failures that have been identified.

2.5. In the context of the PSIAS, 'opinion' does not simply mean 'view', 'comment' or 'observation'. It means that Internal Audit has done sufficient, evidenced work to form a supportable conclusion about the activity that it has examined.

2.6. Assurances given by Internal Audit are never absolute. It is impossible to examine every activity and every transaction and, audit reviews are at a point in time. The most Internal Audit can provide is a reasonable assurance that there are no major weaknesses, or that the weaknesses identified have been highlighted, and improvement plans agreed with a timetable for implementation.

2.7. The 2023/24 opinion has been built around the following sources of assurance:

2.7.1. Internal Audit Assurance Reports completed in accordance with the risk-based audit plan. In 2023/24 we have increased both the number and coverage of assurance reports provided in comparison to the last few years. (See Table 1)

Table 1 - Internal Audit Assurance Reports by Year and Assurance Level

Assurance Level	2023/24	2022/23	2021/22
Good	4	5	2
Satisfactory	5	4	4
Limited	13	8	8
No Assurance	1	2	1
Total	23	19	15

2.7.2. Grant sign off. This includes undertaking testing of expenditure to provide the required assurances to the grant funding body on the

appropriate use of funds in line with the grant award criteria. In recognition of the amount of specific grant funding which has been made available to the Council during the recent years, the number of grants which have required sign off by the Head of Internal Audit or testing by the Internal Audit to support the sign off by the Chief Executive has continued to increase.

- 2.7.3. Advice, guidance, and consultancy work. In previous years this has formed a significant part of the opinion due to the support previously provided to services in designing systems and processes for the delivery of the Council's response to the Covid-19 pandemic. However, Internal Audit has continued to support various services in developing systems and procedures ensuring that appropriate and proportionate controls are included within the solution.
- 2.7.4. Governance arrangements. Ensuring that the organisation has effective and proportionate arrangements for decision making across the whole organisation. Internal Audit has been represented on various groups and boards tasked with ensuring that decisions are taken in accordance with the Constitution, are in the best interests of the Council and are appropriately evidenced.
- 2.7.5. Other sources of assurance such as external bodies and confidence in 'first and second lines of defence' arrangements.

3. Overall Head of Audit and Risk Management's Opinion for 2023/24

- 3.1. The purpose of the Head of Audit and Risk Management's Opinion is to contribute to the assurances available to 'those tasked with governance' particularly in respect of informing the Council's Annual Governance Statement (AGS).
- 3.2. In preparing the Opinion, it has been necessary to consider the following matters:
 - 3.2.1. The programme of Internal Audit reviews, including opinion-based work undertaken during the year which identified that of the 184 actions raised, 38% related to a failure to apply existing controls, with a further 13% identifying an absence of an expected or actual control. This demonstrates a concerning breakdown of the control environment in the areas subject to review.
 - 3.2.2. The "No Assurance" report issued following the review of Section 106 arrangements and the subsequent delays in implementing agreed actions within agreed timescales. This issue is also recognised in the Annual Governance Statement as part of the wider transformation of the Planning Service, and on the Council's Strategic Risk Register in terms of failing to deliver required transformation.
 - 3.2.3. The significant governance issues identified in the AGS, including the difficult financial position of the Council, governance of alternative

service delivery vehicles, wider issues within the Planning service, and continued vacancies and interim arrangements across the executive and wider leadership structure. Whilst plans are in place to address these issues, they nevertheless pose a significant challenge to the overall system of governance, risk and internal control.

- 3.2.4. The consistent reporting on the Council's Strategic Risk Register during 2023/24 to the Corporate Policy Committee, and to the Audit and Governance Committee, has highlighted a number of critically rated risks which have been present for considerable periods of time. This demonstrates the considerable resource which is required to stabilise risks that threaten the achievement of strategic objectives and the complexity and interdependencies of factors needed to manage and mitigate risks at this level.
 - 3.2.5. The Council's application to the Secretary of State for Levelling Up for Exceptional Financial Support for 2023/24 and 2024/25 to support reserve levels returning to approximately 5% of the net revenue budget. This process also includes an external assurance review that is currently being undertaken by CIPFA on behalf of MHCLG.
 - 3.2.6. The Council's external auditors, Mazars, presented their Audit Completion Report for 2022/23 to the March 2024 meeting of Audit and Governance Committee and stated that their work would be completed to allow publication of the final statement of accounts at the end of March/early April.
 - 3.2.7. The Committee delegated authority to the Section 151 Officer to sign off the statement of accounts upon conclusion of the audit and inform the Committee when they were published. However as at July 2024, Mazars work remains incomplete with officers continuing to provide responses to queries raised. As such, both the final statement of accounts, and the Value for Money Opinion for 2022/23 remain outstanding.
 - 3.2.8. The recent review of Children's Services by Ofsted which returned an Inadequate judgment.
 - 3.2.9. The outcomes of the Corporate Peer Challenge, which has identified areas of improvement for the Council, particularly across themes of financial management and reporting, organisational skills and capacity, raised concerns over compliance with corporate requests and directions and the quality and complexity of processes which supporting decision making.
- 3.3. Having taken into account the above, the Annual Opinion for 2023/24 from the Head of Audit and Risk Management on the Council's framework of risk management, control and governance is as follows:

Risk Management

Having considered the arrangements in place for identification, recording and reporting risk both to senior management, and Members, along with the development of a new operational level risk management system, the opinion in relation to this area is **Adequate**.

Governance

Having considered the challenges to the Council's financial resilience, the Corporate Peer Challenge outcomes, the transformation programme that is underway to address and improve the way in which the Council delivers value for money and outcomes for its residents, the opinion in relation to this area is **Limited**.

Internal Control

Having considered the findings from the programme of Internal Audit reviews undertaken during the year, and the progress made in implementing actions from these reviews, in particular the No Assurance report into s106 funding, the opinion in relation to this area is **Limited**.

Therefore, based upon these three elements, the **overall opinion on the Council's framework of risk management, governance, and internal control is Limited**.

However, it is important to note that our corporate leadership team and wider management team continue to engage positively with Internal Audit and are taking positive action to address the issues identified through our work.

4. Summary of Internal Audit Work

- 4.1. Audit and Governance Committee receive regular, detailed reports on the work of Internal Audit during the year. Most recently, a full report on all work undertaken during 2023/24 to date was provided to the May 2024 meeting of the Committee, along with a comparison of work undertaken against the Annual Audit Plan (Appendix B), and a summary of key findings from individual audits. In addition, briefings have also been provided in relation to the findings and implementation of actions arising from the s106 audit review.
- 4.2. During 2023/24, Internal Audit produced 23 assurance reports with 13 Limited assurance opinion and 1 No Assurance opinion. A report on the review of concerns raised by a member of the public to the Audit and Governance Committee has also informed the annual opinion. Details about individual reports are provided in Appendix A, including the scope of the review, the assurance opinion provided, and for limited and no assurance opinions, a summary of the findings.
- 4.3. 10 individual school audits were completed during the year to support the completion of the annual Section 151 Officer Assurance statement to the Department of Education.

- 4.4. Internal Audit is also required to certify statutory returns and grant claims. In most cases the work required is either an audit or an assurance statement where required by the funding body of a specific programme/project. In total, and as reported in detail to the May committee, Internal Audit contributed to the certification of £24,377,940 of funding received via twelve grants. Not every grant received by the Council requires this certification.
- 4.5. Internal Audit has contributed to the production of the Council's AGS for 2022/23 by:
- Coordinating assurance exercises to inform the AGS
 - Production of the draft AGS
 - Contribution to and production of Audit & Governance Committee reports which inform the AGS.
- 4.6. Finally, Internal Audit has continued to provide consultancy and advice to management on the development of new and proposed systems and initiatives to ensure that appropriate controls are built into the design of processes.

5. Implementation of Internal Audit Recommendations

- 5.1. During 2023/24, only 48% of agreed recommendations were implemented within the agreed timescales. In response to this, an exercise was undertaken to review the status of all actions agreed from audits reported from 2021/22 through to 31/03/24.
- 5.2. This identified the following:

Action Status	No of Actions
Total actions agreed	151
Completed actions	50
Superseded actions	11
In progress (not yet due)	48
In progress (passed agreed date)	42

- 5.3. The actions that have passed the agreed implementation date were in relation to the s106 and Community Infrastructure Levy reports. Regular monitoring of the s106 actions has identified that progress is being made in implementing agreed actions, however, the initial timescales have passed and revised timescales have been agreed with management.
- 5.4. Additional information in relation to the implementation of actions will continue to be provided in future Internal Audit update reports to the Risk and Assurance Management Board, and to Corporate Leadership Team and the Audit and Governance Committee. This will include escalation of any matters of concern over delays in implementation, or a lack of effective improvement.

6. Conflict of Interest

- 6.1. No conflicts of interest have arisen during the course of 2023/24. Each audit assignment is subject to an individual declaration of interest from the auditor undertaking the assignment and the audit manager. The Internal Audit Charter sets out the arrangements for auditing areas of operation that fall under the management of the Head of Audit and Risk Management to avoid any conflicts of interest.

7. Compliance with the Public Sector Internal Audit Standards (PSIAS)

- 7.1. Regulation 6 of the Accounts and Audit Regulations 2015 requires relevant bodies to conduct an annual review of the effectiveness of its Internal Audit and for a committee of the body to consider the findings. This review is carried out by self-assessing compliance with the Public Sector Internal Audit Standards. The PSIAS require Internal Audit to have in place a quality assurance and improvement programme which must include both internal and external assessments.
- 7.2. The self-assessment against the Standards has been undertaken, and details of this review will be reported to a future meeting of the Committee as part of the regular Internal Audit update report.
- 7.3. The external assessment of compliance with the Standards which is required every 5 years, will be completed before the end of 2024. The outcome of this review will also be reported back to Committee.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
1	Wilmslow Business Improvement District (BID) Billing Reconciliation	Request of management The review focused on the controls in place to ensure that bills for the additional Wilmslow BID levy have been calculated and raised correctly	Good	All controls operating effectively	
2	Non-Domestic Rates Discounts and Eligibility	Identified via Audit Plan A review of the systems, processes and controls in place for the application of rate relief on Business Rates accounts to ensure the identified risks are managed effectively.	Good	All controls operating effectively	
3	Council Tax Billing Reconciliation 24/25	Identified via Audit Plan A review of the systems, processes and controls in place for the application of rate relief on Business Rates accounts to ensure the identified risks are managed effectively.	Good	Controls operating effectively	
4	Business Rates Billing Reconciliation 24/25	Identified via Audit Plan To ensure that the Business Rates bills for 2024/25 had been raised for the correct liability.	Good	Controls operating effectively	
5	Unit4 Key Financial Controls (jointly with CWAC)	Identified via Audit Plan To seek assurance that the control environment developed as part of the Best4Business programme is now	Reasonable (CWaC rating)	All actions agreed with management of both CEC and CWAC	

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
		contributing effectively to the mitigation of risks of fraud and error through the system design, application of appropriate business processes and clear communication of these to users.			
6	ICT Hybrid Programme (joint work with CWAC)	<p>Identified via Audit Plan</p> <p>To seek assurance that the following aspects of the mobilisation process:</p> <ul style="list-style-type: none"> that the lessons learned report from the B4B programme provides a template for effective delivery and is being utilised by Programme Board to provide appropriate assurances to the Councils that the Programme is appropriately resourced and has a delivery plan that recognises the challenging timeframe it has been set that Programme governance is robust, with well-established risk management and financial control processes, and review/approval functionality that is appropriate to both Councils. 	Substantial	Governance arrangements and delivery plan in place	
7	Council Tax Eligibility for Discounts	<p>Identified via Audit Plan</p> <p>A review of the systems, processes, and controls in place for the</p>	Satisfactory	All actions agreed with management	

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
		application of discounts, exemptions, and reductions in Council Tax to ensure the identified risks are effectively managed.			
9	Land Transaction Concern	<p>Concern raised by member of public at Committee.</p> <p>A member of the public raised concerns at Audit & Governance Committee in June 2023 regarding a land transaction relating to a site in the Borough. Internal Audit carried out a detailed review to confirm whether the concerns raised relating to LPS 1038 – Land South of Longridge, Knutsford could be substantiated.</p>	N/A	Concerns not substantiated	
10	Unit4 – Exception Payments	<p>Identified via Audit Plan</p> <p>To review the use of exception payments within Unit4.</p>	Satisfactory	Controls operating effectively	
11	Treasury Management	<p>Identified via Audit Plan</p> <p>A review of the systems, processes, and controls in place in relation to Treasury Management to ensure compliance with the Treasury Management Strategy and the CIPFA Treasury Management Code of Practice 2021 and to ensure the identified risks are effectively managed.</p>	Satisfactory	Controls operating effectively	

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
12	Management of Commissioned Services - Care at Home	<p>Identified via Audit Plan</p> <p>To examine the policies, systems and procedures in place for the commissioning and reviewing of care at home contracts.</p>	Limited	6 recommended actions were agreed. Actions are progressing within the agreed timescales.	<p>The review identified the following issues:</p> <ul style="list-style-type: none"> • The use of non-commissioned providers is not comprehensively reported to senior management on a regular basis. • The selection and approval for the use of non-commissioned providers is not consistently evidenced. • Provider contracts are not consistently monitored in accordance with the arrangements set out in the contract schedules.
13	Corporate Travel Management	<p>Identified via Audit Plan</p> <p>A 'No Assurance' opinion was given to a previous travel and accommodation booking system in 2018/19. A follow up was completed which evidenced that significant progress had been made towards implementing the agreed actions.</p> <p>In April 2019, The Council changed providers to a new system and this review was to ensure that appropriate controls are in place to mitigate the formerly identified weaknesses and they are sufficient to address risks introduced by increased hybrid working arrangements.</p>	Limited	All actions agreed with management	<p>The review identified the following issues:</p> <ul style="list-style-type: none"> • Inconsistencies in the application and authorisations of system users. • Business travel request forms were not consistently completed and authorised.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
14	Schools Consolidated Report 2022/23	<p>Identified via Audit Plan</p> <p>The School's Audit Programme for 2022/23 covered a review of the arrangements in place to manage Purchasing (P2P) and HR via the Unit 4 ERP system.</p> <p>By completing this work, it is intended that a clearer picture will emerge as to common issues across schools that can be fed into other workstreams and also identify any issues that may be occurring as a result of the way in which the system is being used. The review focused on the arrangements within the schools and compliance with agreed procedures.</p> <p>15It did not review the processes and controls within the Unit 4 ERP system as this has been subject to separate reviews. A total of nineteen schools had not received an Internal Audit visit within the last three years as such, nine schools would be reviewed this year and ten during 2023/24 ensuring that all schools receive a visit over the 5 year period.</p>	Limited	All actions agreed with management	<p>The report identified common issues in relation to:</p> <ul style="list-style-type: none"> • Errors in completing Unit4 HR forms. • Errors in the use of the procurement module on Unit 4 leading to duplicate payments, and • Inconsistent application of the purchase card policy.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
15	Purchase Cards – Children's Services	Identified via Audit Plan To review the use of purchase cards within the directorate and compliance with policy and procedures	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Receipts and invoices are not consistently retained to support all purchase card expenditure. • Lack of evidence to demonstrate that all cardholders have agreed to the terms and conditions of the Purchasing Card Scheme Policy and Procedures. • A significant level of non-compliance with the Purchasing Card Scheme Policy and Procedures. • VAT is not routinely input/applied to purchase card transactions.
16	Purchase Cards – Adults, Health & Integration	Identified via Audit Plan To review the use of purchase cards within the directorate and compliance with policy and procedures	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Receipts and invoices are not consistently retained to support all purchase card expenditure. • Lack of evidence to demonstrate that all cardholders have agreed to the terms and conditions of the Purchasing Card Scheme Policy and Procedures. • A significant level of non-compliance with the Purchasing Card Scheme Policy and Procedures. • VAT is not routinely input/applied to purchase card transactions.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
17	Purchase Cards – Corporate Services	Identified via Audit Plan To review the use of purchase cards within the directorate and compliance with policy and procedures	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Receipts and invoices are not consistently retained to support all purchase card expenditure. • Lack of evidence to demonstrate that all cardholders have agreed to the terms and conditions of the Purchasing Card Scheme Policy and Procedures. • A significant level of non-compliance with the Purchasing Card Scheme Policy and Procedures. • VAT is not routinely input/applied to purchase card transactions.
18	Purchase Cards – Place	Identified via Audit Plan To review the use of purchase cards within the directorate and compliance with policy and procedures	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Receipts and invoices are not consistently retained to support all purchase card expenditure. • Lack of evidence to demonstrate that all cardholders have agreed to the terms and conditions of the Purchasing Card Scheme Policy and Procedures. • A significant level of non-compliance with the Purchasing Card Scheme Policy and Procedures. • VAT is not routinely input/applied to purchase card transactions.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
19	Purchase Cards – Consolidated Findings	Identified via Audit Plan To identify common issues and control weaknesses identified by the directorate purchase card reviews	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Receipts and invoices are not consistently retained to support all purchase card expenditure. • Lack of evidence to demonstrate that all cardholders have agreed to the terms and conditions of the Purchasing Card Scheme Policy and Procedures. • A significant level of non-compliance with the Purchasing Card Scheme Policy and Procedures. • VAT is not routinely input/applied to purchase card transactions.
20	Use of Agency Workers	Identified via Audit Plan To review the use of agency workers across the authority and ensure that effective processes are in place for the approval and ongoing management of these engagements.	Limited	Draft Report	The review identified the following issues: <ul style="list-style-type: none"> • Controls for review and monitoring of agency workers are improving, however costs remain high, and a large number of workers have been engaged for an extended period. • Lack of clarity over the allowable expenses for agency workers.
21	Debt Management and Recovery – Sundry Debt	Identified via Audit Plan To review compliance with policies and procedures and ensure that effective processes are in place for the collection of debt	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Services did not consistently follow correct processes with respect to raising and following up debt. • Sundry Debt information reported to Finance Sub-Committee includes certain aspects of ASC debts,

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
					<p>resulting in the potential for the reported Sundry and ASC debt position to be distorted.</p> <ul style="list-style-type: none"> • Policies and strategies were out of date and had not consistently been updated to reflect the new finance system.
22	Debt Management and Recovery – Adult Social care	<p>Identified via Audit Plan</p> <p>To review compliance with policies and procedures and ensure that effective processes are in place for the collection of debt</p>	Limited	All actions agreed with management	<p>The review identified the following issues:</p> <ul style="list-style-type: none"> • Lack of detailed process notes. • Inconsistent application of agreed processes. • Whilst debt is regularly reported to Adults DLT, this did not include the number and value of write offs. • Sundry Debt information reported to Finance Sub-Committee includes certain aspects of ASC debts, resulting in the potential for the reported Sundry and ASC debt position to be distorted.
23	Starters, Contractual Changes and Leavers	<p>Identified via Audit Plan</p> <p>To review the use of Unit4 and compliance with policies and procedures</p>	Limited	Draft Report	<p>The review identified the following issues:</p> <ul style="list-style-type: none"> • Delays in managers submitting new employment forms leading to delays in pay. • Inconsistencies in the receipt and review of establishment listings. • Delays in submitting/approving leaver forms resulting in overpayments.

	Audit Report	Reason for and scope of review	Audit Assurance Opinion	Comments	Summary of Findings (Limited and No Assurance only)
24	Heritage Asset Responsibilities	Identified via Audit Plan To review the arrangements in place for the effective management and stewardship of heritage and historical assets	Limited	All actions agreed with management	The review identified the following issues: <ul style="list-style-type: none"> • Condition surveys not carried out periodically. • Lack of clarity over ownership and responsibilities for transferred assets.
25	Section 106	Identified via Audit Plan Internal Audit carried out a review of the policies, systems and procedures in place to manage Section 106 agreements to provide assurance that the identified risks were being managed effectively. In addition, a follow up of previously agreed actions was also undertaken.	None	Reported in detail to the Committee in September 2023	Significant issues were identified during the audit which have been reported to Audit & Governance, Environment and Communities and Finance Sub Committee. Progress in implementing these actions is being closely monitored.

Appendix B – Comparison of Audit Plan 2023/24 and Actuals

Area of Plan		Original Plan		Actuals		Comments on coverage
		Days	%	Days	%	
Chargeable Days		1,476		1,258		Original figure included agency staff not subsequently employed
Less: Corporate Work		177		140		
Available Audit Days:		1,299	100%	1,118	100%	
Corporate Governance and Risk		130	10%	96	9%	
Anti-Fraud and Corruption	Proactive Work	52	4%	21	2%	
	Reactive Investigations	52	4%	0	0%	
Corporate Services		455	35%	489	43%	Additional coverage of Unit4
Adults, Health & Integration		130	10%	108	10%	
Children's Services		130	10%	82	7%	
Place		104	8%	224	20%	Large amount of work on s106 and land transactions
Providing Assurance to External Organisations		26	2%	20	2%	
Advice & Guidance		90	7%	22	2%	
Other Chargeable Work		130	10%	56	5%	
Total Audit Days		1,299	100%	1,118	100%	

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Audit and Governance Committee Work Programme 2023-24

Report Reference	Date of Committee	Report Title	Purpose	Lead Officer					
July 2024									
AG/25/23-24	29/07/24	Annual Complaints and Compliment Report 2023/24	To provide an update on Complaints and customer contact for the period 1st April to 31st March 2024 and to provide assurance that actions arising from complaints and improvements identified are being actioned	Interim Director of Finance and Customer Services	No	No	Open	No	No
AG/03/24-25	29/07/24	Progress Against CIPFA Review Actions	To receive an update on progress made against the CIPFA review actions.	Head of Audit and Risk Management	No	No	Open	No	No
AG/01/24-25	29/07/24	Annual Internal Audit Report 2023-24	To receive an update on work undertaken by Internal Audit during 2023-24 including the Internal Audit Opinion.	Head of Audit and Risk Management	No	No	Open	No	No
AG/04/24-25	29/07/24	Draft Annual Governance Statement 2023-24	To consider the draft Annual Governance Statement for 2023-24.	Head of Audit and Risk Management	No	No	Open	No	No
AG/09/24-25	29/07/24	Internal Audit Review Update - S106	To update the committee on the Internal Audit review timeline and recommendations for S106.	Head of Audit and Risk Management / Interim Director of Environment and Neighbourhoods	No	No	Open	No	Yes
AG/10/24-25	29/07/24	Final Outturn and Draft Statement of Accounts 2023/24 (Audit & Governance Committee)	The purpose of this report is to present the pre-audited overview of the Council's Outturn and the draft Statement of Accounts for 2023/24. Members are being asked to note the financial performance of the Council. The report also provides confirmation that the accounts will be published on the Council's website. The report provides committee members with an early summary of the accounts, which will help them in advance of any formal responsibility to approve the accounts.	Interim Director of Finance and Customer Services	No	No	Open	Yes	No
AG/17/24-25	29/07/24	Companies Draft Financial Statements 2023/24 (Audit & Governance Committee)	The purpose of this report is to present the draft financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2023/24	Interim Director of Finance and Customer Services	No	No	Open	Yes	No

Audit and Governance Committee Work Programme 2023-24

AG/20/24-25	29/07/24	Risk Management Report 2023/24	This report provides an update on risk management activity during 2023/24, including detail of the council's Strategic Risk Register for Quarter 4 ending April 2024.	Head of Audit and Risk Management	No	No	Open	No	Yes
September 2024									
AG/15/21-22	30/09/24	Whistleblowing Policy	To present proposals for an updated whistleblowing policy to the Audit and Governance Committee	Director of Governance and Compliance	Yes	No	Open; Fair	No	No
AG/12/24-25	30/09/24 - TBC	Final Statement of Accounts 2023/24 (Audit & Governance Committee)	The purpose of this report is to present to committee the final version of the Statement of Accounts for 2023/24, the statements will incorporate the agreed changes reported in the Mazars Audit Findings report 2022/23. There will be a recommendation to committee approve the Statement of Accounts for 2023/24.	Interim Director of Finance and Customer Services	No	No	Open	Yes	No
AG/13/24-25	30/09/24	Audit of Accounts 2023/24	The purpose of this report is to present to Council, the Mazars Audit Findings report for 2023/24 accompanied by a response recommended by the Audit & Governance Committee to any significant issues raised in the Audit Findings report.	Interim Director of Finance and Customer Services	No	No	Open	Yes	No
AG/14/24-25	30/09/24 - TBC	Companies Audited Financial Statements 2023/24 (Audit & Governance Committee)	The purpose of this report is to present the audited financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2023/24	Interim Director of Finance and Customer Services	No	No	Open	Yes	No
AG/19/24-25	30/09/24	Monitoring Officer Report 2023/24	This report seeks to provide information and assurance to the Audit and Governance Committee on key aspects of the Monitoring Officer's responsibilities over the previous financial year.	Director of Governance and Compliance	No	No	Open	No	No
AG/21/24-25	30/09/24	Information Governance and Security 2023/24	This report provides assurance to the Audit and Governance Committee on the Council's arrangements for information governance and information security over the course of the previous financial year.	Chief Information Officer	No	No	Open	No	TBC
AG/22/24-25	30/09/24	Annual Report of the Audit and Governance Committee 2023/24	The purpose of this report is for the Committee to consider the draft version of the Audit and Governance Committee's Annual Report and agree the final version of the report that will go to the next meeting of Council.	Head of Audit and Risk Management	No	No	Open	No	No

OPEN – Report and Appendix A. Not for Publication - Appendix B, C & D – Part 2 By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Audit and Governance Committee

29 July 2024

2023/24 Risk Management Report

Report of: David Brown, Director of Governance and Compliance, Monitoring Officer

Report Reference No: AG/20/24-25

Ward(s) Affected: All

Purpose of Report

- 1 Effective risk management is central to good governance and supports the efficient delivery of the Council's corporate plan objectives. The Audit and Governance Committee provides an independent assurance to the Council on the adequacy of the risk management framework, and this report supports the Committee with this assurance.

Executive Summary

- 2 This report provides an update on risk management activity throughout 2023/24 and particularly Quarter 4 2023/24, including detail of the council's Strategic Risk Register in that period, ending March 2024. The Council's Strategic Risk Register includes the equivalent level risk registers for the Council's wholly owned companies; Orbitas, Tatton Park Enterprises and ANSA.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

- To note the update provided by this report to the Audit and Governance Committee.
- Identify any further assurance required by the Committee in relation to the management of risks included on the Council's Strategic Risk Register.

Background

- 3 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, in this case our corporate objectives in the Corporate Plan. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 4 Items on the Strategic Risk Register are "owned" by members of the Corporate Leadership Team (CLT) and are reviewed on a quarterly basis. Co-ordination and administration of the Strategic Risk Register and the Risk Management Framework is undertaken by the Head of Audit and Risk Management.
- 5 Updates on the Strategic Risk Register are provided on a quarterly basis to the Corporate Policy Committee, alongside the updates on the organisation's financial performance and performance against the Corporate Plan objectives, to provide a comprehensive review and understanding of the Council's position throughout the year.
- 6 Regular updates are also provided to the Audit and Governance Committee to support the committee in its assurance role on the adequacy of the risk management framework.
- 7 Risk Management training was provided to the Committee in January 2024 and Members of the Audit and Governance Committee have received detailed briefing and assurances on the management of the following strategic risk register items during 2023/24;
 - SR 04 Dedicated Schools Grant (May 2024 meeting)
 - SR 12 Stakeholder Expectation and Communication (circulated to Committee members)
 - SR 09 Recruitment and Retention (provided to Members in May 2024)
 - SR 07 Leadership Capacity and SR 08 Ability to Achieve Organisational Change (provided to Members in July 2024)
- 8 Further briefings will be arranged for Members on SR 13 Information Security and Cyber Threat ahead of reports to the September meeting of the Committee.

Risk Management Operations

- 9 Significant progress has been made during 2023/24 to improve the mechanisms for the recording of operational risks using a SharePoint and Power Apps based system. Use of this system began in Q4

2023/24 and we are currently completing the first update of content for the Quarter 1 2024/25 review. Initial report formats have begun to be shared with management teams and directors, which will inform future regular reporting requirements. Over the course of 2024/25 this approach will enable us to provide greater levels of assurance on the management of operational risk across the organisation to the Committee, for example, monitoring the frequency of updates, areas for escalation and monitoring, and specific interrogation for emerging themes and areas of concern.

Business Continuity Operations

- 10 As reported to the Committee in May, Business Continuity Impact Assessments continued to be carried out in 2023/24, with the aim of assisting the organisation in managing and prioritising the continuation of service delivery.
- 11 Based on the progress made with the risk management app, internal development to use a similar application and approach has begun. The opportunity to work with colleagues in our shared Emergency Planning team will give us the opportunity to test “proof of concept” as this develops, as well as having valuable opportunities to ensure service level business continuity plans consider critical response scenarios.
- 12 Workshops are planned with the Wider Leadership Community to consider specific scenarios, including a cyber-attack; these will provide valuable opportunities to enhance service response and cross-organisational plans.

Strategic Risk Register – Quarter 4 2023/24 Review

- 13 Since the last update, the review of the Strategic Risk Register for Quarter 4, ending March 2024 was provided to the Corporate Policy Committee on 13 June 2024. The Quarter 1 2024/25 update will be provided to the Corporate Policy Committee in October 2024.
- 14 Revisions to the register are made on an on-going basis to ensure that the scope and detail of the individual risks, and the overall coverage of the register is reflective of the current threats to the organisation achieving its strategic objectives and maintaining business as usual service delivery. Where items are removed from the Strategic Risk Register, they continue to be considered at operational levels, and can be escalated back for inclusion based on CLT’s judgement at that time.
- 15 Full details of the individual risks are provided in Appendix A. The detail in this covering report relates to the key changes in risks from Quarter 3 to Quarter 4 and the inclusion of risk registers from wholly owned subsidiaries.

The appendices to this report provide the following detail

- Appendix A – Cheshire East Council Strategic Risk Register Q4 2023/24
- Appendix B – (Part 2) ANSA Risk Register Q4 2023/24
- Appendix C - Orbitas Risk Register Q4 2023/24
- Appendix D – Tatton Park Enterprises Ltd Risk Register Q4 23/24

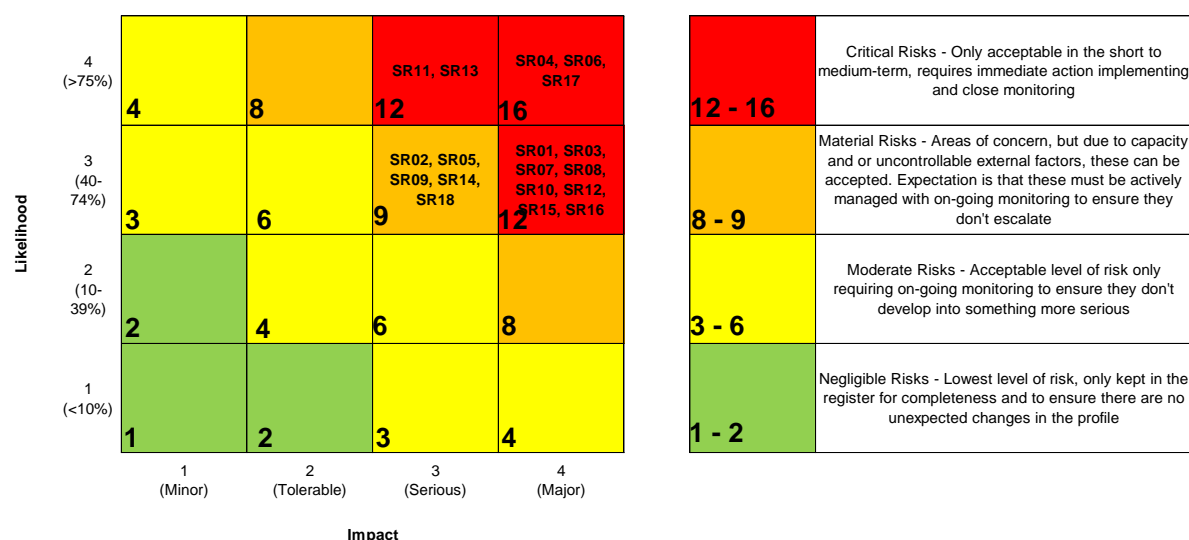
- 16 Drivers and causes of uncertainty, primarily the financial position of the organisation remain much the same as Quarter 3 with no change in the two highest rated risks from last quarter; the Dedicated School Grant Deficit and Failure to Achieve the MTFS. In addition, the risk relating to the Carbon Neutral project has been increased, also to the highest possible rating. All three of those risks, and many other in the register, directly relate to the resources/demand imbalance currently faced by the Council. The organisation continues to experience elevated levels of challenge and risk as a result of the current financial situation.
- 17 The risk relating to capital projects being managed by the Place directorate has seen an increase in the net score this quarter. The risk shows how the impact of inflation in construction projects.
- 18 As set out in the CPC Quarter 3 report, the JTAI improvement plan risk has been replaced with a broader, longer-term risk focusing on the protection of vulnerable children.
- 19 Table 1 shows the position of the Strategic Risk Register after the Quarter 4 assessments: with the gross, net and target score for each risk. The table is organised by highest to lowest net risk for Q4.
- 20 Table 2 shows the position of the Strategic Risk Register across 2023/24, with the direction of travel based on net score movements from Q3 to Q4. The majority of net risk scores have remained static across 2023/24, but as the update reports each quarter demonstrate, even to maintain the position requires significant amounts of mitigation and management activity.
- 21 The heat map below the tables (Chart 1) shows the concentration of critical and material rated risks.
- 22 As requested by Corporate Policy Committee the strategic risk registers of the Council's Wholly Owned Companies are included in Part 2 of this report. Full details are included in Appendix B, C and D.

Table 1 – Strategic Risk Register, highest net score to lowest

Ref	Risk	Q4 Gross	Q4 Net	Q4 Target
SR17	CEC Carbon Neutral Status	16	16	16
SR04	Dedicated School Grant Deficit	16	16	16
SR06	Failure to Achieve the MTFS	16	16	9
SR01	Increased Demand for Adult's Services	16	12	9
SR03	Complexity and Demand for Children's Services	16	12	12
SR07	Leadership Capacity	16	12	9
SR08	Ability to Achieve Organisation Change	16	12	8
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	8
SR12	Stakeholder Expectation & Communication	16	12	9
SR13	Information Security and Cyber Threat	16	12	12
SR15	Capital Projects – Place	16	12	8
SR16	Failure of the Local Economy	16	12	12
SR02	Fragility and failure in the Social Care Market	16	9	9
SR05	Failure to Protect Vulnerable Children	16	9	6
SR09	Recruitment & Retention	16	9	9
SR11	Failure to Adhere to Agreed Governance Processes	16	9	6
SR14	Business Continuity	12	9	6
SR18	Local Planning Authority Modernisation Plan	12	9	6

Table 2 – Strategic Risks Direction of Travel

Ref	Risk	Q1 Net	Q2 Net	Q3 Net	Q4 Net	Direction of Travel (Q3-Q4)
SR01	Increased Demand for Adult's Services	12	12	12	12	↔
SR02	Fragility and failure in the Social Care Market	9	9	9	9	↔
SR03	Complexity and Demand for Children's Services	N/A	12	12	12	↔
SR04	Dedicated School Grant Deficit	N/A	16	16	16	↔
SR05	Failure to Protect Vulnerable Children	N/A	N/A	N/A	9	NEW
SR06	Failure to Achieve the MTFS	N/A	16	16	16	↔
SR07	Leadership Capacity	N/A	12	12	12	↔
SR08	Ability to Achieve Organisation Change	N/A	12	12	12	↔
SR09	Recruitment & Retention	N/A	9	9	9	↔
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	12	12	↔
SR11	Failure to Adhere to Agreed Governance Processes	9	9	9	9	↔
SR12	Stakeholder Expectation & Communication	12	12	12	12	↔
SR13	Information Security and Cyber Threat	12	12	12	12	↔
SR14	Business Continuity	9	9	9	9	↔
SR15	Capital Projects - Place	8	8	8	12	↑
SR16	Failure of the Local Economy	12	12	12	12	↔
SR17	Climate Change (CEC Carbon Neutral Status)	9	9	12	16	↑
SR18	Local Planning Authority Modernisation Plan	9	9	9	9	↔

Chart 1 – Strategic Risks Heat Map**Risks Updates by Service Committee****Adults and Health Committee**

- 23 **Increased Demand for Adults Services:** Increased efforts from our First Point of Contact teams has seen the number of referrals going on to full assessment remain static demonstrating our work towards 'prevent, reduce, delay' having a positive impact on demand. However, the referrals progressing to assessment continue to evidence higher complexity and need. The demand and complexity of young people moving from Childrens' services is resulting in increased pressure on the Preparing for Adulthood team and an increase in financial pressure on services. There is no change to the risk rating or description. The Quality, Performance and Authorisation Board meets three times a week and continues efforts to reduce spend where possible and safe to do so. Fee increases from providers continues to be the biggest pressure on the services.
- 24 **Fragility and failure in the Social Care Market;** No change to the risk score or description at this time. As predicted in Q3 we are seeing an increase in the number of providers requesting uplifts as a result of the increase in the national living wage. However, it is too early to assess the impact on the market and whether packages of care will be handed back. Fees have been uplifted for packages of care on the Complex framework to £18.52 per hour and there has been a substantial uplift in the rate paid for waking nights, equivalent to £18.52 per hour. The Council has also purchased a fee analysis tool called "Care Cubed" which will provide greater insight into the true cost of delivering care to inform negotiations with individual care providers. This will start to be rolled out in Q1 2024/25.

Children and Families Committee

- 25 **Complexity and Demand for Children's Services;** No change to the net rating, it remains 12, a material risk, equal to the target score. Cheshire East Council received an Ofsted inspection of Children's Services during February and March 2024. We are currently developing a new improvement plan to respond to the findings from the inspection; Children and Families Committee received a report on the findings and improvement plans on 3 June 2024. The delivery and impact of this will be evaluated through an independently chaired monthly Improvement and Impact Board. Additional growth to address budget pressures within services has been agreed in the MTFs for 2024/25, including £10.8m to address placement costs for children.
- 26 We have implemented Family Hubs, bringing council, health and community services together – improving access and reach of services, supporting earlier intervention, and improving partnership working. Over the past 12 months the council has opened five family hubs across the borough, including a SEND Centre of Excellence, as well as a new digital offer so families can also access advice and information online.
- 27 **Dedicated Schools Grant (DSG) Deficit:** Cheshire East submitted detailed plans to the Government on 12 January 2024 as part of the department for education's (DfE) Safety Valve programme. The plans set out how the council proposed to reform services for children and young people with special educational needs and disabilities (SEND) and achieve a balanced and sustainable dedicated schools grant budget. The Safety Valve programme is in place to provide additional support, including financial support, to councils as they work to reform support and services for children with SEND, to improve sustainability and affordability.
- 28 In March 2024 Ministers advised that they are currently unable to enter into an agreement with Cheshire East as its Safety Valve submission included an ask which was significantly above the level which the Department could reasonably afford in comparison to other agreements. Ministers recognise that the DSG deficit as forecasted poses a substantial risk to Cheshire East and propose to work with us over the coming months, alongside colleagues from DLUHC, to seek an appropriate solution.
- 29 The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. A revised DSG management plan for 2024/25 to 2030/31 was approved by the Children and Families Committee on 29 April 2024. The committee also received an update on the Safety Valve submission. With significant and

challenging mitigations, we are now forecasting an in year balanced position by year 7. Additional growth has been agreed in the MTFS budget for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts.

- 30 **Delivery of the JTAI Improvement Plan;** This risk previously related to the JTAI improvement plan where a number of recommendations were made and required to protect children at risk of exploitation. As previously reported, all actions were met through the improvement plan which had DfE oversight throughout. The scope of the risk has transitioned to taking an ongoing view of how well the council is protecting its vulnerable children.
- 31 Contextual Safeguarding has remained a partnership priority throughout 2023/2024. There is audit activity underway and an impact report is being developed to understand the progress made against the exploitation strategy. Any recommendations will be actioned across the partnership.
- 32 As this update covers the period of January to March 2024, it is noted that the outcome of the ILACS Ofsted inspection was published in May. The gross, net and target scores have been set to reflect the new scope of the risk and the outcome of the above activity will be addressed in the Q1 24/25 update of the register.

Corporate Policy Committee

- 33 **Failure to achieve the MTFS;** No change to the risk ratings. At the time of writing, provisional outturn figures for 2023/24 show a slightly smaller overspend than was forecast in the Third Financial Review, overall, with a greater adverse variance in Adult Social Care spending being more than offset by favourable variances across other Services. The outturn position is being analysed, particularly to understand the effects of one-off 'windfall' events/ savings, as distinct from any further cost pressures (or reductions) which will continue to have an effect in the 2024/25 year, and so vary our forecasts going forward.
- 34 The smaller overspend, whilst helpful, provides little comfort, as all things being equal the prospects for the future remain very challenging. The Council has received notification from Government of the potential to utilise 'Exceptional Financial Support' – of up to £11.6m relating to 2023/24 items, and up to £6m in respect of 2024/25 – but as expected this is only in the form of capitalisation direction (which will cost us to deploy, in the form of premium interest rates).

- 35 The Transformation Programme noted as required in the MTFS is underway, with consultants being appointed recently; work has commenced and in the coming weeks they will help us develop a plan to shape our transformation and improvement journey. This plan must be submitted to DLUHC by 27 August as part of the criteria for final approval of Exceptional Financial Support. Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.
- 36 **Leadership Capacity;** Director of Finance and Customer Services resigned from the organisation in January 2024 and left in May 2024. A recruitment exercise for an interim has been carried out successfully and an interim will be taking up post on 29 April 2024. The LGA has undertaken a “Decision Making Accountability” exercise to examine current senior management roles to help ensure a stable senior management structure is in place. This will provide recommendations for a revised organisational structure which is effective at making decisions, with clear accountabilities and roles, and that are efficient in their use of management resources. This will be actioned in the next quarter.
- 37 A series of development sessions for CLT and WLC has been developed, with the first of these sessions being held on 12th April. Additional sessions for CLT and WLC will continue through the next quarter. Recruitment to a number of key senior interim roles has also begun and includes the director of Policy and change and the Executive Director Corporate Services.
- 38 **Ability to Achieve Organisation Change;** No change to the risk rating or description at this time. Focus on the initial steps need to transform the council including:
- Confirmation of exceptional financial support, subject to a transformation plan being established
 - Transformation Approach for the council approved by Corporate Policy Committee
 - Established of 4 management boards including the transformation board which meets weekly
 - Procurement, appointment and start on site of the council's transformation partner
 - Various engagement sessions with the wider leadership community of the council around the scale and pace of the required change
- 39 **Recruitment and Retention;** No change to the risk ratings at this time, the same market pressures exist, although work is now underway to secure a more stable senior management structure. A recruitment

process review has also been completed in this quarter and a number of further key actions identified. A new recruitment process checklist has been developed and will be available to support all hiring managers with the recruitment process. Additional improvements will also be introduced in the next quarter. A consultation exercise as part of the office rationalisation programme has been completed, and identified the number of staff that will be most affected by work base changes. Ongoing support to staff to ensure a smooth transition to the new workplace.

- 40 Workplace charters will be developed to support future ways of working. Pulse staff survey workshops have been put in place to explore the feedback from staff in the survey carried out in November 2023. Directorate specific action plans have been developed to address directorate specific issues. A review of agency staff across the council has been completed with a reduction in the number of agency staff from 234 in quarter 3 to 196 at the end of quarter 4. Ongoing monitoring of agency staff is now overseen by CEBERT to ensure a more permanent stable resource is in place.
- 41 **Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks;** Details of the Oflog reporting are still to be confirmed and the risk's actions will be updated once the final details have been agreed. Preparations for the May elections have gone well, with no material issues to report. The additional voting reform administrative burden is being managed but is a new process and as such carries some additional risk. Productivity plan action updated, not an area of concern.
- 42 There is uncertainty around the future shape of devolution within England due to the upcoming general election and possible change of government. The election may also impact on progress of the transition plan, due to the pre-election period. However overall, no change to the risk in Q3 review.
- 43 **Failure to Adhere to Agreed Governance Processes;** The risk has not changed in score or description during Q4. The process of identifying internal control issues continues, however it is acknowledged that the time taken to resolve issues needs to be improved. Director of Finance and Customer Service (Section 151 Officer) left in May, the immediate risk mitigated by the appointment of the interim Chief Finance Officer, pending permanent recruitment. The introduction of the management Boards should help cross organisation working and reduce the risk of siloed decision making.
- 44 The LGA Corporate Peer Challenge took place at the end of March. Initial feedback has been provided, but formal reporting on this will take

place by the end of July and an action plan and a response will be prepared by the end of August. If needed, the impact of the Corporate Peer Challenge findings will be reflected in the next update to the strategic risk register.

- 45 **Stakeholder Expectation & Communication:** No change to the risk ratings at this time. Coverage and public/media interest in the council through Q4 included:
- Budget setting and council tax
 - In-year financial position
 - Exceptional financial support
 - Poynton Pool planning application
 - New Chief Executive
 - Leisure Services review
 - Garden waste subscriptions
 - Parking review
 - Potholes and road maintenance
 - Planning enforcement
 - Active travel schemes
 - Springfield special school extension
- 46 Consultation activity has continued to feature as part of committee decisions and consultation reports are routinely referenced as part of the decision-making evidence. There are further opportunities to embed consultation practice into the decision-making process more consistently across the organisation and the varying decisions that committees determine. Work on this is progressing. This will help stakeholders to have greater clarity about how consultation can be, and is, used to inform decision-making.
- 47 The council undertook extensive consultation and engagement activity to support the annual budget setting process. Consultation responses were used to influence and inform councillors' decision making when approving the Budget.
- 48 **Information Security and Cyber Threat;** There continues to be significant threats from state sponsored activity, particularly in this election year on Government both central and Local and the support service such as NHS. Several organisations have already fell victim causing substantial loss of services and data. Therefore, there is no change to the risk rating at this time. Activity to manage this risk during the quarter has included:

- a) Identity Management – projects are continuing to ensure that identities are protected through increased monitoring and controls. Access from locations outside of the UK are automatically blocked reducing the attack surface.
- b) Application Management – work is ongoing to ensure that MFA and SSO is applied to applications that are cloud hosted.
- c) Data Security – continued enhancement of the existing security controls to ensure that the latest threats are mitigated and protected. Work is continuing to strengthen the resilience capabilities of data storage and protection. Work has progressed to refresh the Cyber Incident Response Plan and associated workbooks to ensure that the Council is best equipped should an incident occur.
- d) Data Quality – Continuation of the MDM projects across several data fields to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems. This is a key area to support any future drive to AI.
- e) Information Management – continuation of projects to deliver and improve the maturity of information both through its storage and use of information. This will enable both greater protection for that information but also enable efficiencies through accurate management information and improved compliance through controlled retention and ease and speed of access to critical information. This is a key area to support any future drive to AI.

49 **Business Continuity;** No material change to the risk, development activity for a SharePoint application has continued. Emergency Planning exercise planned for February based around a cyber security breach, the learnings from which will feed into the app development and inform further development of the organisation's business continuity approach.

Economy and Growth

50 **Capital Projects – Place;** Net score increased from 8 to 12. Middleswich Eastern Bypass has been delayed due to a delay in the decision from the Department for Transport (DfT), expressing concerns about value for money. More work is now required to evidence this and provide further value engineering; with the delay itself adding inflationary cost to the scheme. The value for money assessment is directly related to extreme construction inflation over the last two years.

- 51 The A500 Dualling scheme has been agreed to be rescope following the cancellation of HS2 and the DfT have agreed to provide development funding to cover the cost of this.
- 52 **Failure of the Local Economy;** There is little change in the national economic position, the Office for National Statistics has reported marginal growth in GDP (0.1%) during February 2024 and has revised upwards growth levels in January 2024 to 0.3% from 0.2%. Locally, the cancellation of HS2 is still denting the confidence of businesses.

Environment and Communities Committee

- 53 **CEC's Carbon Neutral Status;** The corporate plan objective to be a carbon neutral council by 2025 was amended to 2027 by the February Full Council budget decision. Although this provided additional time and spread the capital spend, the business case still required significant progress this year to meet the 2027 target. The Council's capital review has paused the previously authorised key capital projects of procurement of the second solar farm, progressing our largest proposal for tree planting for the next planting season and continuing the next phase of Electric Vehicle transition. Without direction from the Capital Review to proceed, achievement of the new 2027 target of the program is at risk. Net and target scores both increased to the highest possible rating.
- 54 **Local Planning Authority Modernisation;** No change to overall risk ratings but some progress is being made on key areas, the ICT project remains the main concern. Further escalation has taken place with supplier and implementation of the planning system is now scheduled for July 2024 and Land Charges soon after. Concern also remains that all elements of the system may not be delivered along with escalating costs, hence legal intervention to seek appropriate compensation against original contract. Significant staff input from Service required for testing and training over Q1 2024/25.
- 55 A restructure timetable is now set with formal staff consultation to begin in April 2024. Completion of the structure (with the exception of new appointments to vacancies) should be complete by June 2024. The backlog of applications has reduced but stalled due to staff sickness and vacancies. Additional Capita support is in place on the back of Department of Levelling Up, Housing and Communities funding.
- 56 Validation checklists complete and awaiting adoption in May. Recommendations from the S106 audit are on track for completion by Q1 24/25. Other key customer improvements currently being reviewed to ensure customer expectations can be met given resource issues and competing demands from above priorities.

Highways and Transport Committee

- 57 The Highways and Transport Committee have no specific strategic risks at this time but this remains under on-going review.

Wholly Owned Company Risk Registers

- 58 Orbitas See Appendix B, C and D (Part 2 item)

Emerging Issues

- 59 Whilst the Corporate Policy Committee will receive the Quarter 1 update at the 3rd of October 2024, meeting, there are emerging indications for that update.

The impact of the transformation project should begin to feed through into the strategic risks, by way of impact on scope, ratings and mitigating actions.

The outcome of the iLACS Ofsted inspection will be addressed, most likely with the creation of a new risk focusing on successful delivery of an improvement plan, similar to the approach taken for JTAI.

Clarification around the carbon neutral risk and its funding, and a more general indication upon if a sustainable MTFS is being delivered

The impact of the General Election in terms of political direction and strategy upon local government.

Consultation and Engagement

- 60 Each risk included in on the Strategic Risk Register is “owned” by a member of the Council’s Corporate Leadership Team. At each quarter, the risk detail is updated through managers in their areas of responsibility, and the updated register is reviewed collectively by the Corporate Leadership Team.

Reasons for Recommendations

- 61 Risk management is central to facilitating good governance and the achievement of corporate objectives. As a publicly accountable body, the Council must demonstrate effective identification and management of the risks that threaten the achievement of its corporate objectives and the effectiveness of its operations.

Other Options Considered

- 62 No alternative options considered; this is an assurance update report to support the Committee in meeting its responsibilities under its Terms of Reference.

Implications and Comments

- 63 Monitoring Officer/Legal

There are no direct legal implications arising from the recommendations of this report. This report provides assurance that the Council achieves its strategic aims and operates its business, under general principles of good governance, that it identifies risks which threaten its ability to be legally compliant and operates within the confines of the legislative framework.

- 64 Section 151 Officer/Finance

There is no direct impact upon the MTFS from the recommendations of this update report. Costs relating to implementing risk treatment plans are included within service budgets. The need to provide financial security against the impact of risks is considered on a case-by-case basis and either included within specific budgets within the MTFS or considered under the overall assessment of the required level of General Reserves as part of the Reserves Strategy. The risk to the Council of failing to achieve savings identified in the MTFS has been identified as an risk.

- 65 Policy

Cheshire East Council has adopted the Risk Management Framework approved by Cabinet in June 2020. Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
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- 66 Equality, Diversity and Inclusion

There are no direct implications arising from the recommendations of this update report.

- 67 Human Resources

There are no direct implications arising from the recommendations of this update report.

68 Risk Management

This report relates to overall risk management and provides the Committee with awareness of the most significant risks facing the Council, where strategic risks are emerging and assuring the Committee on how these are being managed.

69 Rural Communities

There are no direct implications arising from the recommendations of this update report.

70 Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

There are no direct implications arising from the recommendations of this update report.

71 Public Health

There are no direct implications arising from the recommendations of this update report.

72 Climate Change

There are no direct implications arising from the recommendations of this update report.

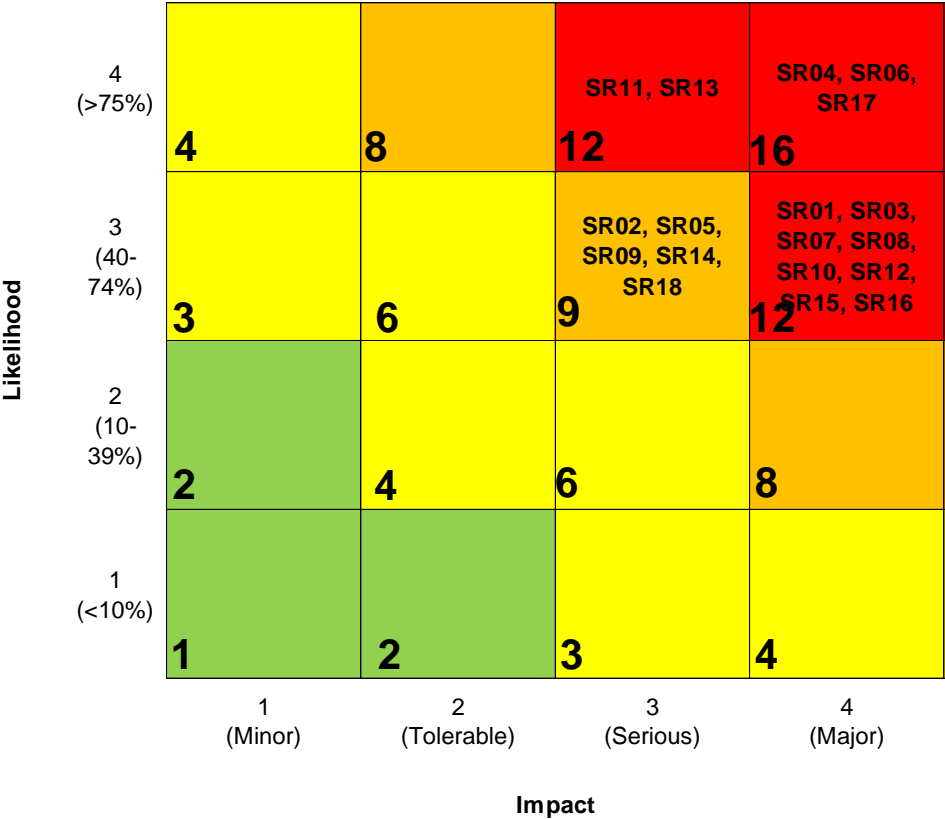
Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit and Risk Management josie.griffiths@cheshireeast.gov.uk
Appendices:	A&G Q4 Risk Assurance Report - Appendix A A&G Q4 ANSA Risk Assurance - Appendix B (Part 2) A&G Q4 Orbitas Risk Assurance - Appendix C (Part 2) A&G Q4 TPE Ltd Risk Assurance – Appendix D (Part 2)
Background Papers:	n/a

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Strategic Risk Summary – Changes in Net Scores Q4 2023/24

Ref	Risk	Q3 Net	Q4 Net	Travel	Target
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Complexity and Demand for Children's Services	12	12	↔	12
SR04	Dedicated School Grant Deficit	16	16	↔	16
SR05	Failure to Protect Vulnerable Children	-	9	NEW	6
SR06	Failure to Achieve the MTFs	16	16	↔	9
SR07	Leadership Capacity	12	12	↔	9
SR08	Ability to Achieve Organisation Change	12	12	↔	8
SR09	Recruitment & Retention	9	9	↔	9
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	↔	8
SR11	Failure to Adhere to Agreed Governance Processes	9	9	↔	6
SR12	Stakeholder Expectation & Communication	12	12	↔	9
SR13	Information Security and Cyber Threat	12	12	↔	12
SR14	Business Continuity	9	9	↔	6
SR15	Capital Projects - Place	8	12	↑	8
SR16	Failure of the Local Economy	12	12	↔	12
SR17	CEC Carbon Neutral Status	12	16	↑	16
SR18	Local Planning Authority Modernisation Plan	9	9	↔	6

Strategic Risks Heat Map Q4 2023/24

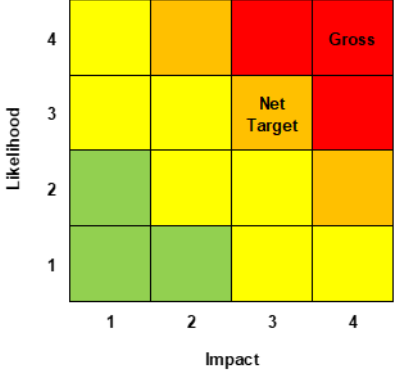


12 - 16	Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring
8 - 9	Material Risks - Areas of concern, but due to capacity and or uncontrollable external factors, these can be accepted. Expectation is that these must be actively managed with on-going monitoring to ensure they don't escalate
3 - 6	Moderate Risks - Acceptable level of risk only requiring on-going monitoring to ensure they don't develop into something more serious
1 - 2	Negligible Risks - Lowest level of risk, only kept in the register for completeness and to ensure there are no unexpected changes in the profile

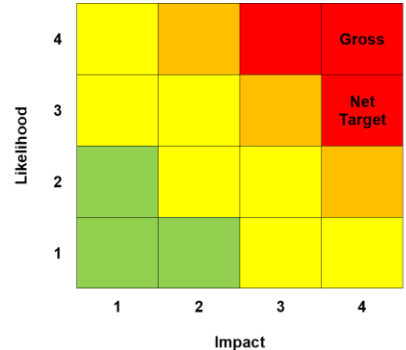
Individual Risk Details – Q4 2023/24

Risk Name: Increased Demand for Adult Services		Risk Owner: Executive Director of Adults, Health, and Integration
Risk Ref: SR01	Date updated: 9 th April 2024	Risk Manager: Director of Adult Social Care Operations
<p>Risk Description: An increase in demand for adult social services that cannot be met within the existing budget.</p> <p>There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing and other socio-economic factors. There has been an increase in responsibility and duties being transferred to LA i.e. RCRP.</p> <p>Detailed consequences; a failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector.</p> <p>Detailed causes; due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff. The increase in demand and complexity for services has not been recognised with increased established staffing, resulting in use of Agency Staff to fill the void.</p>		<p>Likelihood</p> <p>Impact</p>
Interdependencies (risks): Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls (Existing):</p> <ul style="list-style-type: none"> • Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. • Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commission to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes. • Monthly quality monitoring partnership forum that reports to relevant DMTs and the Safeguarding Board. Attendees include the Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner. • People Helping People programme, working collaboratively with partners and local volunteers to channel community-based support, reducing demand on adult social care. The sourcing/brokerage team support the co-ordination of these services, helping vulnerable people to access non-council support where appropriate. • Direct payment scheme, allowing users identify and manage their own care support. • The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence. 		

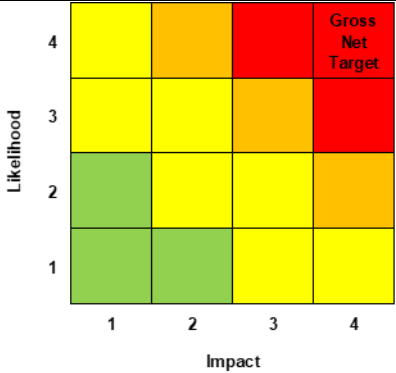
<ul style="list-style-type: none"> • Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends. • Regular service/team meetings to disseminate information and discuss operational issues. • Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy. • Collaborative working with other services, such Public Health, where objectives align and communication is required to delivery value for money. Utilisation of Public Health JSNA and wider regional data sets inform future planning. The joint commissioning management monthly working group seeks to ensure ASC is working effectively and efficiently with other Children and Family services. • Engagement with the Integrated Care Partnership, including health partners. • Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand. • Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. • Business continuity assessments and resiliency preparation, both internally and with key partners. • Implementing recommendations of independent review. All care plans presented to Senior Leasers board for authorisation of spend. • Tighter controls on hospital discharge will impact relationship with ICB colleagues. • 3 times weekly Quality, Performance and Authorisation Board to review every request for care, since the start of this regime over 2000 cases have been reviewed to ensure that the package of care is effective and efficient. • Weekly Extended leadership meeting to review budget, spend and activity. 	
Actions (Monitoring):	Target Date for Completion:
Implementation of Impower Consulting review (Weekly CEBERT meetings)	Q4 2023/24
<p>Comments this quarter: Increased efforts from our First Point of Contact teams has seen the number of referrals going on to full assessment remain static demonstrating our work towards 'prevent, reduce, delay' having a positive impact on demand. However, the referrals progressing to assessment continue to evidence higher complexity and need. The demand and complexity of young people moving from children Services is resulting on increases pressure on the Preparing for Adulthood team and the increase in financial pressure on the services. There is no change to the risk rating or description. Continued efforts from the 3 times weekly Quality, Performance and Authorisation Board is attempting to reduce spend where possible. Fee increases from providers continues to be the biggest pressure on the services.</p>	
<p>Timescale for managing risk to an acceptable level: The outcomes from the work commissioned with Impower is being actioned via HLBC, we are monitoring all support and care plans and calls for services on a 3x per week basis, Director is monitoring approx150 cases per week. Demand is constant especially for those who are 90+ yrs, and for those with dementia. Cost of individual care packages remains very high with an increasing number£2000 per week.</p>	

Risk Name: Fragility and Failure in the Social Care Market		Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR02	Date updated: 5 th April 2024	Risk Manager: Director of Commissioning
<p>Risk Description: A failure of the local social care market.</p> <p>Increases in the volume and complexity in demand and financial pressures have caused weaknesses in the national social care market which have yet to be resolved.</p> <p>Detailed consequences; the council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer. If the Council is unable to increase fees for providers it will impact on the sustainability of some care providers and result in some packages of care being handed back to the Council or notices served on care home residents. This could lead to a need to increase the use of care providers who have not been through a formal tendering process which in some cases could result in higher costs and/or poorer quality. While due diligence is undertaken for these providers, some providers do not fully co-operate with this process. It will also bring challenges in managing budgets in 2024/25.</p> <p>Detailed causes: the major risk going forward is the financial impacts on providers resulting from the 9.8% uplift in National Living Wage from April 2024 and high rates of inflation. The current financial position of the local authority precludes it from uplifting care fees for all care contracts in 2024/25.</p>		
Interdependencies (risks): Failure to Achieve the MTFs, Business Continuity, Failure of the Local Economy		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commissioning to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes. Increasing the robustness of due diligence on care providers who have not been through a formal tendering process. Comprehensive cost of care exercise to be undertaken with all care providers to ensure that care packages are sustainable and available resources are distributed fairly. Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence. Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market, and other socio-economic trends. Development and publication of the Market Sustainability Plan. Completion and submission of the Cheshire East Market Availability and Capacity Plan to DHSC. Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy. Update of the joint Market Position Statement with ICS to ensure that care providers receive timely information about commissioning intentions. Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand. 		

<ul style="list-style-type: none"> Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. Business continuity assessments and resiliency preparation, both internally and with key partners. The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. Providers have access to recruiting staff from abroad if there isn't a sufficient supply available locally. Development of a Workforce Strategy for the external care workforce. Investigation and investment into new health and care technologies. Use of new technologies to be driven by considering performance, capacity, and value for more against more traditional methods. A Joint CEC/ICB Market Oversight Group meets daily to ensure that the Council is obtaining best value for care home placements and making best use of block booked care home beds. A Transfer of Care Hub has been set up in both hospitals with key staff from CEC and Hospital Trusts co-located to improve joint working and ease pressures on hospital discharge. Commissioners undertake Market Engagement activities with Care at home Providers to Coproduce new models of care. Joint working with 'Skills for Care' to encourage individuals to take up employment within the care sector. 'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system. Low level support for the British Red Cross who respond to crisis situations in the community. A tool called Care Cubed has been commissioned to assess the actual cost of delivering care for individual care providers and benchmark against market prices. 	
Actions (Monitoring):	Target Date for Completion:
Develop engagement with community groups and 3rd sector (VCFSE Project Group, monthly and Commissioning SMT, weekly)	December 2023
Commissioning of Care Cubes (Monthly DMT)	March 2024
Comments this quarter: No change to the risk at this time. As predicted in Q3 we are seeing an increase in the number of providers requesting uplifts as a result of the increase in National Living Wage. However, it is too early to assess the impact on the market and whether packages of care will be handed back. Fees have been uplifted for packages of care on the Complex framework to £18.52 per hour and there has been a substantial uplift in the rate paid for waking nights equivalent to £18.52 per hour. The Council has also purchased a fee analysis tool called Care Cubed which will provide greater insight into the true cost of delivering care to inform negotiations with individual care providers. This will start to be rolled out in Q1 2024/25.	
Timescale for managing risk to an acceptable level: N/A (Net score is equal to target). To a certain extent the risk is outside the Council's control as there is a reduced pool of people who wish to work in Social Care.	

Risk Name: Complexity and Demand for Children's Services		Risk Owner: Executive Director of Children's Services
Risk Ref: SR03	Date updated: 16 th April 2024	Risk Manager: Children's Services Directorate Leadership Team
<p>Risk Description: That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level and/or complexity of need and demand for children's services, which the council cannot meet effectively. This risk would mean that we would not achieve the council's desired outcomes for children and young people as set out in the council's Corporate Plan.</p> <p>The service received growth through the MTFS to help address the pressures but the challenge to deliver to budget and achieve the required savings remains present. Significant action is still required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>		
Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The service has received growth through the MTFS in 2023/24 to help address the pressures. This includes growth for children's social care in response to the demand. Additional growth to address budget pressures within services has been agreed in the MTFS for 2024/25, including £10.8m to address placement costs for children. Extensive activity is taking place to manage and reduce costs. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery. Performance is monitored by services. We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. Our approach is to ensure only the right children come into care; this is right for children and young people and will also reduce demand to Children's Social Care services, however this is a challenging landscape. Increased demand for placements has increased costs. We will continue to look to identify options for children to live within their family networks where this is the best outcome for them. We have been successful in gaining DfE funding for innovation and supporting family networks which will increase opportunities for children to remain living in their families. We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. Vouchers worth £4m were distributed on behalf of the Department of Work and Pensions over 2023/24 to support the most vulnerable households across the county with food, utilities, housing costs, and other essentials. A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families. We have implemented Family Hubs, bringing council, health and community services together – improving access and reach of services, supporting earlier intervention, and improving partnership working. Over the past 12 months the council has opened five family hubs across the borough, including a SEND Centre of Excellence, as well as a new digital offer so families can also access advice and information online. 		

Actions (Monitoring):	Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy (Progress will be monitored through the MTFS arrangements)	March 2027
Expanding our in-house residential provision to offer more local and cost-effective homes for children and young people (Children's social care senior leadership team to monitor progress)	June 2024
Develop and deliver a new improvement plan to respond to the Ofsted ILACS inspection findings (Progress on the improvement plan will be monitored on a monthly basis by the independently chaired Improvement and Impact Board)	June 2024
Develop a Corporate Parents Working Group to drive improved outcomes	May 2024
<p>Comments this quarter: No change to the net rating, it remains 12, a material risk, equal to the target score.</p> <p>Cheshire East Council received an Ofsted inspection of Children's Services during February and March 2024. We are currently developing a new improvement plan to respond to the findings from the inspection. The delivery and impact of this will be evaluated through an independently chaired monthly Improvement and Impact Board.</p> <p>Additional growth to address budget pressures within services has been agreed in the MTFS for 2024/25, including £10.8m to address placement costs for children.</p> <p>We have implemented Family Hubs, bringing council, health and community services together – improving access and reach of services, supporting earlier intervention, and improving partnership working. Over the past 12 months the council has opened five family hubs across the borough, including a SEND Centre of Excellence, as well as a new digital offer so families can also access advice and information online.</p> <p>Timescale for managing risk to an acceptable level: March 2026. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy with aim to be at a low level of risk by 2026.</p>	

Risk Name: Dedicated School Grant Deficit		Risk Owner: Executive Director of Children's Services
Risk Ref: SR04	Date updated: 29 th April 2024	Risk Manager: Children's Services Directorate Leadership Team
<p>Risk Description: That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable.</p> <p>The DSG reserve deficit is forecast to be £89.6m based on a grant of £56.1m at the end of 2023/24. The final outturn position for 2023/2024 is currently being finalised as part of the closure of accounts for 2023/24. The mitigated cumulative forecast reserve deficit identified through the Safety Valve programme is £285m. This is in part as a result of the growth in the number of pupils with an education, health and care plan greatly exceeding the funding and insufficient local placement options. This is a national issue and local authorities are required to hold a negative reserve for this purpose which is in place until March 2026. This position is unaffordable and unsustainable. The arrangements beyond March 2026 are not confirmed by the Department for Levelling Up, Housing and Communities (DLUHC). This risk continues to be a feature of ongoing liaison with the Department for Education and the DLUHC.</p> <p>Without significant changes to funding the DSG reserve deficit is not recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>		
Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFS, Failure of the Local Economy		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which would provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. We submitted detailed plans to the government in January 2024. In March 2024 Ministers advised that they are currently unable to enter into an agreement with Cheshire East as Cheshire East's Safety Valve submission included an ask of the Department which is significantly above the level which the Department could reasonably afford in comparison to other agreements. Ministers recognise that the DSG deficit as forecasted poses a substantial risk to Cheshire East, and propose to work with us over the coming months, alongside colleagues from DLUHC, to seek an appropriate solution. The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. A revised DSG management plan for 2024/25 to 2030/31 was approved by the Children and Families Committee on 29 April 2024. The committee also received an update on the Safety Valve submission. The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed alongside the DSG management plan for 2023/24 to 2027/28 by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the revisited DSG management plan 2024-2031. The service has received growth through the MTFS in 2023/24 to help address the pressures. This includes growth for school transport, Educational Psychology and SEND services in response to the demand in these areas. Additional growth has been agreed in the MTFS budget for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts. There is significant capital investment in local SEND provision to meets children's needs more locally but also reduce dependency on high-cost independent school placements. We are embedding a graduated approach and inclusion across all schools and settings and strengthening SEN support. 		

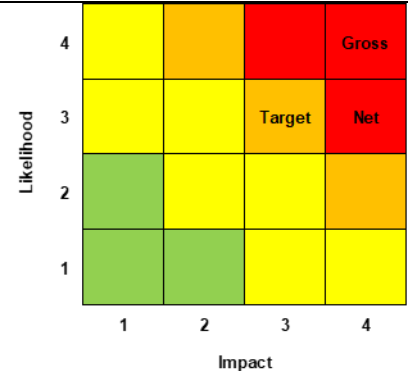
<ul style="list-style-type: none"> We participated in the DfE's delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. This identified two priority areas of cultural change that will make the biggest difference on managing demand – inclusive practice and transition. Cheshire East has been awarded £1 million to support the delivery of this transformational change. These areas have been incorporated within our SEND Strategy. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. 	
Actions (Monitoring):	Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. (Progress will be monitored through the MTFS arrangements)	March 2027
Delivery of the delivering better value implementation plan (Children's services senior leadership team)	March 2025
Continue to increase SEND provision in Cheshire East (Reviewed quarterly)	September 2024
Embed the graduated approach and inclusion across all schools and settings and strengthen SEN support (Reviewed quarterly)	September 2025
Implement the Safety Valve plan (Quarterly by the DfE if accepted onto the programme. If not accepted the plan will be monitored internally through a CEX lead board with member involvement).	March 2031
<p>Comments this quarter: Cheshire East submitted detailed plans to the Government on 12 January 2024 as part of the department for education's (DfE) Safety Valve programme. The plans set out how the council proposed to reform services for children and young people with special educational needs and disabilities (SEND) and achieve a balanced and sustainable dedicated schools grant budget. The Safety Valve programme is in place to provide additional support, including financial support, to councils as they work to reform support and services for children with SEND, to improve sustainability and affordability.</p> <p>In March 2024 Ministers advised that they are currently unable to enter into an agreement with Cheshire East as Cheshire East's Safety Valve submission included an ask of the Department which is significantly above the level which the Department could reasonably afford in comparison to other agreements. Ministers recognise that the DSG deficit as forecasted poses a substantial risk to Cheshire East, and propose to work with us over the coming months, alongside colleagues from DLUHC, to seek an appropriate solution.</p> <p>The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. A revised DSG management plan for 2024/25 to 2030/31 was approved by the Children and Families Committee on 29 April 2024. The committee also received an update on the Safety Valve submission. With significant and challenging mitigations we are now forecasting an in year balanced position by year 7. Additional growth has been agreed in the MTFS budget for 2024/25, including £0.5m to support transformation for SEND, and £0.9m for school transport, reflecting increased demand and increasing costs of fuel and contracts.</p> <p>Timescale for managing risk to an acceptable level: March 2025. We aim to see an incremental reduction in the risk as we implement our plan. By the end of March 2025, we aim for the risk to be reduced to a score of 12, then to see this continue to reduce over the following years with aim to be at an acceptable level of risk by 2026.</p>	

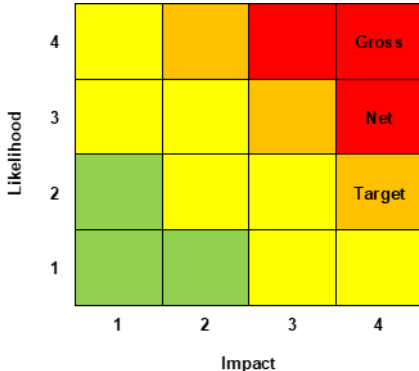
Risk Name: Failure to protect vulnerable children		Risk Owner: Executive Director of Children's Services
Risk Ref: SR05	Date updated: 8 th May 2024	Risk Manager: Quality and Impact Board
Risk Description: The risk, that as a part of the local safeguarding children's partnership, Cheshire East Council's children's services are unable to fulfil their responsibilities relating to the protection of vulnerable children at risk of criminal exploitation and child sexual abuse. To do this Cheshire East seeks to be an effective and collaborative partner in the partnership. Ofsted are responsible for conducting inspections into the quality of children's social care provided by Cheshire East and as the local authority responsible Cheshire East is continually looking to meet those expectations in an ever-changing and challenging environment.		
Interdependencies (risks): Increased Demand for Adult Services, Complexity and Demand for Children's Services		Lead Service Committee: Children and Families Committee
Key Mitigating Controls: <ul style="list-style-type: none"> The Quarterly Quality and Impact board has oversight of the Multi Agency Safeguarding Arrangements. There are 3 Statutory Partners; Health, Local Authority and Police. The Statutory Partners form the Cheshire East Safeguarding Children's Partnership. Working Together 2023 outlines the responsibility of the Statutory Partners to involve other agencies. An Executive Board is in place which consists of the Chief Executive of the council, Chief Constable and Chief Nurse, which scrutinises partnership progress against the improvement plan. Ofsted regularly inspect the Local Authority and the partnership arrangements. The partnership ensures awareness within all agencies by providing regular training focused on exploitation. The training facilitates communication, increased knowledge and understanding and working together. We have an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation. There is a shared understanding of the children and young people who are at risk of exploitation across the partnership. There are regular multi agency audit of practice are completed for children at risk of exploitation to evaluate the impact of changes on quality of practice. Committee will have oversight through the annual report and any inspection reports. Quarterly reports are developed through the Learning and Improvement sub group and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members. Voice of the child case study is presented at every Executive Board. This demonstrates the impact that services and intervention are making for the child. 		
Actions (Monitoring):		Target Date for Completion
CS SOC Impact report to be presented to the Quality and Impact board (Quality and Impact Board)		June 2024
Consider the outcome of ILACS inspection (Quality and Impact Board)		June 2024

<p>Comments this quarter: This risk previously related to the JTAI improvement plan where a number of recommendations were made and required to protect children at risk of exploitation. As previously reported, all actions were met through the improvement plan which had DfE oversight throughout. The scope of the risk has transitioned to taking an ongoing view of how well the council is protecting its vulnerable children.</p> <p>Contextual Safeguarding has remained a partnership priority throughout 2023/2024. There is audit activity underway and an impact report is being developed to understand the progress made against the exploitation strategy. Any recommendations will be actioned across the partnership.</p> <p>As this update covers the period of January to March 2024, it is noted that the outcome of the ILACS Ofsted inspection is expected in May. The gross, net and target scores have been set to reflect the new scope of the risk and as the outcome of the above actions are awaited.</p> <p>Timescale for managing risk to an acceptable level: TBC in the Q1 update.</p>

Risk Name: Failure to Achieve the MTFS		Risk Owner: Director of Finance and Customer Services (s151 Officer)																																		
Risk Ref: SR06	Date updated: 10 th May 2024	Risk Manager: Head of Finance																																		
Risk Description: Failure to achieve approved changes and manage net spending within the MTFS agreed by Council within the expected timescales will undermine the Council's ability to manage its budget effectively in the current and future years. Potential impacts: Failure to achieve the agreed annual budget will reduce the Councils reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents, due to having to issue a Section 114 Notice. Poor management of specific grant funding can also result in the Council having to repay those monies. Drivers of likelihood: Key drivers of this risk are a lack of effective strategic and/ or operational management, and a lack of ability and/ or authority to implement change, along with global and national events adversely affecting levels of inflation and prices.		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross Net</td></tr><tr><td>3</td><td></td><td></td><td>Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table>		Likelihood	4				Gross Net	3			Target		2					1							1	2	3	4			Impact			
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Interdependencies (risks): all		Lead Service Committee: Corporate Policy Committee																																		
Key Mitigating Controls: <ul style="list-style-type: none">Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice.Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's financesBalanced budget to put into effect the Council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reservesMTFS sets out how the Council will deliver the Council's Corporate PlanUse of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers.Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the ConstitutionSources of specialist advice and guidanceBudget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and presented to service committees, in the form of forward-looking forecast outturn reportsOutturn reporting and audit of statements supports in-year monitoring and future year planningRisk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period.Where a residual deficit is forecast in a financial year, a number of actions will be explored including:-<ul style="list-style-type: none">use of any service or non-specific underspend to offset pressures elsewhere within the budgetaccessing external funding, ensuring compliance with any funding conditionsuse of reservesuse of general balancesTreasury Management Strategy to manage the Council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges																																				

<ul style="list-style-type: none"> • A Capital Strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken • Engagement with government departments related to financial models and consultation • Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules • Reporting of status and action plan on CIPFA FM Code • Budget management regime implemented early in 2023/24 to track activities relating to delivery of approved budget changes • Spending management regime implemented in October 2023, to control and reduce spending on staffing and supplies and services; review fees and charges to customers; and approaches to charging costs to capital projects and using capital receipts 	
Actions (Monitoring):	Target Date for Completion:
Ongoing reporting of spending management effectiveness and latest forecasts to CEBERT (Weekly reporting and review by CEBERT/ CLT)	March 2024
Directly or via professional or political networks, liaise with Government departments on the severity of the many financial issues (Reporting to CLT, and to Members in the MTFS update)	February 2024
Preparation and approval of the 2024/25 annual budget (Quarterly Financial Reviews)	February 2024
<p>Comments this quarter: No change to the risk ratings. At the time of writing, provisional outturn figures for 2023/24 show a slightly smaller overspend than was forecast in the Third Financial Review, overall, with a greater adverse variance in Adult Social Care spending being more than offset by favourable variances across other Services. The outturn position is being analysed, particularly to understand the effects of one-off 'windfall' events/ savings, as distinct from any further cost pressures (or reductions) which will continue to have an effect in the 2024/25 year, and so vary our forecasts going forward.</p> <p>The smaller overspend, whilst helpful, provides little comfort, as all things being equal the prospects for the future remain very challenging. The Council has received notification from Government of the potential to utilise 'Exceptional Financial Support' – of up to £11.6m relating to 2023/24 items, and up to £6m in respect of 2024/25 – but as expected this is only in the form of capitalisation direction (which will cost us to deploy, in the form of premium interest rates).</p> <p>The Transformation Programme noted as required in the MTFS is underway, with consultants being appointed recently; work has commenced and in the coming weeks they will help us develop a plan to shape our transformation and improvement journey. This plan must be submitted to DLUHC by 27 August as part of the criteria for final approval of Exceptional Financial Support.</p> <p>Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.</p>	
Timescale for managing risk to an acceptable level: March 2024	

Risk Name: Leadership Capacity		Risk Owner: Chief Executive	
Risk Ref: SR07		Risk Manager: Head of HR	
Date updated: 24 th April 2024			
<p>Risk Description: There are a number of vacancies and temporary acting up arrangements in place across CEC’s leadership team are not functioning. These limit its capacity and prevents the team from operating as effectively as possible. Without the right capacity across the leadership team, the organisation is unable to flex and be respond to its challenges.</p> <p>Potential impacts: The impact may be a failure to achieve priorities, which is ever more critical in light of current financial challenges as well as the Council’s requirement to deliver a large-scale transformation programme. It could also be the case that priorities are delivered at higher cost than could otherwise be achieved. Without maintaining value for money throughout the organisation, overall amount of effectiveness is reduced.</p> <p>Drivers of likelihood: Reputational risk from Section 114 notice and impact on recruitment and retention. Failure to recruit and retain individuals for senior management positions. Failure to complete DMA exercise and implement a revised structure, Failure implement management development for the leadership team. Failure to communicate and motivate the wider workforce.</p>			
Interdependencies (risks): All other strategic and operational risks.		Lead Service Committee: Corporate Policy Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none">• Council Constitution and decision-making structure, including the Committee system and defined terms of reference.• Corporate Plan and Annual Service Business Plans.• Support from Governance functions.• Leadership team recruitment processes, including skills and experience requirements.• Leadership team performance management processes.• Organisation structure and internal reporting.• Workforce Strategy			
Actions (Monitoring):		Target Date for Completion:	
Undertake Decision Making Accountability (DMA) exercise from Heads of Service level to develop a revised organisational structure and implement new structure (Introduction of new populated structure)		TBC	
Leadership development programme for CLT and WLC (Evaluation of programme once completed and sessions delivered)		30/06/2024	
Interim arrangements for key posts (Interim recruitment exercise to a number of key posts)		31/05/2024	
<p>Comments this quarter: Director of Finance and Customer Services resigned from the organisation in January 2024 and will leave in May 2024. A recruitment exercise for an interim has been carried out successfully and an interim will take up post on 29 April 2024. The LGA has undertaken a DMA exercise to examine current senior management roles to help ensure a stable senior management structure is in place. This will provide recommendations for a revised organisational structure which is effective at making decisions, with clear accountabilities and roles, and that are efficient in their use of management resources. This will be actioned in the next quarter.</p> <p>A series of development sessions for CLT and WLC has been developed, with the first of these sessions being held on 12th April. Additional sessions for CLT and WLC will continue through the next quarter. Recruitment to a number of key senior interim roles has also begun and includes the director of Policy and change and the Executive Director Corporate Services.</p>			
Timescale for managing risk to an acceptable level: June 2024			

Risk Name: Ability to Achieve Organisation Change		Risk Owner: Chief Executive
Risk Ref: SR08	Date updated: 8 th May 2024	Risk Manager: Director of Transformation
Risk Description: The risk that the council is unable to achieve organisational change due to a lack of resources and capacity to focus on transformation as people focus on the delivery of business as usual. Recently received advice from government commissioners advised that organisational change capacity is a key ingredient to support the council in delivering transformation to achieve medium to long term change that will support achievement of savings and also, in the event of a section 114 notice being issued, organisational change capacity is also essential to deliver necessary actions arising from interventions. Potential impacts: The council is required to deliver transformation activity at pace in order to balance the budget and avoid section 114. If a section 114 notice is issued and commissioners intervene, the council bears their costs. These costs are estimated at up to £200K per commissioner and there are usually 2-6 commissioners, for a period of up to 5 years. Therefore it is more prudent to ensure that there is capacity for organisational transformation to avoid more significant costs and reputational damage. Drivers of likelihood: A focus on delivery of frontline and statutory services and a de-prioritisation of corporate, enabling functions. A lack of clear governance and oversight of delivery of transformation. No clearly identified medium- and long-term transformation programme. Failure to recruit and retain individuals for senior management positions. Failure to identify and implement required change initiatives effectively and in a timely fashion. Failure to oversee efficient and effective operations, including dealing with poor performing individuals and to communicate and motivate the wider workforce.		
Interdependencies (risks): Recruitment and Retention, Failure to Achieve the MTFS		
Key Mitigating Controls: <ul style="list-style-type: none">• A “doing things differently” initial list of change proposals has been collated and is being discussed with members.• A weekly CEBERT meeting is in place with Senior Level Membership to review the activities required to meet budget savings targets.• A Bright Ideas scheme is in operation to enable the workforce to contribute their ideas for transformation.• A new Corporate Plan has been consulted on to clarify the vision and priorities for Cheshire East.• Appointment of a Delivery Partner to provide additional capacity and to produce the council transformation plan.• Formation and weekly meetings of the transformation board• Establishment of a core project team to support the next phase of transformation.		Lead Service Committee: Corporate Policy Committee
Actions (Monitoring):		Target Date for Completion:
Strategic CLT discussion planned on structure necessary to achieve transformation.		September 2024
Planned to replace Director of Policy and Change, with a Transformation Director, initially on secondment basis		May 2024
Medium to Long Term Transformation Plan to be developed.		August 2024
Comments this quarter: No change to the risk rating at this time. Focus on the initial steps need to transform the council including: <ul style="list-style-type: none">• Confirmation of exceptional financial support, subject to a transformation plan being established.• Transformation Approach for the council approved by Corporate Policy Committee• Established of 4 management boards including the transformation boards which meets weekly.• Procurement, appointment and start on site of the council's transformation partner.• Various engagement sessions with the wider leadership community of the council around the scale and pace of the required change.		
Timescale for managing risk to an acceptable level: August 2024		

Risk Name: Recruitment and Retention		Risk Owner: Director of Finance & Customer Services																																		
Risk Ref: SR09		Date updated: 24 th April 2024																																		
Risk Manager: Head of HR																																				
<p>Risk Description: Recruitment and retention of skilled and motivated staff is required to allow the organisation to deliver its Corporate Plan and its transformation programme. Achievement of the plan and programme requires operational changes which allow the council to adapt and improve.</p> <p>Impact of the risk occurring: High staff turnover and, or skills shortages, insufficient capacity within services. Failure to achieve annual budget and deliver the council's transformation programme and a detrimental impact upon the physical, emotional, and mental wellbeing of staff.</p> <p>Drivers of failure: National and local demographics alongside external factors led to increasing and changing demands on services. Increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand. Outcome of Ofsted inspections as well as current financial challenges.</p>		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross</td></tr><tr><td>3</td><td></td><td></td><td>Net Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table>		Likelihood	4				Gross	3			Net Target		2					1							1	2	3	4			Impact			
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Interdependencies (risks): Business Continuity, Increased demand for Adults Services, Complexity and Demand for Children's Services		Lead Service Committee: Corporate Policy Committee																																		
Key Mitigating Controls:																																				
<ul style="list-style-type: none">• Workforce planning is in place via the Council's Workforce Strategy. This is a 4-year strategy with on-going review. Service Workforce Plans are also undertaken on a bi-annual basis to review and support workforce planning on a service-by-service level.• Benchmarking exercises and workforce metrics are used to identify potential issues and service workforce plans developed as above to mitigate. Work on the refinement of a workforce assessment for the Council has been completed and a monthly workforce dashboard available to identify potential issues. Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas. This is supported by the introduction of a manager dashboard on Learning Lounge that will help the identification of training and skills gaps.• HR Dashboards are provided to managers which offer up to date information on key HR Metrics so that managers can monitor performance.• A workforce assessment is also available, including further metrics at a service level. This data is updated twice a year to inform workforce planning.• Recruitment and retention programme has also delivered attendance at a programme of local and regional recruitment fairs, an end-to-end review of the recruitment process, improved recruitment advertising, an employee offer brochure, a review, and the planned implementation of additional employee benefits, a social work academy in Children's Services and the development of additional career pathways. The introduction of employee profile videos on social media and on Cheshire East Council's website to enhance the Council's profile have also been introduced. Further work will be undertaken to streamline the recruitment process to ensure improved efficiency and a better user experience.• Review of the provision of agency staff, including an audit of spending, to reduce reliance and transition to a more stable permanent workforce base with reduced costs has also been undertaken. The Council will implement the provisions of the Government proposal on capping the pay rates for agency social workers and have also engaged with the proposals for capping agency pay rates for Children's Social Workers as part of the Greater Manchester Pledge.• Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff.• Wellbeing and engagement support, including delivery of EAP services, the introduction of 'In the Know' sessions for all staff, a revitalised recognition scheme, monthly organisation wide wellbeing updates for all staff, and the promotion of the government funded initiative Able Futures.• Senior manager support in the redesign and restructure of services to meet MTFS targets, including MARS to minimise the impact on the workforce. A workforce planning toolkit is now in place to support services in identifying skills gaps and identify actions to address any identified gaps.																																				
Actions (Monitoring):		Target Date for Completion:																																		

Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT/Ongoing briefing to CLT on progress and implementation).	June 2024
Continued work on the implementation of social work academies across Children's Services and Adults, Health & Integration (Quarterly review by HRMT/Review with Children's and Adults, Health and Integration).	March 2024
Use Pulse Survey results to gauge employee satisfaction (Reviewed by HRMT and shared with CLT).	June 2024
Complete a transformation skills audit (Reviewed by HRMT monthly)	June 2024
<p>Comments this quarter: No change to the risk ratings at this time, the same market pressures exist, although work is now underway to secure a more stable senior management structure.</p> <p>A recruitment process review has also been completed in this quarter and a number of further key actions identified. A new recruitment process checklist has been developed and will be available to support all hiring managers with the recruitment process. Additional improvements will also be introduced in the next quarter.</p> <p>A consultation exercise as part of the office rationalisation programme has been completed, and identified the number of staff that will be most affected by work base changes. Ongoing support to staff to ensure a smooth transition to the new work place.</p> <p>Workplace charters will be developed to support future ways of working.</p> <p>Pulse staff survey workshops have been put in place to explore the feedback from staff in the survey carried out in November 2023. Directorate specific action plans have been developed to address directorate specific issues.</p> <p>A review of agency staff across the council has been completed with a reduction in the number of agency staff from 234 in quarter 3 to 196 at the end of quarter 4. Ongoing monitoring of agency staff is now overseen by CEBERT to ensure a more permanent stable resource is in place.</p> <p>Timescale for managing risk to an acceptable level: N/A</p>	

Risk Name: Failure to manage the Consequences of Policy Uncertainty and National Policy Frameworks		Risk Owner: Director of Governance & Compliance (Monitoring Officer)
Risk Ref: SR10	Date updated: 19 th April 2024	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: The risk that the council cannot adequately understand and react to national policy changes or effectively implement them. The scope of the risk covers all central and local government decisions which relate to the operations of local government.</p> <p>The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' policy outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.</p>		<p>The risk matrix is a 4x4 grid. The vertical axis is labeled 'Likelihood' with values 1, 2, 3, 4. The horizontal axis is labeled 'Impact' with values 1, 2, 3, 4. The cells are color-coded: Green for (1,1), (1,2), (2,1), (2,2); Yellow for (1,3), (1,4), (2,3), (2,4), (3,1), (3,2), (3,3), (4,1), (4,2), (4,3); Orange for (3,4), (4,4); and Red for (4,4). The 'Gross Net' risk is in the Red cell (Likelihood 3, Impact 4). The 'Target' risk is in the Orange cell (Likelihood 2, Impact 4). The text 'TBC' is at the bottom right of the matrix.</p>
Interdependencies (risks): Stakeholder Expectations and Communications, Failure to Achieve the MTFS, Failure to Adhere to Agreed Governance Processes		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Engagement with national government, consultations and requests for feedback Application for and funding agreement processes, governance process for ad hoc grants Engagement with political administration of CEBC Engagement with group leaders of CEBC parties Induction, on-going training and committee briefings for CEBC members Service Committee support and briefings for members and senior officers Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning Preparation for elections and promoting engagement in democracy. Forward planning for each committee's policy development and areas of political sensitivity The development and delivery of the Corporate Plan New member induction & training programme 		
Actions (Monitoring):		Target Date for Completion
A review of the Committee briefing process to increase flexibility to draw out impact on residents more clearly		2024/2025
Delivery of DLUHC Productivity Plans (DLUHC)		July 2024
Oflog reporting (Oflog)		TBC
<p>Comments this quarter: Details of the Oflog reporting are still to be confirmed, action will be updated once final detailed agreed. Preparations for the May elections have gone well, with no material issues to report. The additional voting reform administrative burden is be managed but is a new process and as such carries some additional risk. Productivity plan action updated, not an area of concern.</p>		

There is uncertainty around the future shape of devolution within England due to the upcoming election and possible change in government. The election may also impact on progress of the transition plan, due to the pre-election period. However overall, no change to the risk at this time.
Timescale for managing risk to an acceptable level: Controls that mitigate this risk are based on the current landscape and timetable for local and national elections. The ability to manage this risk is not completely within the council's gift.

Risk Name: Failure to Adhere to Agreed Governance Processes		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR11	Date updated: 19 th April 2024	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, its goals for the borough are identified within its Corporate Plan. Formal reporting and decision-making within the council is, to a degree, prescribed by local authority regulation. The decision-making process at all levels, must comply with regulatory requirements while also delivering those stated goals.</p> <p>Detailed consequences: Robust governance requires clear aims and policy objectives and identified and delivered. Governance processes should facilitate the lawful delivery of those objectives and prevent the misapplication of resources in achieving other goals. Ultimately this can result in a reduction of living standards and physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents at an appropriate cost, or to follow legal decision-making protocols, can result in increased regulatory scrutiny and reputational damage. Possible outcomes of which may be, public censure, financial penalties or direct central government intervention.</p> <p>Detailed causes: The volume and complexity of the council's services and objectives, coupled with finite resources and differing stakeholder views, make the application of the Corporate Plan into 'good' decision-making, a challenge. Examples of governance failures are:</p> <ul style="list-style-type: none"> • Variations in interpretation and non-compliance with agreed process and internal controls. • Deviation from core objectives as result of prioritising presenting issues. • Failure to allocate limited resources in line with the requirements of agreed objectives. • Inadequate internal controls across the organisation or vertically with a directorate. 		
<p>Interdependencies (risks): Failure to Achieve the MTFs, Stakeholder Expectation & Communication, Leadership Capacity, Ability to Achieve Organisation Change, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks</p> <p>Key Mitigating Controls:</p> <p>Council's Constitution covers decision making processes, including finance and contract procedure rules. The Constitution is reviewed and amended on an on-going basis to ensure legal compliance and operational continuity. Following the adoption of the Committee system, mechanisms were put in place to capture Member's feedback and are reported to the (Constitution Working Group). The number, nature and terms of references of the Committees are assessed on an on-going basis, with refinements being implemented via full council decision.</p> <p>Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Director of Governance and Compliance (also the Monitoring Officer) in response to regulatory changes and Full Council decisions.</p> <p>Administration of local, regional and national elections and monitoring of behaviour in the period of heightened sensitivity beforehand. During which time, appropriate adjustments are made to the publishing or reporting of controversial issues or anything that seeks to influence voters.</p> <p>Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting. All decisions are formally recorded in meeting minutes and administrated in line with delegated authorities as per the constitution.</p>		Lead Service Committee: Corporate Policy Committee

Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required and minimise the risk of inappropriate management override.

Assurance mechanisms on the organisations' compliance with it's decision-making processes are provided through the external audit (Statement of Accounts) and the work of the Internal Audit team. Internal Audit's assurance is achieved through the development and delivery of an annual plan and follow-up monitoring of agreed actions. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is not usually the primary focus.

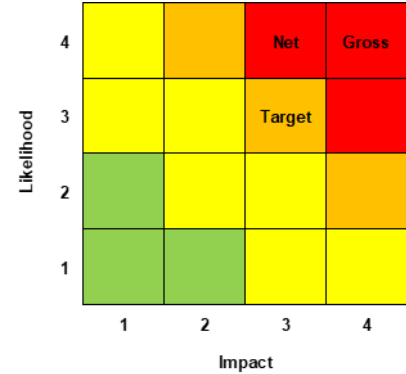
The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified.

Actions (Monitoring):	Target Date for Completion
Review of shared service governance arrangements with specific actions to be identified	2024/25

Comments this quarter: The risk has not changed in score or description during Q4. The process of identifying internal control issues continues, however it is acknowledged that the time take to resolve issues needs to be improved. Director of Finance and Customer Service (Section 151 Officer) left in May, the immediate risk mitigated by the appointment of the interim Chief Finance Officer, pending permanent recruitment. The introduction of the management Boards should help cross organisation working and reduce the risk of siloed decision making.

The LGA Corporate Peer Challenge took place at the end of March. Initial feedback has been provided, but formal reporting on this will take place by the end of July and an action plan and a response will be prepared by the end of August. If needed, the impact of the Corporate Peer Challenge findings will be reflected in the next update to the strategic risk register.

Timescale for managing risk to an acceptable level: TBC

Risk Name: Stakeholder Expectations and Communication		Risk Owner: Chief Executive
Risk Ref: SR12	Date updated: 29 th April 2024	Risk Manager: Head of Communications, Head of Business Change
<p>Risk Description: The risk that the council does not understand the expectations of its stakeholders and that its communication and engagement with those stakeholders does not result in their understanding of the council's actions, nor appropriate involvement and influence. The council has an obligation to provide as high a level of service to its residents as its funding will allow. This requires not only considering both the short and long-term but also the expectations of all of its stakeholders.</p> <p>Potential impacts: A lack of understand and poor communication and/or failure to effectively engage with stakeholders will cause damage to the council's reputation, if this is severe enough it may result in poor performance, increased complaints, regulatory inspection, challenge from central government, low morale, increased staff turnover and make the borough a less desirable place to live and work in.</p> <p>Potential drivers: To a certain degree the council cannot fully control the view that its stakeholders form. At times it will have to make decisions that are unpopular, this can be due to the context of these decisions not being effectively communicated, understood or just being disregarded by stakeholders. Management of this risk should be considered on the basis of the objective regard for and interest in the council its policies and its services (measured via surveys, media coverage, customer relations activity, etc.) and an assessment of the quality of its engagement (both listening and telling).</p>		
<p>Interdependencies: Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS</p>		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <p>Communication & Media</p> <ul style="list-style-type: none"> • Effective monitoring and reporting of organisational reputation and sentiment. • Weekly reputation reporting to senior managers. • Monitoring of social and traditional media. • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning. • Providing a 24/7 emergency communications on call function. • Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers. • Positive proactive communication across multiple channels to celebrate the council's successes and achievements, building positive reputation. • Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually), including review of council service plans, consultation and engagement programs. • Review communications business continuity, priorities and emergency / crisis comms protocols and plans. • Media relations protocol and approvals process. • Media training programme for key spokespersons. • Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence. • Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives. • Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences. • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage. 		

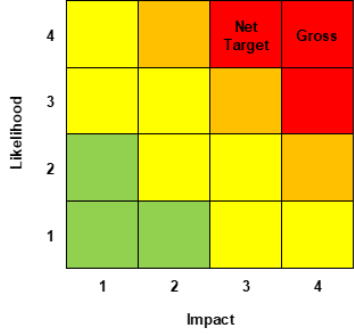
<ul style="list-style-type: none"> Development and delivery of communication strategies to influence public awareness of and informedness about key universal services, inc: planning, highways, waste and recycling. Communications handling requirement for each service committee meeting agreed with lead officer(s). Quarterly 'Conversation with the Leader and Deputy Leader' videos. Regular internal communications to members and officers. Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage. Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 54,000 subscribers for 'push' notifications across a range of topics. 	
Consultation <ul style="list-style-type: none"> Ensure that consultation is undertaken when proposals are still at a formative stage. Design consultation which gives sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options. Consultation and engagement activity will be used as evidence when making decisions and adequate time will be given between the end of a consultation and a decision is made, to allow for consideration of and where required, a response to, the output of a consultation or engagement. Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are signed off before any consultation can begin. Make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision. Use the equality impact assessment toolkit, guidance, and template to provide clarity around what the equality impact assessment is and how it should be used. 	
Actions (Monitoring):	Target Date for Completion
Communication & Media	
Ensure alignment of annual communications programme and consultation and engagement programme (Quarterly)	30/04/2024 and then quarterly
Review annual business plans for communication requirements (Annually)	31/05/2024
Review of the Communications Strategy for Residents 2022-25 priorities in the context of financial position for 2024/5 and the new Cheshire East Plan, as It is being developed and once established. (Six monthly updates to CPC. Once revised Communications Strategy has been approved and adopted.)	Following update to the new Cheshire East plan
Provide communications support for implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy. (Annually)	Through 2024/25
Review use of social platforms and other digital communications and engagement channels in the context of changing technologies and cultures on those platforms. (Quarterly)	Q1 2024/25
Consultation:	
Delivery of Equality Impact assessment training to Equality champions (Annually)	2024/25
Undertake a residents survey linked to the Corporate Plan refresh (Biannually)	2025/26
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team (TBC)	Q2 2024/25
Comments this quarter:	
Communication & Media: No change to the risk ratings at this time. Coverage and public/media interest in the council through Q4 included, <ul style="list-style-type: none"> Budget setting and council tax In-year financial position Exceptional financial support Poynton Pool planning application New Chief Executive 	

- Leisure Services review
- Garden waste subscriptions
- Parking review
- Potholes and road maintenance
- Planning enforcement
- Active travel schemes
- Springfield special school extension

Consultation: No change to the scores this period. Consultation activity has continued to feature as part of committee decisions and consultation reports are routinely referenced as part of the decision-making evidence. There are further opportunities to embed consultation practice into the decision-making process more consistently across the organisation and the varying decisions that committees determine. Work on this is progressing. This will help stakeholders to have greater clarity about how consultation can be, and is, used to inform decision-making.

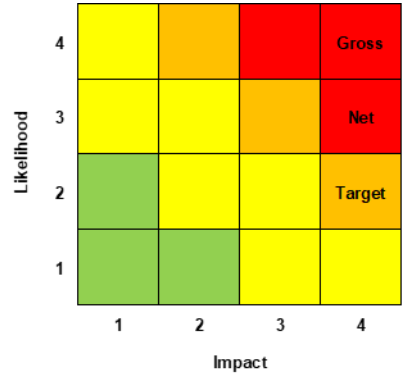
The council undertook extensive consultation and engagement activity to support the annual budget setting process. Consultation responses were used to influence and inform councillors' decision making when approving the Budget.

Timescale for managing risk to an acceptable level: Q2 2024/25

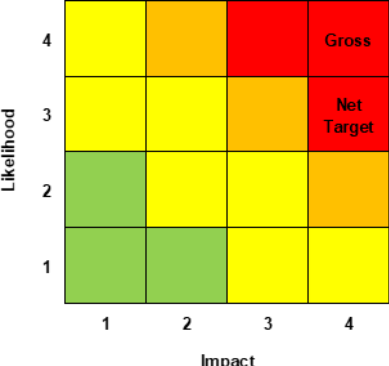
Risk Name: Information Security and Cyber Threat		Risk Owner: Head of Information Communication Technology and CIO
Risk Ref: SR13	Date Updated: 11 th April 2024	Risk Manager: ICT Programme Manager
Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, and, or loss of information, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as loss of information, distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.		
Interdependencies: This risk has interdependencies with corporate risk Business Continuity and Stakeholder Expectations and Communication. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.		Lead Service Committee: Corporate Policy Committee
Key Mitigating Controls: <ul style="list-style-type: none"> The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk. The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the IG Collaboration Group. The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by SIGG to ensure that the breaches are minimised, and future breaches are reduced. The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned. The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal. There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way. Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information. 		

<ul style="list-style-type: none"> The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. This includes several modules of Data handling, Cyber Security, and Information Assurance. Work has begun on a new cyber e-learning package developed by NCSC. There are also several best practice guides on the Councils Lighthouse on the best ways to use technology and to protect information. These modules and best practice guides are updated regularly to reflect changes in working practices and as a response to additional threats. Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going. The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. To support the strategic direction and architecture principles all technical solutions are reviewed at the Technical Design Authority to ensure correct alignment. In addition, the Council is moving to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC. In support of this a high-level business case for Infrastructure Investment of which Security & Compliance is an element was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation. 	
Actions (Monitoring):	Target Date for Completion:
Identity Management (Information Security Steering Committee (ISSC), Information Assurance and Data Management (IADM))	March 2025 (Multiyear project)
Application Management (Information Security Steering Committee (ISSC))	March 2025 (Multiyear project)
Data Security (Information Security Steering Committee (ISSC))	March 2025 (Multiyear project)
Data Quality (Information Assurance and Data Management (IADM))	March 2025 (Multiyear project)
Information Management (Information Assurance and Data Management (IADM))	March 2025 (Multiyear project)
<p>Comments this quarter: There continues to be significant threats from state sponsored activity, particularly in this election year on Government both central and Local and the support service such as NHS. Several organisations have already fell victim causing substantial loss of services and data. Therefore, there is no change to the risk rating at this time.</p> <p>Identity Management – projects are continuing to ensure that identities are protected through increased monitoring and controls. Access from locations outside of the UK are automatically blocked reducing the attack surface.</p> <p>Application Management – work is ongoing to ensure that MFA and SSO is applied to applications that are cloud hosted.</p> <p>Data Security – continued enhancement of the existing security controls to ensure that the latest threats are mitigated and protected. Work is continuing to strengthen the resilience capabilities of data storage and protection. Work has progressed to refresh the Cyber Incident Response Plan and associated workbooks to ensure that the Council is best equipped should an incident occur.</p> <p>Data Quality – Continuation of the MDM projects across several data fields to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems. This is a key area to support any future drive to AI.</p> <p>Information Management – continuation of projects to deliver and improve the maturity of information both through its storage and use of information. This will enable both greater protection for that information but also enable efficiencies through accurate management information and improved compliance through controlled retention and ease and speed of access to critical information. This is a key area to support any future drive to AI.</p>	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Business Continuity		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR14	Date updated: 2 nd February 2024	Risk Manager: Head of Audit & Risk
<p>Risk Description: Failure to maintain business continuity after an unusual or unexpected, disruptive event or events. The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.</p> <p>Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.</p> <p>Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.</p>		
Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives. BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans. High level course on Business Continuity Management has been added to the Council's Learning Lounge ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery Ongoing liaison with Emergency Planning Shared Service 		
Actions (Monitoring):		Target Date for Completion:
Review and refresh of the Business Continuity Framework (2-year review cycle)		May 2024
Development of SharePoint BC system (one off project)		Begins January 2024
Rollout and training for the SharePoint BC system (2-year review cycle)		Post SharePoint system development
Work with Emergency Planning on scenario exercises		Began March 2023 – on-going
<p>Comments this quarter: No material change to the risk, time with a system analyst has been booked in for January to develop the scope for the BCP SharePoint App. Emergency Planning exercise planned for February based around a cyber security breach, the learnings from which will feed into the app development and inform further development of the organisation's business continuity approach.</p>		
Timescale for managing risk to an acceptable level: Q4 2023/24		

Risk Name: Capital Projects - Place		Risk Owner: Executive Director of Place
Risk Ref: SR15	Date updated: 13 th May 2024	Risk Manager: Place Directors and Business Managers as relevant to
<p>Risk Description: Failure to deliver major capital projects.</p> <p>The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The range of projects includes transport infrastructure, town centre regeneration, refurbishment and improvement of existing council assets such as schools and leisure centres, and renewable energy generation.</p> <p>Impact: Without a robust system for managing the capital programme and individual projects, the stated objectives may not be delivered. Projects could also fail to deliver to the time, cost and quality parameters set out in business cases. This could have significant financial and reputational implications for the Council. Due to the nature of the projects and their large cost, delays can materially impact the ability to deliver future projects, thus negatively impacting the borough.</p> <p>Likelihood: The scale and complexity of the overall capital programme is challenging. Appropriate governance and controls are important to ensure resources and funding are prioritized effectively, and where required agree adjustments to the time, cost and quality parameters set out in the business case. Where appropriate, members are updated on significant changes to agreed objectives through briefings to the relevant committee.</p> <p>The broad range of partners and stakeholders for individual projects and interdependencies between projects are also significant challenges that require effective management.</p>		
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding		Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council. New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development. The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt. Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board. This governance considers and makes practical decisions on the prioritisation of resources and funding including, where appropriate adjustments to agreed time, cost and quality parameters. The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including strategic housing sites, to ensure individual projects are fully aligned to the overarching vision and delivery plan for each town. Financial monitoring undertaken quarterly, with summary data reported to Finance Sub-Committee and appropriate service committee. High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis. Regular 121s between Executive Director and Directors which includes updates on key capital projects Capital review of all Scheme included in the MTFS underway to consider affordability. Some schemes delivery may be impacted depending on the outcome. 		

Actions (Monitoring):	Target Date for Completion:
A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend	Revenue module now in operation, capital module deployment ongoing – date TBC
<p>Comments this quarter: Middlewich eastern Bypass has been delayed due to a delay in the decision from the Department for Transport (DfT), expressing concerns about value for money. More work is now required to evidence this and provide further value engineering; with the delay itself adding inflationary cost to the scheme. The value for money assessment is directly related to extreme construction inflation over the last two years.</p> <p>The A500 Dualling scheme has been agreed to be rescope following the cancellation of HS2 and the DfT have agreed to provide development funding to cover the cost of this.</p>	
<p>Timescale for managing risk to an acceptable level: Major capital projects by their nature are high risk. The controls are designed to proactively manage risks and mitigate their impact if a risk is realised. It is not realistic to expect the risk to be managed any lower.</p>	

Risk Name: Failure of the Local Economy		Risk Owner: Executive Director of Place
Risk Ref: SR16	Date updated: 23 rd April 2024	Risk Manager: Director of Growth and Enterprise
Risk Description: Failure of the local economy The risk that the local economy does not realise the expected level of growth due to an inability to attract, grow and retain commercial enterprises, residents and visitors. The borough has a strong local economy, an above average Gross Value Added (GVA), some areas of deprivation and is reliant on a number of different industries. Consequences: The failure of enterprises reduces the local money supply, reducing the standard of living for residents and council income. Secondary effects can include a reduction in public health and the loss of highly trained or skilled individuals. Consequences and causes, over the medium to long-term can have a symbiotic relationship, creating either an upward or downwards spiral. An example of this is shops closing in a town centre, then reduced footfall resulting in further closures. Causes: The local economy is significantly driven by changes in the national economy, taxation and other government policies. However the failure to maintain parity, or offer benefits above other boroughs, can lead to a relatively larger economic downturn. As noted above poverty and deprivation, like other issues, can be both a consequence and cause causing a snowball effect.		
Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change		Lead Service Committee: Economy and Growth
Key Mitigating Controls: <ul style="list-style-type: none"> Cheshire East Business support hub has been launched. Business forum to engage and plan future support. Investment plans to support regeneration and development. Place marketing and inward investment. 		
Actions (Monitoring):		Target Date for Completion:
Launch of business support grants: (Quarterly returns to government) <ul style="list-style-type: none"> Repurposing our high street grants from Crewe town centre Decarbonisation grants for business New employment space grant 		March 2025
Comments this quarter: There is little change in the national economic position, the Office for National Statistics has reported marginal growth in GDP (0.1%) during February 2024 and has revised upwards growth levels in January 2024 to 0.3% from 0.2%. Locally, the cancellation of HS2 is still denting confidence of businesses.		
Timescale for managing risk to an acceptable level: N/A, net score is equal to target score.		

Risk Name: CEC Carbon Neutral Status		Risk Owner: Executive Director of Place
Risk Ref: SR17	Date updated: 24 th April 2024	Risk Manager: Head of Environmental Services
<p>Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2027 milestone target due to requirement to secure statutory consents, seek viable and affordable solutions and other external market forces outside the Councils control.</p> <p>Likelihood is based on a number of external factors, partnerships and key outcomes being delivered in a timely manner.</p> <p>Impact will result in non-delivery of a key priority in the Council's Corporate Plan. It will also contribute to climate change temperature rise and severe weather events which could have an impact on public health and safety. It could also have financial implications with increased need for adaptation of key infrastructure for severe weather events across the borough.</p>		
Interdependencies (risks): Economy and World Events, Recruitment and Retention, Council funding, Capital Projects		Lead Service Committee: Environment and Communities
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Risk is reviewed as part of the Brighter Futures Transformation Projects Board, operational board and member steering group • Carbon Neutral Program established with Program Board reviewing progress and risks monthly • Member Advisory group overseeing its delivery • Annual update on progress reported to relevant committee • Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy • Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area 		
Actions (Monitoring):		Target Date for Completion:
Cheshire East Capital Spend Review (Awaiting outcome of the corporate capital review, progress paused on 2nd Solar farm, next phase of EV and next tree planting program until the review is complete)		1 st May 2024
<p>Comments this quarter: The corporate plan objective to be a carbon neutral council by 2025 was amended to 2027 by the February Full Council budget decision. Although this provided additional time and spread the capital spend the business case still required significant progress this year to meet the 2027 target. The Council capital review has paused the previously authorised key capital projects of procurement of the second solar farm, progressing our largest proposal for tree planting for the next planting season and continuing the next phase of Electric Vehicle transition. Without approval to proceed in the next few weeks will risk the new 2027 target of the program.</p>		
Timescale for managing risk to an acceptable level: TBC		

Risk Name: Local Planning Authority Modernisation Plan		Risk Owner: Executive Director of Place
Risk Ref: SR18	Date updated: 13 th May 2024	Risk Manager: Interim Director of Planning, Head of Planning
<p>Risk Description: Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment & Communities Committee on 31 October 2022 a Modernisation Plan has been developed to achieve the transformation of the service. This Plan will carry forward the recommendations made, document actions and monitor progress. The recommendations are many and varied but failure to complete the actions of the Modernisation Plan will undermine the planned transformation of the service, perpetuating and potentially extending the issues identified and undermining the reputation of the organisation.</p> <p>Detailed consequences: Failure to achieve completion of the Modernisation Plan will undermine the performance of the Council in its Local Planning Authority role, result in non-compliance with statutory processes, and reputational damage to the Council. By not achieving the Modernisation Plan within agreed timescales, the potential for additional budget pressure increases.</p> <p>Detailed causes: Insufficient resource to ensure completion of priority actions in the required timescales (staff and skills) while also 'doing the day job', Interim Service Review Lead/Planning Director limited contract duration, supplier resource to deliver new ICT system, failure to engage with internal and external stakeholders to affect necessary changes, lack of oversight from the Planning Transformation Board/Steering Group.</p>		
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,		Lead Service Committee: Environment and Communities
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernisation Plan. Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Committee. Regular meetings of Interim Director of Planning and Head of Planning and team managers to review action logs and progress on key priorities. Steering Group established to review workstream and focus priorities feeding into Transformation Board. Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group. IT System Project has its own Project Board attended by supplier. Weekly monitoring of resources / recruitment during manager's meetings. 		
Actions (Monitoring):		Target Date for Completion
IT System Project escalation due to breach of contract (Weekly team and fortnightly Project Board meetings or as needed)		Q1 2024/25
Staffing Restructure – JDQs awaiting evaluations (Regular meetings and updates)		Q1 2024/25
External support from Capita retained to assist with backlog. Backlog funding secured from DLUHC, intervention from senior officers on older applications (Continued monthly reporting on application backlog)		Q4 2023/24
Continued monitoring of resources – recruitment to critical posts ahead of restructure (Weekly manager meetings)		Q4 2023/24
<p>Comments this quarter: No change to overall risk ratings but some progress is being made on key areas, the ICT project remains the main concern. Further escalation has taken place with supplier and implementation of the planning system is now scheduled for July 2024 and Land Charges soon after. Concern also remains that all elements of the system may not be delivered along with escalating costs, hence legal intervention to seek appropriate compensation against original contract. Significant staff input from Service required for testing and training over Q1.</p>		

Restructure timetable is now set with formal staff consultation to begin in April 2024. Completion of structure (with exception of new appointments to vacancies) should be complete by June.

Backlog of applications has reduced but stalled due to staff sickness and vacancies. Additional Capita support is in place on back of DLUHC funding.

Validation checklists complete and awaiting adoption in May. S106 audit recommendations are on track for completion by Q1 24/25. Other key customer improvements currently being reviewed to ensure customer expectations can be met given resource issues and competing demands from above priorities.

Timescale for managing risk to an acceptable level: 3-12 months (depending on priority)

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