

Audit and Governance Committee

Agenda

Date:	Thursday, 5th December, 2024
Time:	10.00 am
Venue:	The Capesthorpe Room - Town Hall, Macclesfield SK10 1EA

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. **Minutes of Previous Meeting** (Pages 3 - 10)

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

For requests for further information

Contact: Nikki Bishop, Democratic Services Officer

Tel: 01270 686462

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

4. **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.

5. **Action Log** (Pages 11 - 12)

To review the committee action log.

6. **Update on S106 Improvement Plan (verbal update)**

To receive a verbal update on the S106 Improvement Plan.

7. **Monitoring Officer Annual Report 2023-24** (Pages 13 - 48)

To consider the report which provides information and assurance on key aspects of the Monitoring Officer's responsibilities during 2023-24.

8. **Audit and Governance Committee Annual Report 2023-24** (Pages 49 - 66)

To consider the Annual Report of the Audit and Governance Committee, to be presented to Full Council in February 2025.

9. **Annual Governance Statement 2023-24 Update** (Pages 67 - 94)

To receive an update on the 2023-24 Annual Governance Statement.

10. **Minutes of Sub Committees** (Pages 95 - 98)

To receive the minutes of the Hearing Sub Committee held on 8 December 2021.

11. **Work Programme** (Pages 99 - 100)

To consider the Work Programme and determine any required amendments.

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

CHESHIRE EAST COUNCIL

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

PRESENT

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

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

OFFICERS IN ATTENDANCE

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

29 APOLOGIES FOR ABSENCE

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

30 DECLARATIONS OF INTEREST

There were no declarations of interest.

31 PUBLIC SPEAKING TIME/OPEN SESSION

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

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

32 MINUTES OF PREVIOUS MEETING

RESOLVED:

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

33 ACTION LOG

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

Training Session – External Auditors

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

Statement of Accounts – Briefing Session

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

Good Practice Briefing Notes

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

S106 Update

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

Sandbach Town Council Standards Report

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

B4B Report

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

34 WHISTLEBLOWING ARRANGEMENTS - 2023/24 UPDATE AND POLICY DEVELOPMENT

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

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

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

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

RESOLVED (unanimously):

That the Audit and Governance Committee

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

35 LOCALISM ACT 2011 - GENERAL DISPENSATIONS

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

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

RESOLVED (unanimously):

That the Audit and Governance Committee

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

36 INFORMATION GOVERNANCE AND SECURITY - REVIEW OF 2023/24

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

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

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

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

RESOLVED (unanimously):

That the Audit and Governance Committee

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

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

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

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

Further comments were raised as summarised below:

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

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

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

RESOLVED (unanimously):

That the Audit and Governance Committee

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

38 REVISED 0-25 SEND PARTNERSHIP GOVERNANCE STRUCTURE AND STRATEGY

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

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

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

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

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

RESOLVED:

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

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

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

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

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

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

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

RESOLVED:

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

40 B4B / UNIT 4 HEALTHCHECK UPDATE

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

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

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

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

RESOLVED:

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

41 WORK PROGRAMME

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

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

RESOLVED:

That the Work Programme be received and noted.

The meeting commenced at 10.00 am and concluded at 1.10 pm

Councillor M Beanland (Chair)

Audit and Governance Committee - Action Log

Committee Date	Action	Lead Officer	Update on Progress	Status
March 2024	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.	Interim Executive Director of Resources and S151 Officer	UPDATE: Training session to be arranged with new External Auditors – Ernst and Young. Dates to be agreed	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.	Interim Executive Director of Resources and S151 Officer	UPDATE: Verbal update to be provided at the meeting in December as expected this will be resolved ahead of the meeting	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, Risk and Assurance	UPDATE: Verbal update to be provided in December Committee meeting.	ONGOING
July 2024	Draft Pre-Audited Statement of Accounts and Outturn Update 2023-24 It was agreed that a detailed briefing would be arranged for the committee on the Statement of Accounts.	Interim Executive Director of Resources	UPDATE: Briefing will be arranged once substantial work of the external audit is complete as intended to be a briefing on both the SOA and external audit findings	ONGOING

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OPEN

Audit and Governance Committee

5 December 2024

Annual Monitoring Officer Report 2023/24

Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer

Report Reference No: AG/19/24-25

Ward(s) Affected: N/A

For: Assurance

Purpose of Report

- 1 This report seeks to provide information and assurance to the Audit and Governance Committee on key aspects of the Monitoring Officer's responsibilities, both statutory and organisationally, from the previous financial year.
- 2 The report is produced in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference whereby 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.

Executive Summary

- 3 The Committee is invited to review the Monitoring Officer's Annual Report for the financial year 2023/24 attached at Appendix A.
- 4 The Annual report for 2023/24 covers Code of Conduct matters, Member Interests/Gifts and Member Training and Development, Complaints to the Local Government and Social Care Ombudsmen and activity pursuant to the Regulation of Investigatory Powers Act 2000. This is a reduction in matters covered in previous reports, as information regarding, requests

for information under the Data Protection Act 2018 and UKGDPR, Freedom of Information Act 2000 and Environmental Information Regulations 2004 and information regarding whistleblowing and referrals, is now covered in separate reports to the Committee.

RECOMMENDATION

The Audit and Governance Committee is recommended to:

1. Note the content of the Annual Monitoring Officer report for 2023/24, and the assurances this provides on the responsibilities of the statutory role.

Background

- 5 The role of Monitoring Officer is a statutory role created by the Local Government and Housing Act 1989. The details of its statutory responsibilities are set out within the Annual Report at Appendix A ('Annual Report').
- 6 The Monitoring Officer for the Council has additional responsibilities for other matters, some of which are also detailed within the Annual Report.
- 7 A number of local authorities provide an Annual Monitoring Officer Report to their Audit and Governance Committee or equivalent. This report intends to provide assurances to the Committee on a number of the Monitoring Officer's statutory responsibilities over the previous financial year.

The Annual Report provides information on the role of the Monitoring Officer, and an overview of the following areas:

- Members' Code of Conduct
- Register of Members' Interests
- Register of Gifts and Hospitality
- Member Training and Development
- Dispensations
- Complaints including Local Government and Social Care Ombudsmen Referrals
- Regulation of Investigatory Powers (RIPA) Act

- Constitution/Decision Making Process

Consultation and Engagement

8 Not applicable

Reasons for Recommendations

- 9 The Audit and Governance Committee has a key role in overseeing the Council's risk management, control and corporate governance arrangements. It advises the Council on the adequacy and effectiveness of these arrangements. The assurances within the Annual Report are intended to inform the Committee's judgement on the arrangements that are in place to ensure the Council is a responsive, effective and efficient organisation.

Other Options Considered

Option	Impact	Risk
Do nothing	There is no legal obligation to produce an Annual Report	It is good practice to report annually, and the information contained therein offers the Committee insight and assurance on a variety of important matters.

Implications and Comments

Monitoring Officer/Legal

- 10 The Monitoring Officer has a range of specific responsibilities which are described in detail in the Annual Report. The Annual Report provides assurance to the Audit and Governance Committee that these responsibilities have been carried out effectively over the last financial year.

Section 151 Officer/Finance

- 11 There are no direct financial implications arising from this assurance report.

Policy

12 There are no direct policy implications arising from this report.

Equality, Diversity and Inclusion

13 There are no direct equality implications arising from this report.

Human Resources

14 There are no direct HR implications arising from this report.

Risk Management

15 The report provides appropriate assurance to the Committee and the recent adoption of the dispensation arrangements ensures elected Members are able to participate fully in the Council's decision making processes where it is appropriate to do so, minimising the risks of undeclared conflicts of interests.

Rural Communities

16 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)

17 There are no direct implications for Children and Young people.

Public Health

18 There are no direct implications for Public Health.

Climate Change

19 There are no direct implications for Climate Change.

Access to Information	
Contact Officer:	Janet Witkowski Acting Governance, Compliance and Monitoring Officer Janet.witkowski@cheshireeast.gov.uk
Appendices:	Appendix 1 and 2

Background Papers:	N/A
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Monitoring Officer Report 2023/24

Audit and Governance Committee
5 December 2024

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Appendix 1

Appendix 2

1. Role of the Monitoring Officer

- 1.1 Under the Local Government and Housing Act 1989 ('the 1989 Act'), it is the duty of every relevant local authority to designate one of its officers as Monitoring Officer.
- 1.2 The Monitoring Officer has the specific duty of ensuring that the Council, its officers, and its elected members maintain the highest standards of conduct in all that they do.
- 1.3 The legal basis for the Monitoring Officer's role is found in Section 5 of the 1989 Act.
- 1.4 There are three main aspects to the role:
 - To report on matters that he/she believes are, or are likely to be, illegal or amount to maladministration.
 - To be responsible for matters relating to the conduct of Councillors and officers; and
 - To be responsible for the operation of the Constitution
- 1.5 The Monitoring Officer is required to prepare a report to the Authority if it appears that any proposal, decision or omission by the Authority has given rise to, or is likely to, or would give rise to:-
 - a) A contravention of any enactment or rule of law
 - b) Maladministration or failure as described in Part 3 of the Local Government Act 1974 ('the 1974 Act')
- 1.6 Maladministration or failure under the 1974 Act is a reference to a finding of such made by the Local Government Ombudsman

following an investigation undertaken by him/her.

- 1.7 The Localism Act 2011 makes the Monitoring Officer responsible for maintaining a Register of Member Interests. The Monitoring Officer at Cheshire East maintains such a register for both Cheshire East Council and Town and Parish Council's in its area. The Monitoring Officer also operates the procedures for dealing with Code of Conduct complaints against both Cheshire East Borough Council Members, and Members of Town and Parish Councils.
- 1.8 Under the requirements set out above, the Monitoring Officer ultimately assumes responsibility for the lawfulness of decision-making processes and several other governance controls, some of which are the subject of bespoke delegations in the constitution. These key additional functions are covered in this report. By a combination of these measures and responsibilities, the Monitoring Officer has a key role to play in ensuring sound corporate governance and in informing the production of each Annual Governance Statement.
- 1.9 The Monitoring Officer must be designated by Full Council and cannot be the Chief Executive (Head of Paid Service) or the Director of Finance /Section 151 officer. The duties of the Monitoring Officer must be performed by him/her personally unless he or she is unable to act by reason of illness or absence, in which case a deputy/deputies, appointed by the Monitoring Officer, may act on his or her behalf.
- 1.10 Irrespective of illness or absence, where the Monitoring Officer is of the view that he or she ought not to perform functions relating to a Code of Conduct matter personally, s/he may delegate those functions to a person nominated by her/him as Deputy Monitoring Officer for that purpose. The Monitoring Officer at Cheshire East Council currently has 3 nominated Deputy Monitoring officers, the Head of Legal Services, the Legal Team Manager (Place) and the Legal Team Manager (People).
- 1.11 In addition, Section 28 of the Localism Act 2011 requires local authorities to have at least one Independent Person (IP) whose views must be sought, and taken into account, by the authority before it makes its decision on an allegation relating to a breach of the Code of Conduct. Cheshire East has two IP's Mrs Margaret Rathbone and Mrs Margaret Smith, who are consulted, in accordance with the relevant complaints procedure, following preliminary/initial assessment, to decide the next steps to be

taken.

2. Member's Code of Conduct

- 2.1 Cheshire East Council's current Code of Conduct came into force on 16 October 2022 (hereinafter referred to as 'the new code'), the previous Code came into force on 1 January 2018 (hereinafter referred to as 'the old code'). It is the responsibility of the Audit and Governance Committee to monitor the operation of this Code as part of the Committee's responsibility for promoting high standards of ethical behaviour.
- 2.2 Town and Parish Council's within Cheshire East operate under a combination of the old code, the new code or have their own version, based upon the Seven Principles of Public Life, also known as the 'Nolan Principles.' All Town and Parishes have been offered a briefing/training session on the new code, organised by the Cheshire Association of Local Councils (ChALC) and were encouraged to adopt it from 2023. Most have taken up that facility and have adopted the new code.
- 2.3 Upon receipt of a completed complaint form, the Monitoring Officer, or one of the Deputy Monitoring Officers, undertakes a preliminary or initial assessment of each complaint received, consulting one of the Independent Persons where appropriate, before making and notifying the Complainant and in appropriate cases, the subject member, of his/her decision as to whether and how the complaint should proceed. This 'triage' process enables complaints which do not engage the Code or are trivial, vexatious or 'Tit for Tat' to be rejected, without the need to convene an assessment meeting.
- 2.4 Details of the 45 complaints received in 2023/24 is shown in the table below. In addition, the complaints received against Town and Parish Councils are a mixture as some are under the old code and some the new code, where that has been adopted. The obligations and/or standards have been summarised/collated for ease of reference. The details also take into account the fact some complaints related to more than one councillor and that most included more than one alleged breach.

Table 1 - Code Breaches

Obligations/Standard & No. Received		
	CEC	Town or Parish
Selflessness	1	3
Integrity	2	10
Objectivity	1	1
Accountability	2	3
Openness	1	9
Honesty	0	0
Leadership	0	0
Disrepute	8	8
Respect/ Treat others with courtesy	14	15
Make choices on merit	0	0
Promote high standards of conduct	1	9
Uphold law and public trust	3	8
Exercise independent judgement/ remain objective/impartiality	1	5
Bullying/Breach of equality laws	10	16
Declaring/registering interests	4	8
Use of resources	4	2
Impartiality of officers	5	1
Use of position	3	3
Disclose confidential information/access to information	4	10
Comply with the Code	6	4
Gifts and Hospitality	1	0

2.5 The decision of the Monitoring Officer or the Deputy/s in respect of the 45 complaints received was as follows:

Table 2 – Code Breaches Outcomes

Outcome	2023/24		2022/23		2021/22	
	CEC	Town or Parish Council	CEC	Town or Parish Council	CEC	Town or Parish Council
Rejected at preliminary assessment stage; failed to meet the assessment criteria	10	16	5	27	16	31
Concluded at Initial	9	8	0	5	3	8

Outcome	2023/24		2022/23		2021/22	
	CEC	Town or Parish Council	CEC	Town or Parish Council	CEC	Town or Parish Council
Assessment Meeting (IAM) (breach or no breach)						
Referred for formal external investigation	0	2	0	2	2	9 Includes 3 internal investigations
Referred to Standards Hearing Sub Committee	0	0	0	0	0	6
Complaint ongoing	0	0	0	0	0	1

- 2.6 The overall number of complaints received has increased during 2023/24, there being 39 in 2022/23. It is however still below that totalling 69 in 2021/22. The number of complaints remains highest in relation to Town and Parish councillors but most complaints are dealt with at preliminary/initial assessment and are determined as not in the public interest to pursue. There still remains a number of repeat complainants, and it should be noted that there are 2 matters ongoing which are the subject of an external investigation. This will result in costs implications for Cheshire East Council.
- 2.7 Of those complaints that were referred to and concluded at IAM, 11 were found to be a likely breach, the other 6 were found not likely to be in breach. Advice regarding the conduct and the provision of apologies where appropriate, together with requests to undertake training was provided.
- 2.8 The costs of the external investigations for 2023/24 was nil as the investigations referred to have not yet been completed. However, the internal 'costs' associated with officer time for the work undertaken by the Deputy Monitoring Officers and a Legal Officer who supports them, the costs of internal DMO and legal officer support, based on a regular 1 hour meeting of 4 people per week and additional work on each matter, reviewing complaints and responses, drafting decisions, attending IAM's with IP, equalling 4 hours is approx. 880 hours a year and at external charge out rate for 2023/24 of £242.65 is equal to £213,532.
- 2.9 The cost of the IP's is published as part of members allowances at the end of every financial year. For 2023/24 the total figure was £250. IP's are

entitled to claim £75 per hour for meetings up to 4 hours long and £150 anything over that time.

- 2.10 It should also be noted that the current external investigations relate to Town and Parish Councillors. Cheshire East Council does not currently seek to recover the cost of this work from Town and Parish Councils, but this is currently under review.

3. Register of Member's Interests

- 3.1 Cheshire East Council Members, and Members of Town and Parish Councils in its area, are required to declare and register certain classes of interests with the Monitoring Officer, by completion of the relevant Register of Interests form (ROI). They must then conduct themselves accordingly in relation to any interest that arises when transacting business on behalf of their authority.
- 3.2 Registerable interests are explained in their respective Code of Conduct and include for all Members, Disclosable Pecuniary Interests. Additionally, there is a requirement to declare other interests as set out in the individual Council's Code of Conduct.
- 3.3 A failure to declare an interest, and act accordingly in relation to the same, is capable of amounting to a breach of the Code of Conduct. In relation to Disclosable Pecuniary Interests, it can also amount to a criminal offence.
- 3.4 The relevant registers for Cheshire East Council and Town and Parish Council's in its area, are available on, or through, Cheshire East Council's website. There is a requirement to register upon taking office, and it is each Member's responsibility to ensure their register remains up to date as and when interests change.
- 3.5 Following the local elections in 2023, all new and returning members were asked to complete and return a ROI form. Most members submitted an initial form following their code of conduct training, followed by an updated form once appointments to Committees and outside organisations had been concluded. ROI forms received were added to the website by the end of July 2023, but it was noted that there was a degree of delay in receiving them.
- 3.6 Members who do not return forms by stated deadlines are sent a reminder, followed by a second reminder which is copied to their group leader/group administrator. If no response is received, the matter is referred to the Monitoring Officer.
- 3.7 From May 2024, both Cheshire East and Town and Parish members have been asked to complete an annual review each year; either to confirm that

their circumstances remain the same or to submit a revised form. This exercise has not yet been completed.

3.8 Training in respect of Member interests is covered below.

4. Register of Gifts and Hospitality

4.1 Cheshire East Council Members are required to register with the Monitoring Officer details of any gifts or hospitality received where the value is considered to be in excess of £100. Town and Parish councillors are asked to do the same.

4.2 The register of gifts and hospitality is maintained by the Monitoring Officer and is available for inspection by appointment at the Council's Office in Westfields. The method by which declaration of gifts and hospitality are made is currently under review.

4.3 The gifts and hospitality received by Members that were declared to the Monitoring Officer in 2023/2024;

Table 3 – Declared Gifts and Hospitality

2023/2024	Number Declared
CEC	1
Town and Parish	0

4.4 Training in respect of gifts and hospitality is covered in the train sessions on the Code of Conduct, which is referenced below.

5. Member Training and Development

5.1 The Member's Code of Conduct is recognised in Cheshire East Council's Member Training and Development Programme as being mandatory along with others such as those for members sitting on planning and licensing committees.

5.2 The programme for the start of the municipal year 2023 to 2024, is attached at Appendix 1 along with the Member Development Core Programme at Appendix 2. These set out the offer, method of delivery, how regular they are provided and whether they are mandatory or not.

5.3 A new revised programme is currently being devised and whilst the Council does have an overall member development strategy, this has not been reviewed for a number of years and therefore it is in the process of being revised and refreshed.

5.4 The data relating to individual attendance at the various training courses

is currently provided to group leaders but there are concerns as to its accuracy. Further work is therefore underway to resolve that issue alongside development of both the new programme and strategy. This information will be brought to a future meeting for approval and noting.

- 5.5 In respect of Town and Parish Councils, a training session on the new code was delivered in July 2023 and was devised in association with CHaLC. All local council's have been encouraged to adopt the new code. Further sessions with individual councils and councillors has been offered and it has been requested and provided. This will continue to be undertaken as required.

6. Dispensations

- 6.1 The Monitoring Officer is empowered to grant dispensations enabling Cheshire East Council Members to take part in council business in which they would otherwise have an interest which would prevent their dispensation.
- 6.2 There are a number of "standing" or general dispensations which apply to all Cheshire East Council Members, which have been approved by the Committee. These have recently been renewed by the Committee and an additional dispensation granted until the next report to the Committee after the local elections in 2027. These are;
- a) Any allowance, payment or indemnity given to Members;
 - b) Any Ceremonial Honours given to Members;
 - c) Statutory sick pay under Part X1 of the Social Security Contributions and Benefits Act 1992 where they were in receipt of or entitled to receive such pay;
 - d) Setting the Council Tax or a precept under the Local Government and Finance Act 1992 (or any subsequent legislation);
 - e) Setting a Local Council Tax Reduction Scheme or Local scheme for the payment of business rates (Including eligibility for rebates and reductions) for the purposes of the Local Government Finance Act 2012 (or any subsequent legislation);
 - f) School Meals or School Transport or Travelling expenses where the Member is a parent/guardian of a child in full time education or a parent governor (unless the matter relates specifically to the school the child attends).
 - g) To the extent that it may amount to a disclosable pecuniary registrable or non registrable interest, any allowance or other remuneration received from the Council in respect of Council duties or directorships of Council owned ASDVs in and respect of such other bodies in which the Council has a

financial interest.

- h) To allow Members to take part and vote on Community Governance Review matters in which they have a disclosable pecuniary registrable and non registrable interests.
- i) To allow Members to vote where a matter arises at a meeting which relates to the business of the Council and which has a direct financial impact on all Cheshire East Town and Parish Council's.

7. Regulation of Investigatory Powers Act 2000 (RIPA)

- 7.1 The Council occasionally uses directed surveillance and sometimes obtains communications data to carry out its enforcement functions effectively, e.g. trading standards, planning enforcement, licensing enforcement, environmental protection and community enforcement. RIPA provides a regulatory framework within which the Council and its officers must work, to enable public authorities to obtain private information using certain covert investigatory techniques.
- 7.2 The Council is inspected by the Investigatory Powers Commissioner's Office every three years. The last inspection was in November 2022 and the Committee received a report on the outcome of that inspection in March 2023 and an update on the actions following the inspection in July 2023. It is anticipated that the next inspection will be some time in 2025.
- 7.3 When investigating alleged wrongdoing, it is imperative that certain conditions are met in each case for successful prosecutions to be made. It is essential that covert surveillance is only used when it is necessary and proportionate to do so and when all other avenues of investigation have been explored. Therefore, applications must be properly authorised and recorded, the tests of necessity and proportionality must be satisfied, and the potential for collateral intrusion must be considered and minimised.
- 7.4 The Council's Constitution provides that all Executive Directors and Directors excluding the Monitoring Officer may act as authorising officers. However, authorising officers must have had appropriate training and therefore, at present there are only two who undertake this role as they have received specific training to enable them to act, namely:

Peter Skates, Director of Growth and Enterprise
Jill Broomhall, Director of Adult Social Care Operations

- 7.5 The departure of some senior officers in recent months has reduced the number of trained authorising officers for the Council. This will be addressed through the training of new Executive Directors and Directors when permanent appointments are made pursuant to the Council's new

senior management structure. Given the low usage of RIPA powers, two authorising officers is sufficient in the meantime.

- 7.6 Once authorised, all applications need the approval of a Justice of the Peace/Magistrate, as required by the Protection of Freedoms Act 2012. The Act also restricts the use of RIPA authorised surveillance to the investigation of offences which attract a custodial sentence of six months or more. The Director of Governance and Compliance assumes responsibility for the integrity of the process to ensure that the Council complies with the legislation.

Use of Covert Human Intelligence Source (CHIS)

- 7.7 Covert human intelligence sources may only be authorised if there are certain additional arrangements in place, including an employee of the Council being responsible for the source's security and welfare and a senior officer with general oversight of the use made of the source. Use of a CHIS can only be authorised by the Chief Executive (or their designated deputy in their absence) before it is approved by a Justice of the Peace/Magistrate.

Authorised Applications

- 7.8 Surveillance activity, including test purchases, has reduced significantly in recent years with only one directed surveillance application being authorised in 2022 and one application for communications data this year; however, activity is expected to commence again later this year. The table below shows the number of authorised applications in the last four years.

Table 5 - RIPA Applications Authorised

	2023/24	2022/23	2021/22	2020/21
Directed Surveillance	0	1	0	0
Communications Data	1	0	0	0
CHIS	0	0	0	0

8. Local Government and Social Care Ombudsman Referrals

- 8.1 The Council's 'Corporate Compliments, Suggestions and Complaints Policy and Procedures' offer all customers the opportunity to appeal to the Local Government Social Care Ombudsman (LGSCO) if they are unhappy with the way in which the Council has handled their complaint.
- 8.2 Tables 5, 6, 7, 8 and 9 show the number of Decision Notices issued to the Council during 2023/24 (90). For comparison, during 2022/23 and 2021/22 the Council received 91 and 64 Decision Notices respectively. In

2020/21 it was 64, in 2019/20 it was 73 and in 2018/19 it was 78.

- 8.3 Of the 90 Decision Notices issued by the LGSCO in 2023/24, 67 cases were closed after the LGSCO conducted their initial enquiry with no further action for the Council. They carried out detailed investigations on 23 cases. In 6 of these cases they found 'No Fault', while in 4 cases they found there had been 'Fault with No Injustice' and in 13 cases there was 'Fault with Injustice' to the complainant. The services where the most 'Fault' was found were Adult Social Care with 3 and the Special Educational Needs and Disabilities (SEND) Service with 6.
- 8.4 Of the 90 Decision Notices there were 4 cases which the Ombudsman received which were rejected on receipt and referred back for local resolution. There may be others as the Council is not always notified of these cases and these figures are published in the LGSCO's annual report, which is usually issued by the end of July following the end of the financial year.
- 8.5 An update report on LGSCO referrals will be submitted to a future Audit & Governance Committee meeting, following the publication of the Ombudsman's Annual Report.
- 8.6 Information regarding general complaints under the Council's Corporate Compliments, Suggestions and Complaints Policy, as well as the Council's Adults and Children's Social Care Complaints Policies, is contained in the Annual Complaints Report 2023/24, presented to the Audit and Governance Committee on 29 July 2024.

Table 6 – LGSCO Referrals – Adults

Team	Final Decisions received this period	Outcomes of Final Decisions this period			
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice
Social Care Business Support & Finance	3	2	0	0	1
Commissioning	2	2	0	0	0
East Learning Disability Team	3	2	0	0	1
Short Term Intervention South	1	1	0	0	0
South Learning Disability Team	2	1	0	0	1
Safeguarding	2	2	0	0	0
Nantwich & Rural	1	1	0	0	0
South Mental Health Team	1	1	0	0	0
Total	15	12	0	0	3

Table 7 - LGSCO Referrals – Childrens

Team	Final Decisions received this period	Outcomes of Final Decisions this period			
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice
CHECS	2	2	0	0	0
CIN/CP Crewe	3	3	0	0	0
CIN/CP Macclesfield	2	2	0	0	0
Children with Disabilities	1	1	0	0	0
Education Transport	1	1	0	0	0
Family Service	2	2	0	0	0
Fostering	1	1	0	0	0
School Admissions	1	1	0	0	0
SEND	15	5	2	2	6
Total	28	18	2	2	6

Table 8 – LGSCO Referrals – Corporate

Team	Final Decisions received this period	Outcomes of Final Decisions this period			
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice
Council Tax	4	2	1	1	0
Legal Services	3	3	0	0	0
Total	7	5	1	1	0

Table 9 LGSCO Referral – Place

Team	Final Decisions received this period	Outcomes of Final Decisions this period			
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice
ANSA Transport	1	1	0	0	0
ANSA Waste	2	2	0	0	0
Assets & Property	1	0	0	0	1
Building Control	2	0	2	0	0
Community Enforcement	1	0	0	0	1
Commercial Services	2	2	0	0	0
Development Management	8	8	0	0	0
Environmental Commissioning	4	4	0	0	0
Highways	10	7	0	1	2
Housing	2	0	2	0	0
Parking	1	1	0	0	0
Planning Enforcement	5	4	1	0	0
Rural & Green	1	1	0	0	0

Team	Final Decisions received this period	Outcomes of Final Decisions this period			
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice
Infrastructure					
Total	40	30	5	1	4

9. Constitution/Decision Making Process in Operation

- 9.1 The Constitution is monitored and reviewed at officer level by the Monitoring Officer and at member level by the Constitution Working Group and the Corporate Policy Committee. Significant changes are submitted to Council for approval. Minor changes can be made by the Monitoring Officer.
- 9.2 During 2020/21, a completely rewritten Constitution was produced to support the Council's transition to a committee system form of governance. The new Constitution was the product of extensive work undertaken by the Monitoring Officer and members of the Constitution Committee. The new Constitution was in place in time for the commencement of the new arrangements. Reviews have been carried out to identify any further updates or enhancements that have been considered necessary now that the new Constitution has been in operation for a period of time. There have consequently been 4 meetings of the Constitution Working Group during that period and 4 reports to full Council to approve amendments to the Constitution.
- 9.3 Amendments during 2023/24 related to the following matters;
- Rules of debate and Notices of Motion including amendments and closure motions
 - Functions of the Rights of Way sub-committee were incorporated into those of the Highways and Transport Committee .
 - That the three planning committees continue, meeting on a less frequently with the Strategic Planning Board meeting bi-monthly, and Southern Planning Committee and Northern Planning Committee meeting around every 6 weeks.
 - Amendments to the current delegations to the Executive Director of Place to take into account the cancellation of HS2.
 - insertion of a new table detailing the functions of the Returning Officer and the Elector Registration Officer and the deletion of the related references from the 'Statutory Officers' and 'Proper Officers'.
- 9.4 In relation to formal meetings during 2023/2024, of the total number of meetings held, there were approximately 34 closed Committee sessions

held under Schedule 12A of the Local Government Act 1972. These included Full Council, Corporate Policy Committee, Children and Families Committee, Adults and Health Committee, Economy and Growth Committee Finance Sub Committee, Audit & Governance Committee, General Appeals Sub-Committee, Staffing Appeals Sub-Committees, General Licensing Sub- Committee, and LA School Governor Panel.

- 9.5 In February 2024 full Council resolved that each Service Committee, including the Finance Sub Committee, arrange one twilight meeting over the course of its scheduled cycle of meetings during 2024/25. This was to accommodate working members and to assess whether twilight meetings should be held more frequently during the 2025/26 municipal year.
- 9.6 Those meetings were scheduled and held, and a survey is to be undertaken to assess members views.

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Induction Programme: Sessions delivered during 2023

Delivered in person:

THESE SESSIONS WERE MANDATORY FOR:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Welcome event: <ul style="list-style-type: none"> • Introduction to the Council. • Opportunities and challenges facing Cheshire East in next four year. 	Chief Executive/CLT Members	All Councillors	Stand-alone session held during induction year only.
Getting Started with IT Workshop: <ul style="list-style-type: none"> • Handout of ICT kit; including a basic overview of the device. 	ICT Services	All Councillors	ICT kit is replaced every four years. Next refresh due in May 2027.
Councillors' Code of Conduct: <ul style="list-style-type: none"> • General principles of conduct. • Specific obligations in relation to standards of conduct by Cheshire East Councillors. 	Monitoring Officer/Director of Governance and Compliance	All Councillors	Part of the annual training programme (see Appendix B).
Committee Procedures: <ul style="list-style-type: none"> • Committee procedural rules and decision-making process at Cheshire East. 	Director of Governance and Compliance/Head of Democratic Services	All Councillors	Session held during induction year only. Annual training delivered via Committee system module on Learning Lounge (Appendix B).
Working effectively as a CE Councillor: <ul style="list-style-type: none"> • Member/officer relations in respect of the wider policy framework. • Making decisions at Committee. • Councillors' code of conduct. • Values and behaviours. 	Monitoring Officer/Director of Governance and Compliance	All Councillors	Stand-alone session held during induction year only.

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Planning Training Part 1: <ul style="list-style-type: none"> • Introduction to the planning process. • Legislation/ policy guidance and its importance in decision making. • Enforcement. • General approach and guidance. 	Head of Planning	Open to all Councillors, but mandatory for Planning Committee members.	Forms part of the mandatory training delivered to any member who sits on Planning Committee.
Planning Training Part 2: <ul style="list-style-type: none"> • Roles/responsibilities of officers, consultees, the committees (as individuals and as a committee) and developers. • Planning matters (material considerations) and the role of conditions and legal agreements. • Probity and the code of conduct for planning committee member and the life of a planning application. 	Head of Planning	Open to all Councillors, but mandatory for Planning Committee members.	Forms part of the mandatory training delivered to any member who sits on Planning Committee.
Planning Training part 3: <ul style="list-style-type: none"> • Prepare for a planning meeting, within a practical committee setting i.e., role of officers and members in committee. • Committee site visits. • Preparing for committee. • How to review applications on-line and contact case officers. • Public speaking at committee. • Making a decision. 	Head of Planning	Planning committee members.	Forms part of the mandatory training delivered to any member who sits on Planning Committee.

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Service and Committee Briefings: <ul style="list-style-type: none"> • Introduction by the Chair. • Membership. • Dates and Locations. • Directorate Presentations. <ul style="list-style-type: none"> Introduction from the Chief Executive. Behaviours and Rule Book. Corporate Plan 2021 – 2025. Briefing on key issues. Budget. • Terms of reference. • Work programme. 	Executive Director/Service Director/Head of Service	All Service Committee members	<p>Stand-alone sessions held during induction year only.</p> <p>Abridged sessions are delivered to members joining the Committee at any other time.</p>
Financial Management Code: <ul style="list-style-type: none"> • Background and principles. • Financial decision making. • Role of service committees. • Financial planning and reporting cycle. • Revenue budget and MTFS. • Capital Planning and programme. • Management of reserves. • Treasury management. 	Section 151 Officer	All Councillors	Sessions are held every year as part of MTFS budget setting (Appendix B).
Scrutiny Committee Training: <ul style="list-style-type: none"> • Committee purpose and role. • Taking an analytical approach. • Basic principles of scrutiny. <ul style="list-style-type: none"> Questioning skills. What are our objectives. Key lines of enquiry. Active listening/reflection. 	Ian Parry, Centre for Governance and Scrutiny	Members of the Scrutiny Committee	<p>Stand-alone sessions held during induction year.</p> <p>Discussions ongoing to repeat training and roll out general scrutiny training to all members.</p>

Delivered via Learning Lounge:

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Protecting and Managing Information: Set of courses designed to help inform members about the creation, use, sharing and disposal of information safely and effectively. Courses cover the UK General Data Protection Regulation (UK GDPR), Information Security and Records Management.	Learning Lounge	All Councillors	Annually
Dignity at work: Covers dignity at work, bullying and harassment, how behaviour can impact on others, acceptable and unacceptable behaviour for members, identify what action to take if have concerns.	Learning Lounge	All Councillors	Annually
Equality in the workplace: Increase awareness of equality in the workplace and to identify the expectations on elected member in terms of their behaviour.	Learning Lounge	All Councillors	Annually
Cheshire East Committee system Committee procedural rules and decision-making process at Cheshire East.	Learning Lounge	All Councillors	Annually

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Safeguarding Adults: Overview of Adults Safeguarding.	Learning Lounge	All Councillors	Annually
Safeguarding Children: Insight into the safeguarding of children and young people and how to respond to potential safeguarding issues.	Learning Lounge	All Councillors	Annually
Members' Health and Wellbeing: One module from mental health/personal resilience/managing your priorities/managing yourself and your time	Learning Lounge	All Councillors	Annually

Delivered in person or via MS Teams

DISCRETIONARY SESSIONS:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
ICT Bitesize Sessions: Windows/Outlook/Teams.	ICT Services	All Councillors	Held during year one. Primarily targeted at new members but open to all Councillors.
Introduction to Highways: <ul style="list-style-type: none"> • Meet the team • How to make contact with the service • Highway Funding • MTFS Proposals • Safety • Asset specific information • 2023/24 Works Programme • 2023/24 Ward Member Funding 	Head of Highways and Transport	All Councillors	Primarily targeted at new members but open to all Councillors. Part of a regular series of Highways events held each year (Appendix B).
Data Protection Responsibilities: Understand your data protection responsibilities. <ul style="list-style-type: none"> • Why compliance is important. • Understand your role in Freedom of Information (FOI) Requests. • Use of Email. • Recognise information security/data breaches. • Do's and Don'ts. • Further information and advice 	Data Protection Officer	All Councillors	Supplementary session offered in year one alongside the mandatory Protecting and Managing Information module on Learning Lounge.

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Essential Information for Cllrs: e.g., ICT, Members' allowances, member training, member support.	Senior Member Development Officer	All Councillors	Held during year one. Primarily targeted at new members but open to all.
Mod.Gov App Training: Orientation event to help members to navigate Mod.Gov app.	ICT Services	All Councillors	Held during year one but available on request. To promote use of Mod.Gov app to access agendas.
Introduction to Learning Lounge: Orientation event to help members to navigate Learning Lounge.	Workforce Development Advisor	All Councillors	To support the mandatory online learning programme. Sessions scheduled periodically each year (Appendix B).

Delivered via Learning Lounge:

DISCRETIONARY SESSIONS:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Introduction to Local Government: Facts and information, and links to other resources.	Learning Lounge	All Councillors but aimed at those members new to local government/role of the Councillor.	Module classed as induction training but remains accessible on Learning Lounge.
Unconscious Bias: Course will help members to identify, acknowledge and challenge unconscious bias in the workplace.	Learning Lounge	All Councillors	Module classed as induction training but remains accessible on Learning Lounge.

Cheshire East Council Member Development Core Programme

Delivered in person or on Teams:

THESE SESSIONS ARE MANDATORY FOR:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Councillor Code of Conduct: Covering general principles of conduct and Members' specific obligations in relation to standards of conduct by Cheshire East Councillors.	Monitoring Officer	All Councillors	Annually
Planning Training: Subjects selected in advance of future decisions, in response to legislative change and on common issues.	Head of Planning	Members of the Planning Committees and Substitutes	Ongoing programme of events held 3 – 4 times a year
Medium Term Financial Strategy: Member engagement sessions as part of consultations on the proposed Medium Term Financial Strategy (MTFS).	Section 151 Officer	All Councillors	MTFS session held 2 times a year

Delivered via Learning Lounge:

THESE SESSIONS ARE MANDATORY FOR:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Protecting and Managing Information: Set of courses designed to help inform members about the creation, use, sharing and disposal of information safely and effectively. Courses cover the UK General Data Protection Regulation (UK GDPR), Information Security and Records Management.	Learning Lounge	All Councillors	Annually
Dignity at work: Covers dignity at work, bullying and harassment, how behaviour can impact on others, acceptable and unacceptable behaviour for members, identify what action to take if have concerns.	Learning Lounge	All Councillors	Annually
Equality in the workplace: Increase awareness of equality in the workplace and to identify the expectations on elected member in terms of their behaviour.	Learning Lounge	All Councillors	Annually

Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Cheshire East Committee System: Committee procedural rules and decision-making process at Cheshire East.	Learning Lounge	All Councillors	Annually
Safeguarding Adults: Overview of Adults Safeguarding.	Learning Lounge	All Councillors	Annually
Safeguarding Children: Insight into the safeguarding of children and young people and how to respond to potential safeguarding issues.	Learning Lounge	All Councillors	Annually
Members' Health and Wellbeing: One module from mental health/personal resilience/managing your priorities/managing yourself and your time	Learning Lounge	All Councillors	Annually

Delivered in person or via Teams:

DISCRETIONARY SESSIONS:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Highways Engagement Days/Online tutorials: <ul style="list-style-type: none"> • Update on current service performance. • Progress with the 2024-5 Highways capital programme. • Update on Highways developments. 	Head of Highways	All Councillors	Two in person events each year, two via MS Teams.
Section 106: <ul style="list-style-type: none"> • An explanation of the S.106 process. • How and when Members will engage in the process of developing a S.106 agreement. • Constraints on how the Local Planning Authority can seek and secure S.106 funding. • How S.106 spend will be monitored and reported moving forward. • Reports to members on a ward basis and FAQs. 	Interim Director Environment and Neighbourhoods	All Councillors	Two sessions held annually.
Introduction to Learning Lounge: Orientation event to help members navigate Learning Lounge.	Workforce Development Advisor	All Councillors	To support the mandatory online learning programme. Sessions scheduled periodically each year.

Delivered via Learning Lounge:

DISCRETIONARY SESSIONS:			
Event Details/Objectives	Main Presenter(s)/Facilitator	Audience	Frequency/Notes
Introduction to Local Government: Facts and information, and links to other resources.	Learning Lounge	All Councillors but aimed at those members new to local government/role of the Councillor.	Module classed as induction training but remains accessible on Learning Lounge.
Unconscious Bias: Course will help members to identify, acknowledge and challenge unconscious bias in the workplace.	Learning Lounge	All Councillors	Module classed as induction training but remains accessible on Learning Lounge.

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OPEN

Audit and Governance Committee

5 December 2024

Annual Report of the Audit and Governance Committee 2023/24

Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer

Report Reference No: AG22/24-25

Ward(s) Affected: All

For Decision or Scrutiny: Decision

Purpose of Report

- 1 The purpose of this report is for the Committee to consider the draft Annual Report of the Audit and Governance Committee 2023/24 and agree the final version of the report that will go to the next meeting of Council in February 2025.
- 2 The report is produced in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference whereby the Committee will report to Council on a regular basis on the performance and effectiveness of meeting its purpose.

Executive Summary

- 3 Producing an annual report on the work of the Committee ensures compliance with best practice requirements and the Council's Constitution. The report also provides assurances to wider stakeholders on the continuing improvements of the Council's governance arrangements.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Review the draft Annual Report of the Audit and Governance Committee 2023/24 and agree the final version which will be presented at the February 2025 meeting of Council.

Background

- 4 The Chartered Institute of Public Finance & Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022 states the Committee should report annually on how it has complied with the position statement, discharged its responsibilities, and include an assessment of its performance.

Consultation and Engagement

- 5 The Annual Report of the Audit and Governance Committee 2023/24 has been drafted in conjunction with the Chair and Vice-Chair of the Committee and considered to by the Corporate Leadership Team.

Reasons for Recommendations

- 6 To report in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference, which require a report to full Council on a regular basis.
- 7 The report should cover the performance of the Committee in relation to its Terms of Reference, and the effectiveness of the Committee in meeting its purpose in accordance with the CIPFA Position Statement.

Other Options Considered

- 8 Not applicable.

Option	Impact	Risk
Do nothing	Audit and Governance Committee do not share with work and report on their performance to Council	Failure to meet the Committee terms of reference and non-compliance with the CIPFA Position Statement

Implications and Comments

Monitoring Officer/Legal

- 9 The Council's Constitution gives responsibility to the Audit and Governance Committee for overseeing the Council's roles and responsibilities in respect of corporate governance and audit and specifically for submitting an annual report to Council. Production of the report ensures compliance with this requirement.

Section 151 Officer/Finance

- 10 The annual report of the Audit and Governance Committee outlines the assurances received by the Committee on the adequacy of the Council's governance arrangements, including the integrity of financial reporting processes.
- 11 There is no direct impact on the Medium-Term Financial Strategy.

Policy

- 12 The production of the annual report and its presentation to Council ensures compliance with CIPFA best practice guidance.
- 13 Reporting on the effectiveness working of the Audit and Governance Committee supports the "Open" aim in the Corporate Plan; ensuring there is transparency in all aspects of decision making.

An open and enabling organisation:

Ensuring there is transparency in all aspects of council decision making
--

Equality, Diversity and Inclusion

- 14 There are no direct equality, diversity and inclusion implications.

Human Resources

- 15 There are no direct human resources implications.

Risk Management

- 16 The annual report of the Audit and Governance Committee outlines the assurances received by the Committee on various aspects of the Council's governance arrangements, including the adequacy of the risk management framework.

Rural Communities

17 There are no direct rural community implications.

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

18 There are no direct implications.

Public Health

19 There are no direct public health implications.

Access to Information	
Contact Officer:	<p>Josie Griffiths & Michael Todd</p> <p>Josie.griffiths@cheshireeast.gov.uk</p> <p>Michael.todd@cheshireeast.gov.uk</p>
Appendices:	Appendix 1: Audit and Governance Committee Annual Report 2023/24
Background Papers:	N/A

Audit and Governance Committee Annual Report 2023/24

Working for a **brighter future**  together



Introduction

As the Chair of the Audit and Governance Committee, I am pleased to present this detailed report on the work of the Committee during 2023/24.

The report informs full Council of the broad range of work which has been considered over the year to support the Committee in fulfilling its Terms of Reference and provides assurance on the effectiveness of the Committee in meeting its purpose.

This report helps to demonstrate the key role which is undertaken by the Audit and Governance Committee and the positive contribution it makes to the Council's overall governance.

The Committee's current Terms of Reference were developed in accordance with the CIPFA guidance, and the detailed Committee Work Programme, designed to ensure that they are fulfilled, is subject to review at each meeting of the Committee.

During the year, the Committee, and officers have been working hard to implement the agreed action plan which arose following the review of the Committee by CIPFA in 2022/23. This has been beneficial in ensuring the work of the Committee is effective and supports the wider organisation.

I would like to thank all those who have contributed to the Committee meetings over the last year, supporting the Committee's work with varied reports and presentations, which are the culmination of much more preparation and work undertaken 'behind the scenes'.

I look forward to future meetings of the Committee, and to working with the members and officers who support the Committee to ensure that we continue to provide independent assurance on the control environment and the governance framework, especially as the Council continues to tackle the significant financial pressures and embarks on its transformation journey.

The Committee is also looking forward to working with the newly appointed external auditors, Ernst and Young, and are confident that the detailed preparation/handover work that has taken place will ensure an efficient transition of the external audit function.

Councillor Michael Beanland
Chair of the Audit and Governance Committee



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1. Role of the Audit and Governance Committee

The Audit and Governance Committee is a key component of the Council's corporate governance arrangements. The Committee provides independent assurance to the Council through:

- Promotion of high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Councillors and co-opted Members (including other persons acting in a similar capacity).
- An independent and high-level focus on audit, (internal and external) assurance and reporting arrangements that underpin good governance and financial standards.
- Independent review and focus on the adequacy of the Council's governance, risk management, and control frameworks and oversees the financial reporting and annual governance processes.

The role and responsibilities of the Council's Audit and Governance Committee are set out in written terms of reference which are regularly reviewed by the Committee to ensure compliance with relevant legislation and recommended good practice. The terms of reference are set out in the Council's Constitution which is published on the website along with all the agendas, minutes and supporting papers.

Constitution:

[cheshire-east-council-constitution-chapter-2-updated-june-2024.pdf](#)
(cheshireeast.gov.uk)

Audit and Governance Committee Meetings:

[Browse meetings - Audit and Governance Committee | Cheshire East Council](#)

The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Council:

- Oversight of governance, risk management and internal control frameworks
- Oversight of the integrity of the Council's financial statements
- Oversight of the external auditor's performance, objectivity and independence
- Oversight of the performance of the internal audit function

To help the Committee meet its responsibilities, each year, management provide training sessions for the Committee on subject areas within their remit. During 2023/24, this included induction training for substitute/new members as required through the year. Sessions were also provided to members of the Committee on internal audit, the LGO Joint Complaint Handling Code, risk management, and the statement of accounts.

2. Meetings and Membership

During the 2023/24 municipal year, the Audit and Governance Committee met on 5 occasions and was comprised of 11 members:

- Councillor Michael Beanland (Chair)
- Councillor Ken Edwards (Vice-Chair)
- Councillor Sue Adams
- Councillor Alison Heler
- Councillor Chris Hilliard
- Councillor Marilyn Houston
- Councillor Patrick Redstone
- Councillor Garnet Marshall
- Councillor Judy Snowball
- Mr Ron Jones (Independent Co-opted Member)
- Ms Jennifer Clark (independent Co-opted Member)

Councillors Mark Goldsmith and Rachel Bailey were both members of the Committee for one meeting during the year.

The Audit and Governance Committee meetings were well attended with substitutes occasionally used when a member could not be present. All substitutes were provided with training prior to attending meetings, and during 2023/24, substitute members were used on 5 occasions:

- Councillor Andrew Kolker
- Councillor Liz Braithwaite
- Councillor Lesley Smetham
- Councillor Michael Gorman
- Councillor Brian Drake

Committee Attendance statistics:

[Committee attendance - Audit and Governance Committee, 1 April 2023 - 31 March 2024 | Cheshire East Council](#)

The Committee was also routinely attended by the following officers and external parties:

- Director of Governance and Compliance and Monitoring Officer
- Director of Finance and Customer Services and S151 Officer
- Head of Audit and Risk
- Acting Internal Audit Manager
- Democratic Services Officers
- External Auditors (Mazars)

3. How the Committee discharged its responsibilities during 2023/24

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Governance, Risk and Control					
Received updates on the production and review of the Annual Governance Statement (as part of the Internal Audit Update Report)				•	
Received an update on Information Governance – IADM Programme		•			
Received and approved the draft Annual Governance Statement 2022/23		•			
Received and approved the final Annual Governance Statement 2022/23					•
Received the 2022/23 Monitoring Officer Report			•		
Reviewed and agreed the Audit and Governance Committee Annual Report 2022/23			•		
Considered the Annual Risk Management Report 2022/23		•			
Received a Risk Management Update					•
Received the Public Interest Report Update – External Auditor Fee Variation Proposal	•				
Received the CIPFA Review of the Audit & Governance Committee Report	•				
Received a report on Progress against CIPFA Review Actions				•	
Received a report on the Review of the Audit & Governance Committee Terms of Reference		•	•		
Received and considered the proposed Terms of Reference for the Audit & Governance Committee				•	

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Internal Audit					
Reviewed Internal Audit plan progress reports and Internal Audit Charter				•	•
Received the Internal Audit Annual Report 2022/23		•			
Received and approved the Internal Audit Plan 2024/25					•
Received the Internal Audit Report on the review of land transactions in response to the Report in the Public Interest	•				
Received a report on the Section 106 Key Findings – Internal Audit Report and subsequent updates on progress against actions			•		•
External Audit					
Reviewed External Audit progress reports	•	•	•	•	
Received the External Audit Findings and Action Plan 2022/23					•
Received the External Audit – Value for Money Report			•		
Considered the Certification of Housing Benefit Subsidy Claim 2022/23 and Teachers Pensions Return 2021/22					•
Annual Statement of Accounts					
Received the 2022/23 Draft Statement of Accounts ¹	•				
Received the 2022/23 Draft Financial Statements – Wholly Owned Companies and Outturn Update 2022/23	•				
Related Functions					
Consideration of Contract Procedure Rule Non-Adherences and Waivers		•			

¹ At the March 2024 meeting, the Committee delegated authority to the S151 Officer to sign off the Statement of Accounts once the audit has concluded.

Key Committee Activities	June 2023	July 2023	Sept 2023	Dec 2023	Mar 2024
Considered the RIPA Policy and Inspection Plan Update		•			
Received a report on the RIPA Policy and Inspection Plan Update		•			
Received the Annual Procurement Update		•			
Received the Annual Complaints Report 2022/23 including Ombudsman Decision Notices where fault was found		•			
Standards Arrangements					
Received an update on Standards related matters via the Annual Monitoring Officer Report			•		
Other Matters					
Received a report on the Recruitment of an Independent Member of the Audit & Governance Committee (appointment approved by Council October 2023)		•	•		

4. Governance, Risk and Control

The Audit and Governance Committee oversaw the production of the Council's Annual Governance Statement (AGS) and received updates regarding progress on the AGS significant issues.

As part of the production of the 2022/23 AGS, the Committee reviewed and approved the draft AGS at the July 2023 meeting.

The Committee reviewed and approved the final 2022/23 AGS in March 2024 and approved the removal of the significant governance issue related to the Safeguarding Children's Partnership from future Statements.

The Committee highlighted that the CIPFA review recommended that members be given the opportunity to input into the preparation of the AGS. Officers agreed to take this recommendation into consideration once the preparation for the 2023/24 AGS began.

The Committee considered the effectiveness of the Council's risk management arrangements, the control environment, and associated anti-fraud and anti-corruption arrangements through the regular review of risk management update reports along with receiving the Annual Risk Management Report.

The Committee was regularly briefed on counter fraud arrangements and investigations via the internal audit updates and the annual internal audit report.

In June 2023, the Committee received the report and associated action plan produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) following their review against the updated guidance 'Audit Committees: Practical Guidance for Local Authorities and Police'.

The report was presented by the CIPFA consultant who had undertaken the review and members were provided the opportunity to raise questions and discuss the proposed actions. The actions were agreed, along with a request for regular updates on progress to be reported to the Committee.

In response to the CIPFA report, in July 2023, the Committee agreed to the establishment of a politically balanced working group to review the terms of reference in response to the review of the Committee undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) against the updated guidance 'Audit Committees: Practical Guidance for Local Authorities and Police'.

The working group produced a proposed Committee terms of reference which was presented to the December 2023 Committee and recommended for adoption by Full Council. In considering the proposed terms of reference, the Committee reflected upon the proposals from Corporate Policy Committee to merge the functions of the Scrutiny Committee with Audit and Governance Committee. The Committee requested that Full Council note the Committee's concerns and defer the decision relating to the proposals as they were contrary to advice from CIPFA and the Centre for Governance and Scrutiny.

The report also recommended that an additional independent co-opted member be appointed to the Committee. In response, a recruitment panel of three Members was appointed to review applications and undertake interviews. Following completion of this process, Jennifer Clark was appointed as the second co-opted independent member of the Committee at Council in October 2023.

In December 2023, the Committee received a detailed update on progress in implementing the agreed actions and further updates have been provided in 2024/25.

During 2023/24, full Committee briefings were established to facilitate open conversations in relation to agenda items prior to the formal meeting. This allows Members to raise any questions that they may have and ensure a clear understanding of the often-complex papers being presented to them. Furthermore, post Committee debriefs are held between the Chair, Vice Chair, and key officers to reflect upon what went well and what could be improved upon.

These developments have been beneficial to the Committee which has clarity of purpose and is fully focussed on its assurance role and associated responsibilities. There is regular engagement between Members and officers in the form of training and confidential briefings on sensitive matters, which has helped to develop and build trust and support.

5. Internal Audit

The Audit and Governance Committee reviewed and approved the annual internal audit plan at its March 2023 meeting. The plan closely aligns with the Council's strategic risk register and corporate plan and identified priority work to be completed in the first half of the year along with additional areas for consideration in quarters 3 and 4.

The Committee received regular update reports from the Head of Audit & Risk. Such reports enable the Committee to monitor the progress of the internal audit plan, discuss key findings and the plans to address them.

The Committee also considered the Head of Audit & Risk's opinion on the adequacy and effectiveness of the control environment and reviewed the effectiveness of internal audit.

In addition to the regular internal audit items, the Committee also received a report providing assurance in relation to the arrangements for managing land transactions in June 2023. The internal audit review was undertaken in response to the Report in the Public Interest published in January 2023 and provided a 'good assurance' opinion. Members of the Committee were provided with a copy of the report which was discussed in detail as a Part 2 item. The Committee agreed that no further action was required in relation to this matter.

In September 2023, the Committee received a report detailing the key findings of an internal audit review of the management and monitoring of Section 106 agreements. The report provided a 'no assurance' opinion and highlighted that there were significant areas of risk that were not being effectively managed.

The Committee agreed that this item should be included in the AGS as a significant governance issue and requested regular updates on progress in implementing the agreed actions to improve the control environment. Furthermore, it was agreed that the Committee would write to the Chair of the Environment and Communities Committee to seek an invite for the Chair and Vice Chair of both the Audit and Governance Committee, and the Finance Sub Committee, to attend the first meeting of the Environment and Communities working group to relay their concerns. A meeting was also held between the Chairs and Vice Chairs of the three committees to agree oversight arrangements for monitoring the implementation of agreed actions.

A briefing was provided to the Committee at the March 2024 meeting setting out progress that had been made in implementing the agreed audit actions.

6. External Audit

The Audit and Governance Committee received regular progress reports from the external auditor throughout the year.

The Committee received the external audit value for money report for 2022/23 in September 2023 and the external audit findings and action plan for 2022/23 in March 2024.

It was also confirmed at the March 2024 meeting that Mazars would hand over its external auditor responsibilities to Ernst and Young for the 2023-24 audit period and that the handover procedure had commenced.

7. Annual Statement of Accounts

The Audit and Governance Committee received and reviewed the draft Statement of Accounts 2022/23 along with a presentation on the accounts by the S151 Officer. The Committee sought clarity on items in the accounts and noted the dates for the approval process of the Statement of Accounts. At the March 2024 meeting, the Committee delegated authority to the S151 Officer to sign off the 2022/23 Statement of Accounts once the audit has concluded, and to notify committee members once the final signed accounts have been published on the council's website.

8. Related Functions

The Audit and Governance Committee received the Annual Complaints report in July 2023 which included a summary of actions from decision notices issued by the Local Government and Social Care Ombudsman.

The Committee has a role in overseeing the operation of the Contract Procedure Rules by receiving regular reports setting out the number, type and reasons for waivers and non-adherences. The Committee is presented with unredacted copies of all non-adherences for the period as a Part 2 item, the intention being to ensure good procurement and commissioning practices and clear public accountability.

The Committee received a report in July 2023 from the Director of Finance and Customer Services that provided an update on the Council's Information Assurance and Data Management (IADM) programme during 2022/23. The report outlined key aspects of the programme to provide assurance to the Committee that information continues to be treated and managed as a valued asset, with ongoing measures to protect it in line with compliance and leverage it where possible to support enhanced service delivery and optimise business benefit. The Committee was advised that following the annual end of year self-assessment, for 2022/23, a tangible increase in maturity level had been achieved with the Council moving from proactive to managed in relation to its maturity level.

9. Standards Arrangements

The Committee received assurance on key aspects of the Monitoring Officer's responsibilities in the annual Monitoring Officer report which was received in September 2023. The 2022/23 annual report covered areas including but not limited to the Members' Code of Conduct, register of gifts and hospitality and training and development.

10. Hearing Sub-Committee

No meetings of the Hearing Sub-Committee were held during 2023/24.

11. Audit and Governance Committee Priorities for 2024/25

There are several key areas that the Committee will need to consider and progress during 2024/25 in addition to its core business.

- As previously referenced, CIPFA undertook a review of the Committee during 2022/23 and the report was received, and a workshop was held to formulate an action plan in response to the findings report. Work on fully implementing and embedding the actions will continue into 2024/25 which will further develop the Committee.
- At the start of 2024/25 a skills assessment has been undertaken, and an outline training and development plan agreed, which is being delivered to support the Committee's development, knowledge and understanding.
- The Committee are also focussed on the effective implementation of the agreed internal audit actions in relation to the management and monitoring of section 106 agreements. Regular updates will be provided by both the planning service and internal audit to provide assurance that the areas of identified risk are being effectively mitigated.
- The Committee are engaged with the Children and Families committee to receive assurances over its plan to develop an effective SEND (Special

Educational Needs and Disabilities) Policy and management of the DSG (Dedicated Schools Grant) deficit.

- The Committee are to consider a further health check report on Unit4 and the lessons learnt from its implementation.
- Seek to implement Committee training in conjunction with our incoming external auditors, Ernst & Young, to improve the Committee's understanding of their scope of work.
- Receive ongoing assurance on the process of closure of the Council's wholly owned companies and service delivery of these functions will continue.
- Support the review and refresh of the Council's arrangements for raising concerns/whistleblowing, resulting in an updated policy and wider communication and engagement of the arrangements.
- The Committee have raised concerns about the level of understanding within service committees in relation to scrutiny and the role that members play in ensuring that this is effective. A request has been made for training to be delivered to all members to address these concerns.
- The Committee will seek to understand the Council's Transformation Programme, its impacts and any implications this may have for the Committee in relation to governance, risk, and financial control.
- The Committee has previously considered a review of vacancy rates across the organisation and suggested that in addition to this, each service should be provided with an analysis of the impact of vacancies in their area for example, any detrimental effects, total number of agency staff, and overall savings from vacancy freezes.
- The Committee has an ongoing interest in financial controls and will consider how the effectiveness of these controls can be reported to them.

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OPEN

Audit and Governance Committee

5 December 2024

Annual Governance Statement 2023/24 Progress Update

Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer

Report Reference No: AG/28/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 To provide assurance to the Audit and Governance Committee on the progress of actions identified in the 2023/24 draft Annual Governance Statement (AGS) to improve governance arrangements and to respond to emerging issues.
- 2 This report has been prepared in line with the Constitution and the Audit and Governance Committee's Terms of Reference which provide that the committee are to review and approve the Annual Governance Statement.

Executive Summary

- 3 The Council's initial assessment of its governance arrangements for 2023/24 identified eight significant governance issues in the draft AGS. The eight issues comprise five issues that have been included in previous Statements and three emerging issues for 2023/24. The draft 2023/24 AGS was considered by the Committee at the 29 July 2024 meeting.
- 4 The 2023/24 Statement of Accounts is yet to be signed off due to a delay in the external auditors completing their work. As such, an update on progress made since July 2024 in addressing the draft AGS significant governance issues is included at Appendix A for consideration by Members.

- 5 Each significant governance issue identified in the draft 2023/24 AGS has been reviewed and a progress update provided by the relevant responsible officer.
- 6 Progress updates on the eight 2023/24 significant governance issues are provided at Appendix A. Out of the eight significant governance issues, it is recommended that six remain on the AGS. Significant progress has been made with two of the issues and it is recommended that consideration is given to these items being removed from future Statements.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Review and approve the updates provided on the significant issues reported in the draft 2023/24 AGS, including the recommendations to the Committee on whether items remain in future Statements.

Background

Progress against items reported in the draft 2023/24 AGS

- 7 The draft 2023/24 AGS was approved by the Audit and Governance Committee in July 2024. This included updated details of previously reported significant governance issues, as well as emerging significant issues recognised for 2023/24 along with the proposed actions for implementation.
- 8 The external auditors are yet to complete their work on the 2023/24 Statement of Accounts and until this work is complete, the AGS for 2023/24 cannot be finalised. Therefore, an update on progress made since July 2024 in addressing the draft AGS significant governance issues is included at Appendix A for consideration by Members.
- 9 Each significant governance issue update has been provided by the relevant responsible officer. In providing the updates, they have considered the assurance provided to determine whether the required action has been completed appropriately, whether the issues are being sufficiently and effectively managed and whether there are further issues or concerns arising.
- 10 These recommendations are summarised in Table 1, with a recommendation to the Committee on whether the issues should be considered as completed/managed and can be monitored via local

monitoring arrangements or if they require further monitoring via the AGS.

Table 1 – Summary of 2023/24 AGS Significant Governance Issues

AGS Item	Responsible Officer	Recommendation to the Committee
Council Funding	Executive Director of Resources, S151 Officer	To note progress but remain as a significant issue.
Health & Social Care Integration	Executive Director of Adults, Health & Integration	<p>As there has been significant progress in this area, it is recommended that consideration is given to whether this item can be removed from future Annual Governance Statements.</p> <p>The outstanding areas for improvement have been captured in the new Partnership Working issue.</p>
ASDV Governance	Governance, Compliance and Monitoring Officer	To note progress but remain as a significant issue.
Planning	Executive Director of Place	<p>As there has been significant progress in this area, it is recommended that consideration is given to whether this item can be removed from future Annual Governance Statements.</p> <p>Future monitoring of compliance in this area will be undertaken by the Executive Director of Place.</p>
Executive and Wider Leadership Team Capacity	Chief Executive	To note progress but remain as a significant issue.

Children's Services Response to Ofsted Inspection	Executive Director of Children's Services	To note update to issue and actions but remain as a significant issue.
Governance and Internal Control	Chief Executive	To note update to issue and actions but remain as a significant issue.
Partnership Working	Assistant Chief Executive and Executive Director of Adults, Health & Integration	To note update to issue and actions but remain as a significant issue.

Consultation and Engagement

- 11 The 2023/24 AGS significant governance issue updates have been provided by the relevant responsible officers. In providing the updates, they have considered the assurance provided to determine whether the required action has been completed appropriately, whether the issues are being sufficiently and effectively managed and whether there are further issues or concerns arising.
- 12 Once the external auditors have completed their work, the proposed final AGS for 2023/24 will be considered by the Risk and Assurance Board and the Corporate Leadership Team to ensure all issues impacting the Council have been considered. The 2023/24 final AGS will then be presented to the Audit and Governance Committee for review and approval alongside the 2023/24 Statement of Accounts.

Reasons for Recommendations

- 13 Under the Accounts and Audit Regulations 2015, local authorities are required to prepare an AGS and to report publicly on the effectiveness of governance and control. The Audit and Governance Committee is responsible for reviewing and approving the AGS.
- 14 The process of preparing the AGS should, in itself add value to the effectiveness of the Council's corporate governance and internal control framework. Good governance enables the Council to better meet the challenges of pursuing its vision, delivering objectives against a background of continued financial pressures, by underpinning that vision with mechanisms for control and management of risk.
- 15 In accordance with best practice, the Audit and Governance Committee should undertake a number of activities to discharge its responsibilities in relation to the AGS including:
 - (a) Ensuring the AGS is underpinned by a framework of assurance.

- (b) Monitoring the implementation of action plans/recommendations to improve governance arrangements.
- (c) Receiving reports and assurances over changes to the governance framework and control environment as they are established.

Other Options Considered

16 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

- 17 The production of the Annual Governance Statement 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.
- 18 The Accounts and Audit (Amendment) Regulations 2024 came into force on 30 September 2024 and set the timescales for the publication of the accountability statements.
- 19 For the financial year beginning in 2023, after approving the statement of accounts, the authority must publish its accountability statements on or before the 28 February 2025.
- 20 The Statement of Accounts 2023/24 will be presented to the Audit and Governance Committee following the external auditors completing their work. Therefore, the final 2023/24 AGS will also be presented for approval at the same meeting.
- 21 The preparation of the proposed draft AGS is carried out in accordance with the guidance produced by CIPFA/SOLACE Good Governance Framework.

Section 151 Officer/Finance

- 22 There are no direct financial implications arising from this assurance report to the Committee. The production of the AGS should align with

the production of the Council's Annual Accounts and be published alongside the audited accounts.

Policy

23 There are no direct implications for policy.

Equality, Diversity and Inclusion

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

Human Resources

25 There are no direct implications for human resources.

Risk Management

26 The Council 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 do so could result in non-compliance with the requirements of the Regulations.

Rural Communities

27 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)

28 There are no direct implications.

Public Health

29 There are no direct implications for public health.

Climate Change

30 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit, Risk and Assurance Email: josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix A – Annual Governance Statement 2023/24 - Progress Update December 2024

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

Progress Update December 2024

Appendix A

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

Council Funding <i>(Recognised as a continuing governance issue since 2015/16 but revised and restated in 2021/22 and 2023/24)</i>	
Description of Issue	<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>Executive Director of Resources, S151 Officer</p>
Action proposed at the time of inclusion in the AGS	<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>

Cheshire East Council – Annual Governance Statement 2023/24

	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.
Progress update December 2024	<p>The outturn figures for 2023/24 show a slightly smaller overspend than was forecast in the Third Financial Review, overall, with a greater adverse variance in Adult Social Care spending being more than offset by favourable variances across other Services. The outturn position is being analysed through specific line by line reviews to understand the effects of one-off 'windfall' events/savings, as distinct from any further cost pressures (or reductions) which will continue to have an effect in the 2024/25 year, and so vary our forecasts going forward.</p> <p>The smaller overspend, whilst helpful, does not alleviate the pressure in future years especially given one-off sources of funding have been used to achieve that position that will no longer be available in future years. The Council has received notification from Government of the potential to utilise 'Exceptional Financial Support' – of up to £11.6m relating to 2023/24 items, and up to £6m in respect of 2024/25 – but as expected this is only in the form of capitalisation direction (which will cost us to deploy, in the form of premium interest rates). This was not required in 2023/24 but is being considered as part of 2024/25.</p> <p>The Transformation Programme noted as required in the MTFS is underway, with a transformation partner appointed; work has commenced with a plan submitted to MHCLG by 27 August as part of the criteria for final approval of Exceptional Financial Support.</p> <p>Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.</p>
Recommendation	To note progress but remain as a significant issue.

Health & Social Care Integration

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

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

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

ASDV Governance	
Description of Issue	<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> <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	Governance, Compliance & Monitoring Officer
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 December 2024	<p>Between December 2022 and June 2024, the Finance Sub Committee received regular updates, and agreed a series of amendments to the structure of companies, to strengthen governance. These are outlined in detail in the draft Annual Governance Statement which the Audit and Governance Committee received in May.</p> <p>At the Finance Sub Committee in June 2024, the committee received the outcomes of the wholly owned companies' strategic options review and determined that the services provided by Ansa and Orbitas are to be brought back in house and delivered directly by the Council.</p> <p>It was also agreed that further recommendations would be made to the Finance Sub Committee in respect of the approach to Alliance Environmental Services Ltd; in October 2024 Finance Sub Committee received the findings of the initial stage of this review.</p>

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Recommendation	To note progress but remain as a significant issue.
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Planning	
Description of Issue	<p>In November 2021, the Chief Executive and Environment and Communities Committee requested an objective review of the planning application backlog in Planning Services be undertaken.</p> <p>The backlog had accumulated over some time as a result of increasing workloads, vacant posts and impacts on delivering the service from the Covid 19 pandemic. The backlog was significant in number and was attracting complaints about the service from both within and beyond the Council, with potential for reputational damage to both the Local Planning Authority and the Council. An objective Deep Dive review was undertaken, led by the Executive Director of Place.</p> <p>The findings, recommendations and next steps for the service were received and noted by the Environment and Communities Committee on 31 October 22. It was also noted that a range of measures had already been implemented, particularly in relation to reducing the backlog of planning applications.</p>
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>

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

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

Workstream 1 – Customer and Communications

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

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

Workstream 2 – IT Systems and Processes

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

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

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

Workstream 3 – Performance and Governance

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

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

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

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

Workstream 4 – Training and Development

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

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

Workstream 5 – Service Restructure and Resources

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

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

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

Workstream 6 – Culture and Leadership

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

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

Workstream 7 – Section 106 Audit

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

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

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

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

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

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

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

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

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

Workstream 8 – Tree Risk Management Strategy (TRMS)

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

Executive and Wider Leadership Team Capacity	
Description of Issue	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

	<p>Council's Statutory Officers, (S151 Officer and Monitoring Officer). CLT meetings are also regularly attended by the Cheshire East Place Director (Cheshire and Merseyside Integrated Care Board).</p> <p>During 2022/23, interim arrangements were introduced to manage the absence of the Executive Director, Place, ensuring that there is senior leadership capacity in the Directorate. In October 2023, the Executive Director, Place left the Council, and it was confirmed that the interim arrangements have continued. However, these interim arrangements are not subject to backfill which impacts upon the wider management capacity within the Place directorate.</p> <p>In May 2023, the Executive Director, Corporate Services left the organisation, and interim management arrangements are in place for this Directorate, which ensures direct reporting lines between the Head of Paid Service and the Section 151 and Monitoring Officer roles.</p> <p>In July 2023, the former Chief Executive was announced as the preferred candidate for the Chief Executive role at Bradford Council and was subsequently confirmed in that post. The former Chief Executive left Cheshire East Council on the 13 October 2023.</p> <p>On the 18 October 2023, Council appointed an Interim Chief Executive with immediate effect whilst the ongoing recruitment process for a permanent candidate took place.</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	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.

<p>inclusion in the AGS</p>	
<p>Progress update December 2024</p>	<p>The Local Government Association (LGA) has undertaken a Decision-Making Accountability (DMA) review to examine current senior management roles to help ensure a stable senior management structure is in place. This provided recommendations for a revised organisational structure to ensure effective decision making, with clear accountabilities and roles, and efficient use of management resources.</p> <p>A series of development sessions for Corporate Leadership Team (CLT) and Wider Leadership Community (WLC) has been developed, with the first of these sessions held on 12th April. Additional sessions have been delivered to CLT and WLC by Inner Circle and Solace, with a development programme scheduled to commence early in the new year.</p> <p>Recruitment to a number of key senior interim roles has taken place to provide cover for the Director of Finance and Customer Services & s151 Officer, Director of Policy and Change, Director of Commissioning, Director of Environment and the Director of Transformation.</p> <p>In June 2024 an Interim Director of Family Help and Children’s Social Care was appointed. In July 2024, the Executive Director for Children’s Services left the Council, and an Interim Executive Director for Children’s Services joined the Council in October along with an Interim Director of Improvement for Children’s Services. A permanent Executive Director of Place has been appointed and will join the Council in December 2024. The Chief Executive briefed members of Audit & Governance Committee in relation to this issue on 18 July prior to their meeting on 29 July 2024.</p> <p>In response to the recommendations arising from the DMA review, a permanent senior management structure was developed. A consultation process on a proposed new senior management structure has been conducted and subsequently approved by Full Council on 16 November with implementation on 1 November 2024. The recruitment to the new senior management structure will increase leadership capacity across the organisation. The recruitment process will start in November.</p>

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

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

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

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

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

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

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

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

	<p>As part of the transformation plan, the Council is developing its aspirations for the type of organisation it wants to be and the new operating framework it will adopt. This includes a focus on being more collaborative and working in partnership.</p> <p>In this context it is timely to ensure that the Council's governance arrangements for partnership working are robust, transparent and appropriately led with sufficient scrutiny and over-sight, as well as facilitating co-production and joined up delivery of outcomes for the benefit of Cheshire East residents.</p> <p>There is an opportunity to consider the approach to partnerships and engagement with key stakeholders as we develop a new Cheshire East Plan for 2025 and beyond.</p>
Responsibility	Executive Director of Adults, Health & Integration and Assistant Chief Executive
Action proposed December 2024	<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 (E.g. Section 75 for the Better Care Fund has been reviewed and the latest agreement approved by the Adults and Health Committee on 23 September 2024) • 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 • Partnership working is reflected in the new Cheshire East Plan and delivery of outcomes for residents <p>The primary actions will be undertaken as part of the implementation of the target operating model. In the interim, arrangements already in place are operating as normal.</p>
Recommendation	To note updated description/actions and to remain as a significant issue.

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CHESHIRE EAST COUNCIL

Minutes of a reconvened meeting of the **Hearing Sub-Committee**
held on Wednesday, 8th December, 2021 in the Council Chamber, Municipal
Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor David Marren
Councillor Patrick Redstone
Councillor Margaret Simon (Chair)

Mrs Margaret Rathbone, Independent Person

Mr Simon Goacher, Independent Investigator

Mr Emyr Thomas, Independent Legal Advisor to the Hearing Sub Committee

Gavin Happe, Legal Services
Rachel Graves, Democratic Services Officer

5 CONSIDERATION OF COMPLAINT

The Chair opened the meeting by explaining that this was a reconvened meeting of the Hearing Sub Committee to consider the code of conduct complaints made against Councillor David Jack of Sandbach Town Council.

As the directions had not been complied with by the specified date, on 15 November 2021 the Monitoring Officer issued further directions requiring provision of all material by 24 November 2021. On that date Councillor Jack had provided the evidence he intended to reply on at the hearing.

The Chair explained the procedure which would be followed at the hearing was set out in the Council's document 'Arrangements for Dealing with Standards Complaints against Members'.

The Chair informed that Councillor David Jack was not present at the meeting and confirmed that the members of the Hearing Sub Committee had read the evidence provided by Councillor Jack.

As the adjourned meeting had taken place over two months ago, the Chair asked the members of the Hearing Sub Committee and officers present to declare if they had any declarations of interest to make. No declarations of interest were made.

The Chair invited the Investigating Officer to present their report to the Hearing Sub Committee.

The Investigating Officer stated that he had been asked by the Council's Monitoring Officer to investigate three separate complaints made against

Councillor Jack, each alleging that he had broken the code of conduct for Sandbach Town Council. He had initially been asked to investigate one complaint and subsequent to that investigation two further complaints were added to the investigations as it was felt appropriate to deal with all complaints together in one report. Details of the complaints were set out in the Investigating Officer's report.

The Investigating Officer confirmed that he had reviewed all the material submitted, which were mostly emails and social media posts and interviewed the complainants. He had interviewed Councillor Jack in relation to the initial complaint and subsequently contacted him when the additional complaints were referred but Councillor Jack declined the opportunity to be interviewed in respect of them.

The Investigating Officer report had found that there was a failure to comply with paragraphs 4.10, 4.12 and 4.14 of Sandbach Town Council's Code of Conduct and advised that the Hearing Sub Committee should consider whether or not there had been a breach of the code.

The Chair invited the Independent Person to provide their view on the matters being considered.

The Independent Person stated that they had considered the documentation provided very carefully and had listened to what had been said by the Investigating Officer and was of no doubt that Councillor Jack had been acting in his role as councillor in the correspondence provided, and there was evidence of non-compliance with the code of conduct and that they agreed with the conclusions of the Investigating Officers report and his comments made today.

The Chair adjourned the meeting to allow the members of the Hearing Sub Committee to consider the evidence presented to them and decide if the code of conduct had been breached.

The meeting was adjourned at 10.44 am and reconvened at 2.02 pm.

The Chair confirmed that the members of the Hearing Sub Committee had deliberated on the points made by the Investigating Officer, the points made in the written evidence provided by Councillor Jack, and the advice given by the Independent Person, and stated that the Hearing Sub Committee had determined that Councillor Jack had breached the code of conduct.

The Hearing Sub Committee determined that the emails sent, and the social media posts posted by Councillor Jack were sent in his capacity as a Councillor. Whilst it did not consider every email to be offensive, it did consider that many of the emails and social media posts were offensive and showed no respect for others and therefore concluded that Councillor Jack had breached paragraphs 4.10 and 4.12 of the code of conduct.

The Hearing Sub Committee determined in respect of the publication of the complaint made by Mia Sykes, that in doing so Councillor Jack had breach paragraph 4.14 of the code of conduct.

In regard to the application of Article 10 of the European Convention of Human Rights, the Hearing Sub Committee had followed the 3-stage approach suggested by the Investigating Officer and concluded that (i) Councillor Jack's conduct amounted to a breach of the Code of Conduct, (ii) the finding in itself or the imposition of a sanction was on the face of it a breach of Article 10, and (iii) the restriction was justified by reason of the requirements of Article 10(2).

Hearing Sub Committee in respect of the recording and publishing of the meeting determined that this was not a breach of paragraph 4.12 of the code of conduct.

The Chair invited the Independent Person to give their views on the matter.

The Independent Persons stated that they agreed that there had been breaches of the code of conduct on numerous occasions and considered that action should be taken.

The Chair stated that before the Hearing Sub Committee considered what action should be taken, she would again invite the Independent Person to offer their opinion of this matter and that if Councillor Jack had been in attendance would have given him the opportunity to make representations.

The Independent Persons stated that they would recommend that that Councillor Jack should be removed from all committees he sits on and that the Hearing Sub Committee findings should be published.

The Chair adjourned the meeting to allow the members of the Hearing Sub Committee to consider what actions should be taken as a result of their findings that the code of conduct had been breached.

The meeting adjourned at 2.07 pm and reconvened at 2.42 pm.

The Chair confirmed that the members of the Hearing Sub Committee had considered the Independent Person's recommendations and stated that the Hearing Sub Committee was broadly in agreement with each recommendation, however it had decided to take slightly different approach in respect of the recommendations to be made to Sandbach Town Council.

The Hearing Sub Committee was disappointed by the breaches of the Code of Conduct by Councillor Jack. They considered that as he was a community leader there was no place for using abusive, belittling or

offensive language against fellow councillors and members of the public and had decided that their findings in respect of Councillor Jack's conduct should be published.

The Hearing Sub Committee recommended that Sandbach Town Council arrange training for Councillor Jack on the Code of Conduct and on Equality and Diversity.

The Hearing Sub Committee recommended that Sandbach Town Council exclude Councillor Jack from attending Committees and Sub Committee until he had completed the training on the Code of Conduct and Equality and Diversity.

The Chair thanked the Investigating Officer, Independent Person, Independent Legal Officer, and officers for their attendance and closed the meeting.

The meeting commenced at 10.00 am and concluded at 2.45 pm

Councillor M Simon

Audit and Governance Committee

Work Programme 2024-25

Contact: Nikki Bishop, Democratic Services Officer: Nikki.bishop@cheshireeast.gov.uk

Report Reference	Audit & Governance Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
AG/19/24-25	05/12/24	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.	Governance, Compliance and Monitoring Officer	No	No	Open	No	No
AG/22/24-25	05/12/24	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, Risk and Assurance	No	No	Open	No	No
AG/23/24-25	05/12/24	Update on S106	to receive an update on the S106 improvement plan timetable	Interim Director of Planning and Environmental Services	No	No	Open; Fair; Green	No	Yes
AG/28/24-25	05/12/24	Proposed Final Annual Governance Statement 2023-24	This is the proposed final Annual Governance Statement for 2023-24 for the Audit and Governance to consider and approve.	Head of Audit, Risk and Assurance	N/A	No	Open; Fair; Green	No	No
AG/30/24-25	05/12/24	Hearing Sub Committee Minutes	To receive the minutes and a verbal update on the outcome of the Hearing Sub Committee meeting held in December 2021, as formally requested by the committee.	Governance, Compliance and Monitoring Officer	No	No	Open	No	No
AG/15/21-22	06/03/25	Whistleblowing Policy	This report seeks approval of the Whistleblowing Policy, to be recommended to Full Council.	Governance, Compliance and Monitoring Officer	Yes	No	Open; Fair	No	No

AG/03/25-26	06/03/25	Six Month Update on Requests for Information	To provide an update on requests for information as requested by Audit & Governance Committee on 30 September 2024. The report provides details of the numbers of FOI/EIR requests and data protection Subject Access Requests in the period 1 April 2024 - 30 September 2024, which is the six months following the previous report on 2023-2024 figures.	Head of Audit, Risk and Assurance	No	No	Open	No	No
AG/29/24-25	06/03/25	Unit 4 / B4B Health Check	Review across both CE and CWAC diagnosing issues relating to Unit 4 and the transactional shared service and how that impacts on the operation of our ERP (finance and HR system).	Director of Digital	No	No	Open; Fair; Green	No	No