



Audit and Governance Committee

Agenda

Date: Thursday, 28th July, 2022
Time: 10.30 am
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

2. **Declarations of Interest**

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

3. **Public Speaking Time/Open Session**

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

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

For requests for further information

Contact: Helen Davies

Tel: 01270 685705

E-Mail: Helen.davies@cheshireeast.gov.uk

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

To approve as a correct record the minutes of the meeting held on 26 May 2022.

5. **Audit & Governance Action Log** (Pages 15 - 18)

To consider the Audit & Governance Action Log.

6. **Member Code of Conduct** (Pages 19 - 58)

To consider the revised Code of Conduct which reflects the Local Government Association model Code of Conduct for elected members, and incorporates best practice recommendations from The Ethics Report which can be recommended to full Council for adoption.

7. **Covid-19 Report** (Pages 59 - 76)

To consider the Covid-19 Report.

8. **Draft Statement of Accounts** (Pages 77 - 94)

To receive a presentation on the Draft Statement of Accounts.

9. **Production of the Annual Governance Statement 2021/22** (Pages 95 - 100)

To receive an update on the production of the Annual Governance Statement (AGS) for 2021/22.

10. **Information Governance Report** (Pages 101 - 112)

To consider the progress made on the Information Assurance Programme during 2021/2022, and the future vision to support ongoing compliance.

11. **External Audit 2021/22 Progress Report** (Pages 113 - 146)

To receive a presentation from the External Auditors on the Audit Strategy Memorandum (ASM) for external audit 2021/22.

12. **Internal Audit Annual Report 2021/22** (Pages 147 - 176)

To consider details of the work undertaken by Internal Audit during 2021/22 and how this contributes to the Annual Opinion on the Council's control environment.

13. **Monitoring Officer Report** (Pages 177 - 200)

To consider the Monitoring Officer Report.

14. **Standing Item: Upheld Complaints to the Local Government Ombudsman** (Pages 201 - 220)

To consider a summary of the complaints received and considered by the Council during the period 1 April 2021 to 31 March 2022 (2021-2022).

15. **Standing Item: Work Programme 2021/22 and 2022/23** (Pages 221 - 226)

To consider the Committees Work Programme.

16. **Standing Item: Compliance with Contract Procedure Rules** (Pages 227 - 232)

To consider an update to the Audit and Governance Committee on the number of cases where, and reasons why, procurement activity has required the use of waivers and/or non-adherences (WARNs).

17. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

18. **Standing Item: Compliance with Contract Procedure Rules: PART TWO** (Pages 233 - 260)

To note the approved WARNs issued from 1st May 2022 to the 31th May 2022, plus two Waiver which were missed from the figures in the May Committee.

Membership: Councillors R Bailey, C Bulman, M Goldsmith, A Harewood, M Houston, P Redstone, M Sewart, M Simon (Chair) and J Nicholas (Vice-Chair)

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 26th May, 2022 in the Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Simon (Chair)
Councillor J Nicholas (Vice-Chair)

Councillors R Bailey, C Bulman, B Evans, A Harewood, M Houston,
P Redstone, M Sewart and D Edwardes

INDEPENDENT COOPTED MEMBER

Mr. Ron Jones

EXTERNAL AUDITORS

Mark Dalton, Mazars

OFFICERS IN ATTENDANCE

Sarah Baxter, Democratic Services Officer
David Brown, Director of Governance and Compliance and Monitoring Officer
Jane Burns, Executive Director of Corporate Services
John David, Interim Director of Highways and Infrastructure
Josie Griffiths, Head of Audit and Risk
Jamie Hollis, Interim Head of Legal (via Microsoft Teams)
Brian Reed, Head of Democratic Services and Governance
Alex Thompson, Director of Finance & Customer Services and Section 151
Officer
Michael Todd, Acting Internal Audit Manager

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

2 DECLARATIONS OF INTEREST

In the interests of openness and transparency, Councillor Patrick Redstone declared that he knew both of the public speakers present for the meeting, in his capacity as a school governor.

3 PUBLIC SPEAKING TIME/OPEN SESSION

The Chair took the opportunity to welcome both Mr Ron Jones, the co-opted Independent Member to this Committee. Mr. Jones had previous audit experience and served for a number of years as a governor at South Cheshire College, and Councillor James Nicholas the new Vice-Chair for this Committee.

The Chair asked that the thanks of this Committee be put on record to Councillor David Marren for the work he did whilst in on the Committee.

Mr. Carl Leech and Mrs. Edy Hicklin attended the meeting and spoke with regard to the Best4Business Programme.

Mr. Leech was a Cheshire East resident, and a headteacher in a Cheshire East maintained School and had concerns about the functionality of the new payroll system as part of the Best4Business programme. The Committee were advised that 2 members of staff from other Cheshire East schools had wages paid from Mr. Leech's budget over a number of months, this totalled £10k or approximately 1% of the budget. Mr. Leech believed that these kind of errors undermined the system and wanted this Committee to be aware of that and the monitoring of financial standards.

Jane Burns, the Executive Director of Corporate Services, and Executive Sponsor for Cheshire East Council for the Best4Business programme since August 2021 advised the Committee that she was not aware of the specific issues raised by Mr. Leech. However, she was aware of feedback from some schools. In April 2022, she and the Executive Director of Children's Services had written to all Head Teachers, Business Managers and Bursars acknowledging the impact of the major change to finance, procurement, human resources and payroll systems and the significant implications for those who use it. The system was still in a position of hyper-care having been rolled out in November 2021 which gave an additional level of support to users. The Transactional Service Centre was working to address any issues that had been identified. The Committee encouraged Mr. Leech to forward specific concerns for resolution.

There was a Shared Services Joint Committee and a shared Scrutiny Committee that comprised of both Cheshire East and Cheshire West and Chester Members, and they had agreed to undertake a deep-dive of the Best4Business programme to identify any lessons learned.

Executive Director of Corporate Services gave reassurances to the Committee that communication was a key part of addressing issues, and that additional support sessions had been put into place for schools with further support under consideration.

Mr. Leech asked a second question on behalf of his Business Manager Mrs. Edy Hicklin. Mr. Leech advised the Committee that as a maintained school, the governors and Head Teacher were required, by the Local Authority to submit an annual financial statement to provide assurances that the basic financial functions were being met. At the most recent governing body meeting, it was decided that the statement would be submitted before the deadline of the 30 March 2022 but not signed due to the number of issues experienced via the Best4Business programme.

The Committee heard that the specific points raised by the school were:

- support with issues was restricted to email;
- the delayed access of systems going live and tasks were rushed to meet deadlines;

- the school credit card was used in order to purchase items rather than risk being cut off by suppliers which bypassed procurement protocols;
- data being passed to the Department for Work and Pensions and staff concerns about the lack of pension contributions over a number of months; and
- the general anxiety for staff on a monthly basis that systems would fail.

Mr. Leech brought up a specific case involving a member of staff who had been underpaid significantly over the space of two-months but acknowledged that because of the due diligence of the Business Manager the wait time was reduced to 3-days from 10.

Mr. Leech had concerns about the accountability of the Best4Business system, the communication issues and the personal liability for himself and the Business Manager.

The Executive Director of Corporate Services gave reassurances to the Committee that the correspondence sent out in April gave named contacts for schools with points for escalation which was the appropriate route. She apologised on behalf of the team for the frustrations experienced by Mr. Leech and his staff and asked for details on any outstanding issues still awaiting resolution.

The Chair thanked Mr. Leech and Mrs. Hicklin for their attendance and contribution to the Committee.

4 MINUTES OF PREVIOUS MEETING

Councillor Rachel Bailey requested an amendment to the minutes of the previous meeting.

1) Under Minute 65 Declarations of Interest, the minutes stated that:

"In the interests of openness and transparency, in respect of item 9) Member Code of Conduct Sub Committee Report (Handforth Parish Council), Councillor David Marren noted he had received email correspondence from and although he had read the information, it did not predetermine his view and he was approaching the meeting with an open mind".

Councillor Bailey noted that it had been accepted that all Members of the Committee had received the same email correspondence and therefore declared the same interest.

RESOLVED:

That subject to the amendment above, the minutes of the last meeting be accepted as a correct and accurate record.

5 AUDIT & GOVERNANCE ACTION LOG

David Brown, Director of Governance and Compliance and Monitoring Officer introduced the item and went through the items on the log in turn.

Specific mention was given to:

- The Update on the Local Ward budgets and 'Top Up' service pilot scheme, the Committee noted that a paper on this item was scheduled for the Highways and Transport Committee and once considered there, could be received by the Audit and Governance Committee. The Committee had some discussion about the role of governance and assurance within the process, and concerns were reiterated about a decision being made that had not been mandated at the budget meeting 12 months ago. This was deemed a governance issue by the Committee. John David, Interim Director of Highways and Infrastructure confirmed that the Member Pilot scheme would cease at the end of June and a review would be undertaken and a report would be presented to the Highways and Transport Committee. The Chair noted that the scheme was agreed by Council with an amendment that it was linked to Highways, Council had not discussed that the scheme would be a pilot. Suggestion was given to form a proportionally balanced working group to explore this issue further. The Director of Governance and Compliance and Monitoring Officer reviewed the amendment from 2021 and noted a review mechanism as part of the scheme in 2022/23. The Committee was advised that to act upon evidence and request a report back to Committee in time for the next meeting this suggestion was accepted by the Committee;
- In respect of the first instance of the Standing Item: Work Programme 2021/22 and 2022/23, the Chair agreed that the Chair and Vice Chair would request a meeting with the Interim Director of Highways and Infrastructure;
- In respect of the second instance of the Standing Item: Work Programme 2021/22 and 2022/23, Alex Thompson, Director of Finance and Customer Services and Section 151, advised the description of 'Smoothing Fund' was more descriptive than accurate and for clarity should read Medium Term Financial Strategy Ear Marked Reserve. The item had been entered onto the Finance Sub-Committee Work Programme and would be reviewed once the outturn figures had been received; and
- In respect of the third instance of the Standing Item: Work Programme 2021/22 and 2022/23 the item on reputational risk and assurances, Josie Griffiths, Head of Audit and Risk advised the Committee that risk management training was being scheduled and discussions were in place with the Chair and Vice Chair, and refresher training across core subjects would be given to the Committee in due course. The Committee requested that if the dates to be scheduled were in early June, the dates should be circulated asap.

The Committee requested an item be added to the log in respect of the customer experience specifically reassurances from Council engagements with Town and Parish Councils, David Brown advised he would follow up with this request with the Chair and Vice Chair.

RESOLVED:

That the Action Log be received and noted.

6 EXTERNAL AUDIT 2021/22 PROGRESS REPORT

Mark Dalton, External Auditor, Mazars attended the meeting via Microsoft Teams and updated the Committee on external audit progress on both 2021 and 2022 financial years. Whilst the external audit for 2021 was largely completed, the national issue that related to accounting for infrastructure assets had meant no further progress could be made at this time. This issue affected the whole of the Local Government sector, and the Chartered Institute of Public Finance and Accountancy (CIPFA) had launched an urgent consultation (open until 14 June 2022) that called for temporary changes to the code of practice on local government accounting. Reassurances were given to the Committee that when the results of the consultation were known this would enable the Mazars to complete the work in a timely manner.

Mazars had completed the Value for Money (VFM) work and the VFM commentary for 2021 and this would be issued as part of the Annual Report (alongside the Opinion on the financial statements) plus any outstanding work that arises from the CIPFA consultation.

The 2021-22 Audit Planning and interim work had progressed, Mazars planned to bring the Audit Strategy Memorandum and the Audit Plan for 2021-22 to the next meeting for this Committee in July.

RESOLVED:

That Mark Dalton be thanked for his attendance and update to the Committee and that the progress report be received and noted.

7 INTERNAL AUDIT PLAN 2021/22: PROGRESS REPORT

Josie Griffiths, Head of Audit and Risk introduced the report to the Committee and Michael Todd, Acting Internal Audit Manager jointly answered any questions the Committee had.

The report covered the period April 2021- end of February 2022 and contained a summary of the audit work undertaken, the performance of the audit function against its performance measures, and details of the work which will be carried forward to 2022/23.

The Committee was advised that the Internal Audit performance was above, or in line with targets, implementation of actions was positive and then given the opportunity to ask questions. There was some discussion about:

- Assurances with regard to the resilience of the Internal Audit Team;
- The mix of opinions on reports received, some of the previous sources of assurances were now not open to the Internal Audit Team but it was not of concern at the moment;
- Recommendations meeting achieved outcomes, this was followed up specifically if there were limited or no assurances;
- Best4Buisness, and the ongoing work with Cheshire West and Chester Council (CWaC) and the assurances with regard to the programme. Training implementation work had been rolled out, reports had been produced for Finance and HR modules, concerns were raised where

criteria had not met sign-off, outstanding issues were caveated, and these were monitored. Work had started on key controls and these were embedded before the system went live and tests were being carried out to flag any areas of non-compliance within the design;

- The time-line for the review of land transactions, reassurance that improvements, arrangements and recommendations previously outlined were robust and continued to be complied to. Also to note any work that took place should link back to the audit work started at an earlier point in time.
- The £37k fraudulently claimed covid grants with respect of restart grants for businesses. The Committee noted these funds were rolled-out at speed and the teams that issued them did adhere to all the robust checks and balances implemented by Internal Audit. The fraudulent grants related to three applications, and these had been report to the National Anti-Fraud Network and several Government bodies. In comparison with other Local Authorities, Cheshire East was viewed as robust in terms of checks and balances, the loss of funds whilst regrettable was a small percentage of the overall grant funds rolled out. Systems did develop and lessons were learned, organised criminals were always a risk consideration with respect to minimised financial losses to the Council;
- Any opinions published as part of the Best 4 Business programme will be done in partnership with CWaC;
- Issued that had occurred in the past between approved use of purchase credit cards. New measures and guidance had been introduced and the Internal Audit team were reassured these measures would have a positive effect on any future approved use coding and purchasing;

RESOLVED:

That the Internal Audit Update Report be received and noted.

8 MEMBER CODE OF CONDUCT

Jamie Hollis, Interim Head of Legal attended the meeting via Microsoft Teams and introduced the report.

The Committee was reminded that a Standards in Public Life report was published in 2019, that resulted in the Local Government Association (LGA) producing a model Code of Conduct (CoC).

The current CoC for Cheshire East was established in 2018 and this Committee took the opportunity to form a working group to review the LGA model code to assess suitability for adoption at Cheshire East Council. The Working Group had been meeting for a number of months using the model code as the basis for any potential revision to the existing code.

The report contained a draft of the proposed code and the procedure that sat alongside the code. Whilst the CoC remained largely as the model code, there had been a number of amendments proposed by the Working Group that were considered appropriate for Cheshire East.

The Committee was given the opportunity to ask questions. Members of the working group expressed concern about adopting the CoC, and felt there had been significant work undertaken by the Working Group and officers and that there had been no opportunity to review the final draft ahead of the meeting.

The Committee noted that there were comments from the Leaders Group which it was content with, however Town and Parish Councils within the borough were able to adopt the Cheshire East CoC and that in order to be open and fair, more consultation with them should be considered. In order to address these matters the Committee was not in a position to approve the report recommendations.

Some of the Committee members did challenge this perspective and were content with the report, code and procedure in the current form and were happy to recommend approval to full council.

RESOLVED:

That the item be deferred until the 28 July 2022 Audit and Governance Committee meeting.

9 UPHELD COMPLAINTS TO THE LOCAL GOVERNMENT OMBUDSMAN

Brian Reed, Head of Democratic Services and Governance introduced the report and noted to the Committee that between the 20 January 2022- 29 March 2022 there had been three instances of maladministration upheld by the Local Government Ombudsman (LGO), two of which related to Highways and one to Special Educational Needs and Disability (SEND).

John David, Interim Director of Highways and Infrastructure advised the Committee that the first highways complaint had been closed by the LGO and was being managed by the claim-handlers. The second highways complaint had also been closed by the LGO and an apology had been offered. The Committee was given assurance that the Highways department had brought in significant process changes, a governance structure and improvements within the culture in the last three-months which would help mitigate any further complaints to the LGO.

The Committee was reassured by the proactive measures, particularly in respect of culture, being taken by the highways department, however it was noted that there was a negative perception of communication mentioned throughout the report.

The Committee acknowledged the opportunity it had in speaking directly to the Interim Director of Highways and Infrastructure and asked a question about the closure between Pym's Lane and Flowers Lane Hospital Campus, to date no work had commenced, and there were concerns this would further impact the closures estimated at 80-weeks. There had been impacts on the waste collection service and it was noted the food and garden waste site was at Leighton. Members were agreed that Ward Members should be provided with more detail on the schedule for closures but it was noted that Member briefings had taken place with plans to extend out to all Members.

The Committee noted that there had been a number of complaints from Crewe residents who had felt the impact the road closures and subsequent waste collection delays, particularly from older people.

The Interim Director of Highways and Infrastructure gave assurances to the Committee that the Highways department had developed technological advancements, such as QR codes and Geographic Information System (GIS) to help give residents more information about current road closure schemes and future planned road closures and the benefits the schemes will be bringing.

RESOLVED (Unanimously):

That the Interim Director of Highways and Infrastructure be thanked for their time and that the report be received and noted.

10 ANNUAL RISK MANAGEMENT REPORT 2021/22

The Head of Audit and Risk presented the report to the Committee, it covered the Quarter four position on the Strategic Risk Register along with the full year view of the Register.

The Annual Review as part of the Risk Management Update highlighted the impact of Covid, and the prioritisation of risk management activity directed towards the pandemic.

2022/23 service risk registers were being refreshed and provided the opportunity to ensure escalation of risk was working effectively.

The Committee asked questions about:

- the increase in reserves that related to Council Funding and associated risks. Alex Thompson, Director of Finance & Customer Services and Section 151 Officer noted that there was no financial settlement at the start of the period and there were risks that had to be managed through the consultation period for the Medium Term Financial Strategy (MTFS). There was now a three-year financial settlement that had enabled to Council to balance the budget. The risk would never reduce to zero, however the position changed in the final two quarters of the year in a positive way; and
- Potential risks associated with recruitment and retention of staff. The Executive Director of Corporate Services noted that whilst the risk towards organisational capacity and demand within the report was focused toward the issues within Children's Services, there were issues across the Council with capacity and demand.
- There was some discussion about a national issue or staff being poached across borders particularly in the Social Care sector.

RESOLVED:

That the Annual Risk Management Report 2021/22 be received and noted.

11 STANDING ITEM: WORK PROGRAMME 2022/23

The Committee considered its Work Programme and noted:

- The Ward Budget decision needed to be added to the Work Programme; and
- The Code of Conduct item needed to be deferred until the July meeting.

RESOLVED:

That the Work Programme be received and noted.

12 CONTRACT PROCEDURE RULE NON-ADHERENCES

Jane Burns, Executive Director of Corporate Services introduced the report to the Committee

RESOLVED: That

a) the reason for 11 waivers approved between 1 December 2021 and 30 April 2022 (37 in total in 2021/22) be noted;

b) the reasons for the 4 non-adherences approved between 1 December 2021 and 30 April 2022 (4 in total for 2021/22) be noted; and

c) it be noted that the Finance Sub-Committee, on the 2 March 2022, reviewed the Waivers for this period as part of their responsibility for the pipeline of procurement activity

13 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1, 2 and 3 of Schedule 12A of the Local Government Act 1972 and the public interest would not be served in publishing the served in publishing the information.

14 CONTRACT PROCEDURE RULE NON-ADHERENCES: PART TWO

The Committee considered the Contract Procedure Rule Non-Adherences.

RESOLVED: That the records of Contract Procedure Rule Non-Adherences be received and noted.

The meeting commenced at 10.30 am and concluded at 1.11 pm

Councillor M Simon (Chair)

Audit and Governance Committee - Action Log

Date of Meeting: 28 July 2022

Meeting Date	Item No	Report Title	Action	Officer	Deadline for Action
17 January 2022 & 26 May 2022	6	Update on the Local Ward budgets and 'Top Up' service pilot scheme	The Committee had some discussion about the role of governance and assurance within the process, and concerns were reiterated about a decision being made that had not been mandated at the budget meeting 12 months ago. This was deemed a governance issue by the Committee. The Chair noted that the scheme was agreed by Council with an amendment that it was linked to Highways, it was never discussed by Council that the scheme would be a pilot, suggestion was given to form a proportionally balanced working group to explore this issue further. The Director of Governance and Compliance and Monitoring Officer reviewed the amendment from 2021 and noted a review mechanism as part of the scheme in 2022/23. The Committee was advised that to act upon evidence and request a report back to	Previously Andrew Ross, now John David also David Brown	Update: Council approved the <i>Recommendation from Cabinet: Corporate Plan and Medium-Term Financial Strategy 2021-25</i> on 17 February 2021. The resolution in relation to the Member Budget was: RESOLVED: That Council approve: 14. The amendment to establish devolved ward member highways budgets of at least £4,200 per Ward Member for the financial year 2021/2022, with the proposal to be funded from the current allocation of Capital Grant funding to the Area Highway Groups of £350,000 and that the Committee System review

			Committee in time for the next meeting this suggestion was accepted by the Committee		achievements of the ward budgets scheme in 2021/22 with a view to widening the scheme in 2022/23 and beyond with a significant increase in the budget amount to be allocated to each Ward Member.
10 March 2022 & 26 May 2022	13	Standing Item: Work Programme 2021/22 and 2022/23	The Chair and Vice Chair to meet John David, Interim Director of Infrastructure and Highways via Microsoft Teams to discuss potential items for this Committees Work Programme and shared with the Committee.	Helen Davies	Update: Tom Moody is now the permanent Director of Infrastructure and Highways. Helen has sought a date for the Chair and Vice Chair. To note: A Highways all-member briefing took place on 4 July 2022.
10 March 2022 & 26 May 2022	13	Standing Item: Work Programme 2021/22 and 2022/23	Josie Griffiths, Head of Audit and Risk advised the Committee that risk management training was being scheduled and discussions were in place with the Chair and Vice Chair, and refresher training across core subjects would be given to the Committee in due course. The Committee requested that if the dates to be scheduled were in early June, the dates should be circulated asap.	Helen Davies Josie Griffiths/Helen Davies/Diane Moulson	Update: Josie Griffiths has appointed a Risk and Business Continuity Officer in June. Training is scheduled for 22 July via Teams for new members of the Committee plus any members requesting refresher training.
26 May 2022	5	Audit & Governance Action Log	The Committee requested an item be added to the log in respect of customer experience specifically reassurances from	David Brown	Update: Helen contacted the Director of Policy and Change for advice with regard to reassurances.

			Council engagements with Town and Parish Councils, David Brown advised he would follow up outside of the meeting		<p>At Corporate Policy Committee 14 July 2022, a report on the new approach to consultation and engagement was received alongside a draft Action Plan. Member views, plus those of the Town and Parish Councils will feed into the toolkit and there will be an item on this at the Member Influence Panel on 22nd September 2022.</p> <p>The outcomes of the work (including the toolkit and programme of activities) will be presented back to Corporate Policy with a tentative date of 1 December 2022.</p> <p>There is a suggestion for the Audit & Governance Committee to support an evaluation of the implementation of the new approach after 12-18 months.</p>
26 May 2022	10.	Annual Risk Management Report 2021-22	There was some discussion about a national issue or staff being poached across borders particularly in the Social Care sector. And a letter Councillor Bulman spoke about that Kath O'Dwyer	Josie Griffiths/Helen Davies	Update: Helen emailed Leeanne Moore to determine if the letter is on file and nothing was found. Helen emailed the Executive Director of Adults and Social Care and the

			had instigated to the Secretary of State on this subject. The Committee asked for sight of this.		Director of Commissioning to determine if the poaching of staff is an issue at present.
26 May 2022	11.	Work Programme	The Ward Budget decision needed to be added to the Work Programme; and The Code of Conduct item needed to be deferred until the July meeting.	David Brown/Jamie Hollis/Helen Davies	Update: Code of Conduct item to be put on 28 July agenda as the first item of business.



Working for a brighter future together

Audit and Governance Committee

Date of Meeting:	26 May 2022
Report Title:	Revised Councillors Code of Conduct
Report of:	David Brown Monitoring Officer & Director of Governance and Compliance
Report Reference No:	AG/14/21-22
Ward(s) Affected:	ALL

1. Purpose of Report

- 1.1. The introduction to the paper 'Local Government Ethical Standards' A Review by the Committee on Standards in Public Life' published January 2019 (The Ethics Report) begins with '*The Principles of Public Life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally. All public office-holders are both servants of the public and stewards of public resources.*' These Principles must be embodied within the Code of Conduct adopted by each local authority.
- 1.2. The purpose of this report is to agree a revised Code of Conduct which reflects the Local Government Association model Code of Conduct for elected members, and incorporates best practice recommendations from The Ethics Report which can be recommended to full Council for adoption.
- 1.3. A revised procedure for investigation of complaints is also attached for agreement and subsequent recommendation to full Council for adoption.

2. Executive Summary

- 2.1 The Member Code of Conduct Working Group has, in conjunction with the Monitoring Officer, produced a new Councillor Code of Conduct for consideration by the Committee. This report requests Committee endorsement for the draft Code to be referred to full Council for adoption,

subject to any amendments the Committee may wish to make. The report identifies areas where any significant deviation from the model code of conduct has been recommended by the members of the working group.

- 2.2 The Code is designed as a behaviour-based code which looks at how a Councillor has behaved, and measures a Councillor's behaviour against the Standards in Public life principles that statute requires all councils to include in their codes of conduct. A behaviour code is not a prescriptive 'list' of behaviours to be worked around, or for culpability to be avoided by technical disputes. It provides Councillors with a mechanism for setting out the behaviours they expect from their peers and to be responsible for ensuring and maintaining that standard.
- 2.3 This report (at sections 6 and 7) identifies where best practice recommended by the Ethics Report has not been adopted. Councillors must be clear that this sets the standards, behaviours and expectations of the Councillors of Cheshire East Council as well as the Town and Parish Councils who adopt the Code. All councils at all tiers must adopt a Code, and it is both recommended and commonplace for parish and town councils to adopt the Code of the upper tier authority in the area.
- 2.4 For example the Ethics Report has Best Practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors. However, the working group concluded that if you could not legally compel cooperation, there should be no expectation in the Code of Conduct that a member will behave cooperatively and are advising it be deleted from the proposed Cheshire East Code of Conduct.
- 2.6 Further, a detailed procedure has been developed to accompany the new Code, setting out how to make a complaint about Councillor conduct and how those complaints will be dealt with. The Committee is asked to approve the document, subject to any amendments the Committee may wish to make. The process is required by Section 28(6) of the Localism Act 2011.
- 2.7 It is a legal requirement for any new Councillor Code of Conduct to be formally adopted by full Council. In light of this, it was considered essential that political group leaders were consulted on the Working Group's proposals, given the final adopted code and procedure would ultimately apply to all councillors. Group leaders were provided copies of the draft documents and briefed on the key points raised within this report. The discussion included consideration of the key disparities between the Model Code and that proposed for adoption. The recommendations of the Group Leaders on each of these matters is included within the Comparator Table at **Appendix C**.

3. Recommendations

3.1. That the Committee –

- a) Endorse the draft Councillor Code of Conduct appended to this report (subject to any amendments the Committee may wish to make), for adoption by full Council; and
- b) Approve the draft Code of Conduct Complaints Procedure appended to this report (subject to any amendments the Committee may wish to make), to take effect following adoption of the Code of Conduct by full Council.

4. Reasons for Recommendations

- 4.1. The Audit and Governance Committee has a key role in overseeing the Council's arrangements for ethical governance. This role includes the Council's standards arrangements, and in particular a duty to develop, maintain and update Codes of Conduct and associated protocols.
- 4.2. Although Members are tasked with holding each other to account, the independence, impartiality and necessary distance from political influence is maintained by the statutory role and responsibilities of the Monitoring Officer. In this instance, the Monitoring Officer is tasked with applying the procedure adopted by the Council that deals with the handling of Member complaints. The Monitoring Officer will also try to ensure there is a balance between the legitimate desire of members to influence the code and process at a local level, and the obligation to maintain a process free from undue influence.
- 4.3. The Council's current Councillor Code of Conduct ('the Code') has been in place since 2018, as has the accompanying procedure for dealing with allegations of breach ('the Procedure'). It is considered good practice to review the Code and Procedure periodically, to ensure it remains fit for purpose and relevant to the circumstances of the Council and those councils within the Cheshire East border. The trigger for the review is the publication of the Local Government Association model Code of Conduct for elected members, which incorporates best practice recommendations from The Ethics Report.
- 4.4. The Councillor Code of Conduct
- 4.5. The Local Government Association ('LGA') has produced a model code of conduct for councillors, which provides a robust base upon which a revised Code can be developed. This model code has been developed nationally on the basis of a significant level of legal expertise and national stakeholder

consultation, and represents the predominant view across all local authorities in England as put forward by the Local Government Association. The task of reviewing the LGA model code to establish its suitability for Cheshire East has been undertaken by the Code of Conduct Working Group in conjunction with the Monitoring Officer. The Working Group has evaluated the LGA code, and considers it should be adopted, subject to amendments set out below.

- 4.6. Cheshire East Council also has responsibility for dealing with councillor conduct issues arising in parish and town councils across the whole Borough. Currently all these councils have adopted the Cheshire East Code, so it is hoped the revised Code will also be adopted so any changes will cascade borough wide. The draft Code has been circulated to these councils, and their feedback sought. Feedback was invited in writing and during virtual meetings set up via Cheshire Association of Local Councils (ChALC) for this purpose.
- 4.7. A summary of key feedback received from parish and town councils is outlined below:
- a) The majority of respondent councils indicated they were happy with the draft Code and intended to adopt it in due course.
 - b) There was some confusion surrounding the issue of whether an individual was acting in their personal or official capacity in certain circumstances, therefore uncertainty as to when the provisions of the Code applied. This could be a particular issue on social media.
 - c) The Code should not prevent Councillors from being involved with and commenting on issues of local concern, provided appropriate precautions were taken.
 - d) One respondent considered the Code would benefit from greater clarity on the issue of protecting Councillors from intimidation, abuse and bullying when carrying out their duties.
 - e) Several respondents expressed a desire for the Member/Officer Protocol, and Officer Code of Conduct, to be reviewed and harmonised with the proposed Councillor Code wherever possible and appropriate.
 - f) There was a divergence of views as to whether gifts and hospitality should be accepted, and if so, what an appropriate value might be.
 - g) Frustration was expressed at the lack of sanctions available within current legislation to deal with breaches of the Code.
 - h) An explanation of predetermination should be included for completeness.
 - i) Formatting and presentation issues were identified by one respondent, whose suggestions included improved section titles, clause numbering and version control, ensuring hyperlinks were operative, documents related to the Code being available for reference in order to form a complete picture, ensuring consistency of terminology, and further

consideration to be given to phraseology including whether the Code should compel or recommend particular behaviour.

- j) Some respondents expressed a wish for training to support the proposed new Code, perhaps delivered in conjunction with ChALC.

4.8. All feedback received has been collated and presented to the Working Group for consideration. The draft Code and Procedure have been finalised with the feedback in mind, and in the interests of achieving a balance that is workable, widely applicable, and within our statutory confines. The draft Code is appended to this report for consideration by the Committee **(Appendix A)**. The Committee is asked to adopt the draft Code, subject to any amendments the Committee may wish to make.

4.9. Code of Conduct Procedure

4.10. As well as adopting a Code, the Council is obliged to also adopt suitable procedures for dealing with allegations of breaches of that Code. The current procedure has been in operation for approximately 3 years, and it details the various stages a complaint passes through en route to determination.

4.11. The practical application of the existing Procedure has however highlighted areas it could be made more efficient and less bureaucratic. It has been a number of years since a complaint has been subject to a Sub-Committee hearing under the adopted Procedure, and recent experience with this part of the process has also assisted in identifying potential improvements.

4.12. The Code of Conduct Working Group in conjunction with the Monitoring Officer, have devised the draft Procedure appended to this report. The draft seeks to retain the parts of the existing process that work well, and incorporate a number of improvements, most notably:

- a) Further clarification on the applicability of the Code and the types of allegations that are likely to be taken forward, including a clearer process for sifting complaints out that do not fall within the confines of the Code;
- b) How multiple complaints about the same issue will be dealt with;
- c) Refining the process for anonymous complaints;
- d) A less cumbersome process for consultation with the Independent Person, in particular allowing the method of consultation to suit the circumstances;
- e) Streamlining the process associated with Sub-Committee hearings;
- f) Adding greater transparency through the routine publication of decision notices [on completion of assessment or determination of a complaint].

- 4.13. The draft Procedure is appended to this report for consideration by the Committee (**Appendix B**). The Committee is asked to adopt the draft Procedure, subject to any amendments the Committee may wish to make. It is suggested that the adopted Procedure should take effect once full Council has adopted the revised Code. Should full Council seek to amend the Code prior to adoption, the Procedure is likely to remain relevant and applicable as its focus is the processing of complaints under the Code, whatever that Code may include.

5. Other Options Considered

Option	Impact	Risk
Do nothing	The Code will remain in the pre Committee report format and will not cover all the best practice recommendations	The Code will not capture all aspects of Councillor behaviour in a way that supports public confidence
Adoption of the Model Code with minor adaptations that are area specific	This will provide regional and national consistency, allow for efficiency in external investigations and would support adoption by all town and parish councils. This approach was recommended by officers.	The Model Code reflects national debate and national understanding of the wording limitations and prescriptions. It would give legal consistency and robustness to challenge.
Adoption of the Model Code with major adaptations to reflect specific areas of concern	This is recommended by the Audit and Governance working group. Key areas will deviate from the national standard and may give rise to issue of interpretation and understanding	Significant deviations from an accepted and well understood norm adds risk through the necessity to interpret language, and cause additional increases in time and cost.

6. Outline of notable changes – Code of Conduct

- 6.1. The areas of major deviation from the model Code of Conduct together with a summary of the working group's reasons are provided below.
- 6.2 **Disrepute Section 5.** The model code of conduct wording requires Councillors not to bring the Council into disrepute. The Ethics Report (page 42) cites Plymouth City Council Code as an exemplar. This wording does not limit any political discourse or ability to hold the council to account. As this is a

councillor Code of Conduct the wording relates solely to the behaviour of the Councillor. The working group indicated some concern that this may limit political debate and considered that the explanatory wording contained within the draft did not sufficiently address these concerns.

The working group are recommending this is limited to 'I do not bring my role of Councillor into disrepute'. This limitation means that the draft Code does not include guidance to specifically address behaviour that may bring the Council itself into disrepute.

- 6.3 **Complying with the Code section 8.** Best Practice recommendation 2 from the Ethics Report was the requirement to cooperate with any Code of Conduct investigation. The detailed reasons for this recommendation can be found in the ethics report at page 41. The Working Group has asked that this is deleted from the Cheshire East Councillor Code of Conduct on the basis that if a councillor cannot be legally compelled to cooperate, a Councillor should not be expected to cooperate.

- 6.4 **Gifts and Hospitality Section 10.** The model code provided for a balance between reporting, transparency and unnecessary burdens (Ethics Report page 47.) Recommendation 6: Local authorities should be required to establish a register of gifts and hospitality, with councillors required to record any gifts and hospitality received over a value of £50, or totalling £100 over a year from a single source.

Significant debate including parish council contributions took place on this issue. The working group concluded that the requirement for maintaining a running total from a single source was not practicable. The working group considered that the Councillor code and the Officer code should be the same, as the obligation on each for transparency and public confidence are identical.

The revised wording will require Councillors to record any gift or hospitality received that is more than nominal. Nominal being small item pens, key rings etc handed out at conferences or nominal gifts of confectionary. All other gifts and hospitality will require registering and in due course publishing. The best practice recommendation is to publish the register each quarter (Ethics Report page 48).

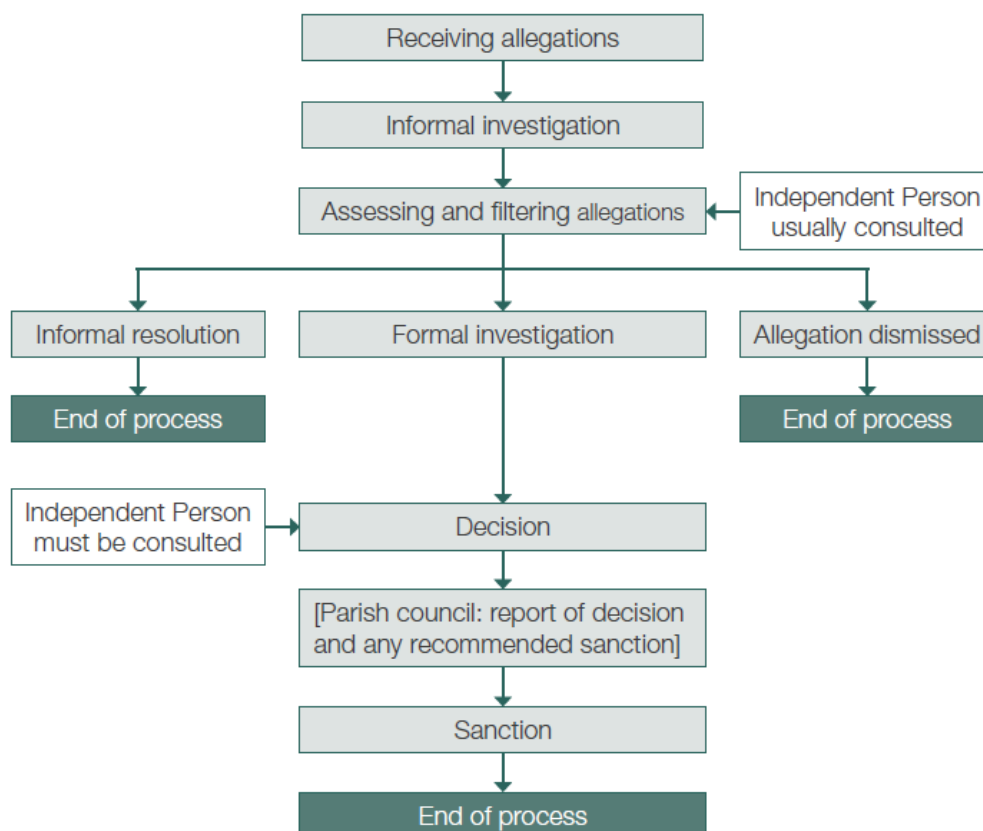
- 6.5 Further changes to the gifts and hospitality provisions have been made to assist Councillors who may receive a gift or hospitality in ceremonial or official duties. The working group felt additional clarity with examples would help the public understand how gifts may be treated and allow holders of ceremonial office a transparent record.
- 6.6 **Predetermination and predisposition and bias.** This does not appear in the model code. Parish Council members requested clarity on this issue and although many other publications deal with the definitions around this (for example the planning specific guidance: (<https://www.local.gov.uk/sites/default/files/documents/probity-planning-councill-d92.pdf>), and the separate planning code at Chapter 4 part 4 of the

Cheshire East Constitution, the working group considered it may be of benefit to reference the issue in the main Code. It is important to note that again this is not designed to limit political debate, discourse, or development of manifesto etc but as an aide memoir when considering what are usually regulatory functions of the council.

- 6.7 **Appeals.** The working group gave considerable voice to an appeal process. There is no statutory right of appeal as this was removed by the Localism Act. A balanced narrative is set out at page 61 of the Ethics Report. The report at page 62 also sets out a proposed process *if* the legislation is changed to enable this. It does not recommend an appeals procedure until the legislation has been updated to provide for such an appeal, and sanctions are increased to a proportionate level where an appeal has potential justification e.g. on suspension of a councillor from office. Councils that currently have a review process appear to do so by having another subcommittee which is tasked with effectively ‘rehearing’ a matter.

7. Outline of notable changes – Process.

- 7.1 Although there is no requirement for a hearing subcommittee and decisions may rest with the Monitoring Officer, Cheshire East with many other Councils has sought to engage Councillors fully in the adjudication process on standards issues. The ethical report at page 52 sets out a useful summary of the process.



- 7.2 At the decision stage after a formal investigation Cheshire East has chosen to make decisions via a sub-committee. A sub-committee is not a tribunal but a committee of the Council. The committee receives information via a report, in the same way as any other decision-making committee. The committee may ask technical questions on the report (usually addressed to the investigating officer) then questions on any evidence presented by the subject member and to debate and reach a conclusion with the assistance of an independent person.
- 7.3 The formal report considered by the sub-committee will include a record of the observations of any witness and the subject councillor (assuming they have chosen to cooperate). The requirement for any 'live' witness is therefore not mandatory and given the cost and time involved should only be considered in the most exceptional circumstances. The officer recommendation is that no witnesses should be involved in the sub-committee hearing itself, and that all witness evidence should be dealt with at the investigation stage of the process. Subject only to an exceptional circumstance provision. This officer recommendation was rejected by the working group, on the basis that this may prejudice the subject member's presentation of their case, and that the ability to call witnesses and the number of witnesses called should be at the discretion of the sub-committee.
- 7.4 The working group are recommending the removal of the Monitoring Officer's discretion and that no changes are made to the adopted process without the consent of the Audit and Governance Committee. The new process will be fixed and require clear compliance if any matter is to proceed to subcommittee. The working group considered that the process should have the oversight of the Committee, with any changes to it to be considered by Members.
- 7.5 It should be noted that primary legislation sets out the role and remit of the statutory Monitoring Officer, which is reflected in the Council's Constitution as a duty to support and advise the Council on matters relating to the conduct of Councillors. The traditional separation of powers and responsibility helps maintains the objectivity of the Code and associated process, and removes the possible perception of conflict of interest that may arise with political imperatives.
- 7.6 Although transparency is a core policy consideration historically complaints have been made of Cheshire East 'secrecy' of the Code of Conduct. The working group at para 5.13 felt it important not to allow the Monitoring Officer to inform the Group Leader or Whip of relevant member complaint matters. The working group considered that it was not best practice for the Group Leader or Administrator/ Whip to be routinely informed of conduct matters, and that it would in any event not be useful particularly if complaints had not been upheld. Best practice recommendation 15 however provides that 'senior officers should meet regularly with political group leaders or group whips to discuss standards issues. It should also be noted that at para 5.27 of the

process a clear indication is given that in the case of a formal investigation, the process will normally expect disclosure of the terms of reference of any investigation. Albeit these may be redacted to protect the complainant's identity.

- 7.7 Para 5.30 of the procedure stipulates that any investigation undertaken must be proportionate in resources and cost to the complaint made. However, this does not permit any equivalent part of the process to flex. In practical terms this allows the Monitoring Officer, having considered all the circumstances, to direct a complaint to the most appropriate investigator. A relatively straight forward fact-finding investigation could be conducted by an appropriate council officer but would need to follow the exact same process, as a complex high-profile investigation that could be referred to an external investigator.

8. Consultation and Engagement

- 8.1 The original draft Code has been circulated to all parish and town councils within the Cheshire East area, and their feedback sought. Feedback was invited in writing and during virtual meetings set up for this purpose, and a summary appears at para 4.6 above. This is in addition to any input councils and individuals may have provided in response to the Model Code upon which this draft is based, and which was widely consulted upon. This version will be shared following any recommendations amendments by the Audit and Governance Committee.
- 8.2 Cheshire East Group Leaders have been briefed in relation to the final draft of the Code. The discussion included consideration of the key disparities between the Model Code and that proposed for adoption. The recommendations of the Group Leaders on each of these matters is included within the Comparator Table at **Appendix C**.

9. Implications

9.1. Legal

- 9.1.1. The Council is obliged to adopt a Code and suitable procedure for dealing with alleged breaches of that Code. Adoption of the Code falls to full Council as a Constitutional amendment, whereas the Procedure falls within the remit of the Committee. Section 27(2) of the Localism Act 2011 requires the adoption of a suitable Code, the content of which must be consistent with the principles set out at section 28 of the Act. The accompanying procedure is a requirement of section 28(6) of the Act.
- 9.1.2. The statutory role of the Monitoring Officer includes the promotion of high standards of conduct amongst elected Members, a fundamental part of which is ensuring a suitable Code of Conduct is in place, and alleged breaches of that Code are dealt with in accordance with the associated process.

- 9.2. Best practice 9 recommends that where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

9.3. **Finance**

- 9.3.1. Although there are no direct financial implications arising from this report, the Localism Act 2011 requires sufficient resources to be made available. The Code of Conduct does not in itself create cost to the Council, costs arise directly from the investigation of poor behaviour by Councillors.
- 9.3.2. The process adopted by the council has a direct impact on costs. The more complex and inflexible the process the greater the cost and the greater the ability for recalcitrant subject members to extend the time and cost envelope

9.4. **Policy**

- 9.4.1. The initial policy considerations were to ensure that all relevant best practice had been incorporated into the revised Code of Conduct and the code should reflect the model code provided by the LGA. The working group of Cheshire East Council at the commencement did not wish to consider a sub- regional approach.

9.5. **Equality**

- 9.5.1. The proposed Code and Procedure are based on recognised good practice which aims to ensure equality of treatment and a fair process for all who are involved.

9.6. **Human Resources**

- 9.7. There are no human resources issues arising directly from this report.

9.8. **Risk Management**

- 9.9. The procedure adopted should seek to minimise financial and reputational risk to the Council through the promotion of clear, proportionate and robust measures to efficiently and effectively deal with complaints.

9.10. **Rural Communities**

- 9.11. There are no issues arising directly from this report that may impact rural communities.

9.12. **Children and Young People/Cared for Children**

- 9.13. There are no issues arising directly from this report that may impact children and young people.

9.14. **Public Health**

9.15. There are no public health issues arising directly from this report.

9.16. **Climate Change**

There are no climate change issues arising directly from this report.

Access to Information	
Contact Officer:	Jamie Hollis, Head of Legal Services jamie.hollis@cheshireeast.gov.uk
Appendices:	Appendix A: Draft Councillors Code of Conduct Appendix B: Draft Procedure Appendix C: Comparator table
Background Papers:	'Local Government Ethical Standards' A Review by the Committee on Standards in Public Life' published January 2019; Local Government Association model Code of Conduct for elected members

Highlights to link to supporting docs

Cheshire East Council – Code of Conduct

Cheshire East Council has adopted this Code of Conduct to promote and maintain high standards of conduct and underpin public confidence in the Authority and its Councillors and co-opted Members (referred to collectively in this Code as “Councillors”).

1. All Town and Parish Councils that are within the Borough boundary have been invited to adopt this Code. It is acknowledged that town and parish councils that choose to adopt this Code may wish to amend its provisions to reflect local circumstances and preferences.
2. It is important that as Councillors we can be held accountable, and all adopt the behaviours and responsibilities associated with the role. Conduct as an individual Councillor affects the reputation of all Councillors. The Council wants the role of Councillor to be one that people aspire to. The Council also wants individuals from a range of backgrounds and circumstances to be putting themselves forward to become Councillors.
3. As Councillors, we represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent our local area, taking decisions fairly, openly, and transparently. We have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.
4. Importantly, we should be able to undertake our role as a Councillor without being intimidated, abused, bullied, or threatened by anyone, including the general public.
5. This Code has been designed to protect our democratic role, encourage good conduct and safeguard the public’s trust in local government.

Introduction

This Councillor Code of Conduct has been adopted under the Localism Act 2011 and is supported by a **process** that will be followed if a complaint is made. A complaint should be made to the Monitoring Officer with sufficient information to substantiate it. The form may be found **here**.

Support for Town and Parish Councils may be accessed through their membership of the Cheshire Association of Local Councils (ChALC) or the National Association of Local Councils (NALC).

Definitions

For the purposes of this Code of Conduct, a “Councillor” means an elected Councillor or co-opted Member of Cheshire East Council or of one of the Town and Parish Councils that have adopted this Code of Conduct

A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;

b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

For the purposes of this Code of Conduct, “local authority” includes Cheshire East Council and or one of the parish councils, town councils within the Borough.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a Councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow Councillors, local authority officers and the reputation of your Council and of local government. It sets out general principles of conduct expected of all Councillors and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of Councillor and local government.

General principles of Councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, Councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles. The Nolan Principles are:

1. Selflessness;
2. Integrity;
3. Objectivity;
4. Accountability;
5. Openness;
6. Honesty;
7. Leadership.

Building on these principles, the following general principles have been developed specifically for the role of Councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of Councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest

- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of Councillor or attend your first meeting as a co-opted member, and it continues to apply to you until you cease to be a Councillor or Co-Opted Member.

This Code of Conduct applies to you when you are acting in your capacity as a Councillor or Co-opted Member which may include if:

- you misuse your position as a Councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Councillor

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements, and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a Councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct. Town and parish Councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer.

Standards of Councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a Councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a Councillor:

1.1 I treat other Councillors and members of the public with respect.

1.2 I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Councillors.

In return, you have a right to expect respectful behaviour from others. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the relevant local authority, social media provider or the police. This also applies to fellow Councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's Member/officer protocol.

2. Bullying, harassment and discrimination

As a Councillor:

2.1 I do not bully any person.

2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Because bullying and harassment can be subjective by its very nature, any complaints of such behaviour will be subject to an objective assessment of all the circumstances surrounding the allegation.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

As a Councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.

Officers work for the local authority as a whole and must be politically neutral (there are no political assistants in Cheshire East). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, for having acted in a particular way, or in respect of the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Councillors should always use the appropriate routes to raise issues and inform decision making.

4. Confidentiality and access to information

As a Councillor:

4.1 I do not disclose information given to me in confidence by anyone, or acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless:

- a) I have received the consent of a person authorised to give it;
- b) I am required by law to do so;
- c) the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
- d) the disclosure is:
 - i. reasonable and in the public interest; and
 - ii. made in good faith and in compliance with the reasonable requirements of the access to information procedure rules; and
 - iii. I have sought the views of the Monitoring Officer prior to its release.

4.2I do not improperly use knowledge gained solely as a result of my role as a Councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3I do not prevent anyone from getting information that they are entitled to by law.

Cheshire East Council must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a Councillor:

5.1 I do not bring my role of Councillor into disrepute;

5.2 I am seen as a representative of Cheshire East Council or my Town or Parish Council and seek to uphold the image and reputation of the Council and will not bring my Council into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be

aware that your actions might have an adverse impact on you, other Councillors and/or your Council and may lower the public's confidence in you or your Council's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow Councillors to account and are able to challenge, criticise and express concern about decisions, services and processes undertaken by the Council whilst continuing to adhere to other aspects of this Code of Conduct. The Code of Conduct does not stifle political debate, or prevent Councillors from campaigning on issues of local concern.

6. Use of position

As a Councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a Councillor of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others.

However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a Councillor:

7.1 I do not misuse council resources.

7.2 I will, when using the resources of the local authority or authorising their use by others:

- a. act in accordance with the local authority's requirements; and
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a Councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a Councillor more effectively and are not to be used for business, personal, or political gain. They should be used in accordance with the purpose for which they have been provided and the Council's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

8.1 I undertake Code of Conduct training provided by my Council.

8.2 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

8.3 I acknowledge that while I am not compelled to engage with a Code of Conduct investigation, I will nevertheless comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a Councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the local authority

9. Interests

As a Councillor:

9.1 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of Councillors of the Council this includes Town and Parishes.

You need to register your interests so that the public, council employees and fellow Councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other Councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Table 1, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

10. Gifts and hospitality

As a Councillor:

10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage.

10.2 I will only accept gifts and hospitality when on a scale appropriate to the circumstances, and where it is apparent that no cause could reasonably arise for adverse criticism about the acceptance of the gift or hospitality. Hospitality is usually acceptable when the invitation is corporate not personal.

Whatever gift/hospitality is provided to you, other than a gift or hospitality of nominal value only (such as drink or small items of stationery), you should report the circumstances and the type of hospitality to the Monitoring Officer. Small insignificant gifts of a value of less than £50, such as pens, diaries, calendars, mouse mats or mugs, may be accepted.

10.3 I will register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.

In order to protect your position and the reputation of your Council, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered.

Corporate gifts and/or hospitality may on occasion be offered to Councillors carrying out duties associated with a ceremonial role such as Mayor. If the gift or hospitality is offered in ceremonial capacity it can be accepted and noted on the register for the office being held. For example, the Mayor receives a gift on behalf of the Council the gift will be recorded in the Mayors register and retained by the Council. A gift received by the Mayor as a token of thanks for attending a function such as flowers will be recorded as a personal gift within the register as appropriate. Gifts of a greater value should only be accepted on the basis that the gift or hospitality is declared. Gifts or hospitality (if appropriate) accepted in a ceremonial capacity may be donated to charitable or other appropriate causes such as the Mayors Charity.

You do not need to register gifts and hospitality which are not related to your role as a Councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Member. If you are unsure, do contact the Monitoring Officer for guidance.

11. Predetermination and predisposition

Predisposition is when a councillor may have a pre-existing opinion or attitude about the matter under discussion, but remains open to listening to all the arguments and changing their mind in light of the information presented at the meeting. While care needs to be exercised, generally predisposition does not affect a Councillors ability to participate in decision making.

Predetermination however is when a Councillor's views on an issue are such that it could be said they have a closed mind to the matter being discussed. Participating in decision making if predetermined may undermine the decision taken.

Questions about predetermination and predisposition most commonly arise in the planning arena. Additional guidance is available on this specific scenario in the Probity in Planning Guide, which can be found at: <https://www.local.gov.uk/publications/probity-planning-advice-councillors-and-officers-making-planning-decisions>

12. Bias

The law distinguishes actual bias from apparent bias.

The actual bias is subjective and deals with the Councillor's state of mind for example a decision made for the reason of obtaining a personal benefit to the Councillor is biased. Where a Councillor is biased in a decision, then the decision is flawed.

Apparent bias deals with the councillor's conduct and the surrounding circumstances. Councillor must ask whether all the relevant circumstances would lead a fair-minded and informed observer of reasonable fortitude to conclude that there was a real possibility, or a real danger, that their ability to weigh the public interest in making a decision appears biased.

Where a decision is tainted by apparent bias, then the decision is seen to be unfair and therefore flawed.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B - Registering interests

Within 28 days of becoming a Councillor or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in Table 2 (Other Registerable Interests).

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the Councillor, or a person connected with the Councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in Table 1, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. You are able to make a brief statement prior to leaving the meeting to describe the context of your decision. Specific guidance regarding the declaration of interests at planning committee is available here: <https://www.local.gov.uk/publications/probity-planning-advice-councillors-and-officers-making-planning-decisions>

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you are the Chairperson of any committee have a disclosable pecuniary interest on a matter to be considered by you or you are being consulted upon for an officer decision, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for the Vice Chairperson or someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest. You are able to make a brief statement prior to leaving the meeting to describe the context of your decision. Specific guidance regarding the declaration of interests at planning committee is available here: <https://www.local.gov.uk/publications/probity-planning-advice-councillors-and-officers-making-planning-decisions>

8. Where a matter arises at a meeting which affects –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a relative or close associate; or
- c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in Table 2

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. You are able to make a brief statement prior to leaving the meeting to describe the context of your decision. Specific guidance regarding the declaration of interests at planning committee is available here: <https://www.local.gov.uk/publications/probity-planning-advice-councillors-and-officers-making-planning-decisions>

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you are the Chairperson of any committee have another Registrable Interest or Non-Registrable Interest on a matter to be considered by you or you are being consulted upon for an officer decision, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for the Vice Chairperson or someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship Any payment or provision of any other financial benefit (other than from the council) made to the Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Councillor, or towards his/her election expenses.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

Contracts

Any contract made between the Councillor or his/her spouse or civil partner or the person with whom the Subject Description Employment, office, trade, profession or vocation Councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council—

- (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.

Land and Property Any beneficial interest in land which is within the area of the council.

‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the Councillor or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.

Licenses Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.

Corporate tenancies Any tenancy where (to the Member’s knowledge)—

- (a) the landlord is the council; and
- (b) the tenant is a body that the Councillor, or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.

Securities Any beneficial interest in securities* of a body where—

- (a) that body (to the Councillor’s knowledge) has a place of business or land in the area of the council; and
- (b) either—
- (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Councillor, or his/ her spouse or civil partner or the person with whom the Councillor is living as if they were
 - ‘director’ includes a member of the committee of management of an industrial and provident society.
 - ‘securities’ means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and

Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You must register as an Other Registerable Interest:

- a) any unpaid directorships
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
- c) any body
 - (i) exercising functions of a public nature
 - (ii) directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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Draft procedure

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 - a. complaint submission
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6. Confidentiality and Publication of decision notices / hearing outcomes
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1. Introduction

In this document the term “Councillor” means an elected Councillor or a co-opted Member of Cheshire East Council or of a town or parish council within its area. This procedure covers complaints that a Councillor has failed to comply with their code of conduct. The Councillor complained against is referred to in this procedure as the “subject member”.

These arrangements set out:

1. how you can make a complaint about the conduct of a Councillor.
2. how the Council will deal with complaints about Councillors.

Codes of conduct

Cheshire East Council has adopted a Code of Conduct for Councillors, which is available for inspection on the Council’s website or on request from the Monitoring Officer:

monitoringofficercec@cheshireeast.gov.uk

Each town or parish council must also adopt a code of conduct. If you wish to inspect a town or parish council’s code of conduct, you should look on their website in the first instance. You may also ask the town or parish clerk to allow you to inspect it.

2. Scope of the Procedure

2.1 The Monitoring Officer can only deal with complaints that a Councillor has failed to comply with their Code of Conduct. If you wish to make a complaint about:-

- dissatisfaction with a decision or action of the Council or one of its committees
- a service provided by the Council
- the actions of someone employed by the Council

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- the Council's procedures or policies

you can do so using the Council's corporate complaints process or, in the case of a town or parish council, by contacting that council's clerk.

2.2 If your complaint is about a Councillor, then you can use this process. However, you should be aware that assessment criteria are applied to all complaints to ensure that the process focuses on complaints where there is a wider public interest in addressing the conduct complained about. You should consider the assessment criteria set out below before making your complaint in order to understand how your complaint will be dealt with.

2.3 The following points should also be noted before making a complaint under this procedure:

- (i) complaints can only be accepted if they relate to a Councillor's behaviour whilst they are acting, or giving the impression that they are acting, in their official capacity. Complaints which appear to be against a Councillor acting in their private capacity will be rejected;
- (ii) determinations under this procedure can only relate to a Councillor's conduct and cannot comment upon or interfere with any decisions they have been involved in.
- (iii) complaints against a town or parish council as a whole will be rejected and need to be referred direct to the council in question for consideration under their own procedures.
- (iv) The Council has no jurisdiction in respect of complaints against Clerks or other officers to town or parish councils as they are employees of their respective authorities and any such complaints will be rejected.

2.4 It would help in dealing with your complaint to know what your desired outcome might be. If you feel able to provide this information please do so. Please note that the Monitoring Officer has no power to suspend or disqualify a Councillor, withdraw a Councillor's allowance or change a decision that a Councillor has made or has been involved in making. The remedies which may be applied through this process are set out below.

2.5 There may be instances when a number of complaints will be received about the same Councillor from different Complainants that relate to the same incident. When a complaint is substantially the same it will be processed as a single complaint taking into consideration all of the complaints received up to the time the complaint is processed. A single decision notice will be issued and will reflect the fact there has been more than one Complainant associated with the matter, though all may not be named. If further complaints relating to the same matter are received after the complaint is being processed these will not be added to the complaint but the Complainants will be advised that a complaint about this matter is already being considered.

2.6 This guidance may be amended from time to time by the Audit and Governance Committee on the recommendation of the Monitoring Officer.

3. How to make a complaint

3.1 All complaints must be made in writing, using the form on our website [*link*](#) and submitted to the Monitoring Officer along with any supporting information –

- a) Electronically to monitoringofficercec@cheshireeast.gov.uk, or

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- b) By post to The Monitoring Officer, Cheshire East Council, c/o Municipal Buildings, Earle Street, Crewe CW1 2BJ

3.2 Hard copies of the form can be made available on request. We will assist you if you have a disability that prevents you from making a complaint or makes it difficult for you to put your complaint in writing. We can also help if English is not your first language.

3.3 It is very important that you set your complaint out fully and clearly and provide all the information at the outset. You should also provide any documents or other material that you wish to be considered, wherever possible. You should tell us exactly what each person you are complaining about said or did that has caused you to complain. If you are sending supporting documentation please cross reference it against the summary of your complaint. You should be as detailed as possible and substantiate your complaint where you can, to demonstrate why you believe that the Councillor(s) complained about has breached the Code of Conduct.

4. Anonymous complaints

4.1 Anonymous complaints will not normally be investigated, unless there is a clear public interest in doing so and the Monitoring Officer considers that a fair investigation can be carried out.

4.2 Requests from Complainants for the Monitoring Officer to withhold their identity, so that they remain anonymous to the subject member, are not ordinarily granted. The Monitoring Officer has to balance the right of the subject member to properly understand the complaint against them and respond to it, with the rights of the person making the complaint. More often than not, this means that the subject member will need to be told who is making the complaint.

4.3 A Complainant can ask for their identity to remain confidential by completing the appropriate section of the complaint form. Requests will only be granted if there is a good reason. The following criteria will be used when requests are considered:

- (i) whether the Complainant reasonably believes that they, or somebody closely connected to them, will be at risk of harm or harassment if their identity is disclosed;
- (ii) that the Complainant is reasonably concerned about the consequences to their employment, or that of somebody closely connected to them, if their identity is disclosed;
- (iii) that the Complainant, or somebody closely connected to them, suffers from a serious medical condition and there is evidence of medical risks associated with their identity being disclosed;
- (iv) whether the specifics of the complaint will disclose who has made the complaint even without confirming the Complainant's identity;
- (v) the degree to which the subject member may be prejudiced by withholding the Complainant's identity; and
- (vi) the public interest: In some cases the public interest in proceeding with the complaint may outweigh the Complainant's wish to have their identity withheld.

4.4 The Monitoring Officer will only grant your request if s/he considers that a fair investigation can still be carried out. You will be informed of the decision and the reasons for it. If it is not considered appropriate to grant confidentiality the Complainant will be offered the opportunity to withdraw the complaint, but this is subject to the determination made by the Monitoring Officer regarding the public interest in proceeding.

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5. Assessment procedure – step by step

Insert diagram / flow chart of main steps & responsibilities

5.1 Complaint submitted:

5.2 Complainant submits a completed complaint form with any supporting information to the Monitoring Officer. The Monitoring Officer will acknowledge receipt, and confirm whether any request for anonymity has been granted, within 5 working days. Please see section 3 of this procedure for details on how to obtain a form, and how to submit it.

5.3 Initial assessment:

5.4 The Monitoring Officer will carry out an initial assessment to determine whether the complaint is within this procedure and, if so, whether it should be progressed. This will normally be done within 10 working days of receipt of the complaint.

5.5 The Monitoring Officer will firstly check that the complaint satisfies the following tests:

- a. The complaint is against one or more named Councillors of Cheshire East Council or a town or parish council within the borough;
- b. The subject member was in office at the time of the alleged conduct;
- c. The subject member was acting in their official capacity as a member at the time of the alleged conduct;
- d. The Complainant has provided enough information to enable the Monitoring Officer to form a view as to whether or not a breach of the code has or might have occurred.

5.6 If a complaint does not satisfy the above tests, no further action will be taken. The Complainant and subject member will be notified within 5 working days.

5.7 Complaints that satisfy the initial tests at paragraph 5.5 above, will be considered in more detail and will usually be rejected if, in the opinion of the Monitoring Officer, any of the following applies:

- a. the complaint is the same or substantially the same as a complaint previously dealt with, whether submitted by the Complainant or some other person;
- b. it is over 6 months since the alleged behaviour occurred and it would be unfair, unreasonable or otherwise not in the public interest to pursue unless there are, in the Monitoring Officer's opinion, exceptional circumstances which would warrant the complaint being progressed;
- c. the complaint is considered, on an objective basis, to be trivial and there are no public interest reasons to pursue it;
- d. the complaint discloses such a minor technical breach of the Code of Conduct that it is not in the public interest to pursue;
- e. the complaint is or appears to be malicious, politically motivated, tit-for-tat or otherwise submitted with an improper motive and the complaint is not considered to disclose sufficiently serious potential breaches of the Code of Conduct to merit further consideration;
- f. the Subject Member has remedied or made reasonable endeavours to remedy the issues to which the complaint relates (for example, an early in person apology), and the complaint does

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not disclose sufficiently serious potential breaches of the Code of Conduct to merit further consideration;

- g. the complaint is about a person who is no longer a member of a relevant authority;
- h. the complaint is from a councillor about another councillor of their council and the Monitoring Officer considers the allegations to be such that the issues between the councillors ought to be capable of resolution between them, whether with or without the assistance of their Clerk or some other person; and
- i. it would otherwise be inappropriate to expend the Council's resources on determining the complaint having regard to the circumstances of the complaint, any previous related complaints and the public interest. A complaint will be rejected if the Monitoring Officer considers the likely costs of progressing a matter are disproportionate to the seriousness of the issue and the possible range of outcomes.

5.8 If the complaint indicates that a criminal offence may have been committed (or some other regulatory infraction) the matter will be reported to the appropriate regulatory body. It may be the case that the complaint cannot be further considered under this process until an associated external investigation has been completed.

5.9 If your complaint also relates to or raises concerns about a council service (or an officer of the council), it may first need to be dealt with under the relevant corporate complaints/disciplinary process that applies. This is so that the outcome and any proposed action resulting from any such process can be taken into account when assessing the code of conduct complaint.

5.10 When there is insufficient information to make a determination as to whether the conduct complained of may demonstrate a potential breach of the Code of Conduct the Monitoring Officer may offer the Complainant a further 7 days to provide further information to support the complaint. If further information is not provided within 7 days of being requested, the complaint will be rejected.

5.11 Following initial assessment, the Monitoring Officer may decide to:-

- Take no further action
- Consult with the Independent Person on next steps to be taken in the determination of the complaint.

5.12 Notification of initial assessment decision

5.13 Once a decision following initial assessment has been made, letters of notification will then be sent to the Complainant and the subject member within 5 working days confirming the decision made and the reasons for it. If the decision is to take no further action, the subject member will be provided with a precis of the complaint and, subject to the provisions on anonymity, the identity of the complainant. The Monitoring Officer may offer advice to the complainant, subject member or both.

5.14 If the decision is to consult with the Independent Person on next steps to be taken in the determination of the complaint, then unless s/he has already done so, the Monitoring Officer will supply the subject member with a copy of the complaint (and accompanying materials) and will be invited to respond to it in writing. Data protection rules may require some information to be removed from the complaint before it is submitted to the subject member. The complainant will

be notified if this is necessary. The subject member will be invited to respond to the complaint within 7 days of the date of the notification letter.

5.15 Consultation with the Independent Person

- 5.16 Once a complaint has passed the initial assessment stage of the procedure, the Monitoring Officer will consult with the Independent Person as to the next steps to be taken. This consultation may, at the Monitoring Officer's discretion, take place by way of a meeting, telephone call, or exchange of emails. The approach taken will reflect the nature of the matter under consideration, the level of complexity and supporting paperwork, and potential seriousness of the allegations.
- 5.17 This provides an opportunity for the Monitoring Officer and Independent Person to consider the complaint and the subject member's response to it. The purpose is for the Monitoring Officer, in consultation with the Independent Person, to decide whether it appears that a breach of the code may have occurred and to determine what action, if any to take on the matter.
- 5.18 The Monitoring Officer is not determining, at this stage, whether or not there has been a breach of the Code. The Monitoring Officer is determining whether the circumstances are such that:-
- a) No further action should be taken
 - b) The matter is suitable for informal resolution
 - c) The matter should be formally investigated
- 5.19 In addition to revisiting the initial assessment criteria (where appropriate), and to determine the appropriate next course of action, the Monitoring Officer and Independent Person will consider:-
- a) Whether there is sufficient information available to decide what action should be taken
 - b) The seriousness of the matters alleged
 - c) The likely effectiveness of the remedies available
 - d) The public interest
- 5.20 Once the Monitoring Officer has reached a decision, letters of notification will then be sent to the Complainant and the subject member confirming the decision made and the reasons for it.
- 5.21 If the decision is to take no further action, the Monitoring Officer may offer advice to the complainant, subject member or both. The Monitoring Officer may also notify the relevant Group Leader, Whip or town or parish clerk of the complaint and the decision taken.
- 5.22 If the decision is that the matter is appropriate for informal resolution, the Monitoring Officer will make recommendations accordingly. Informal resolution options include:-
- a) An explanation and/or apology from the subject member
 - b) Mediation
 - c) Training
 - d) Referral of the matter to the Group Leader, Whip and/or Parish Clerk to be resolved where the complaint is between two members and political group intervention/agreement is appropriate.
 - e) Some other practical "conflict management" agreement between the complainant and subject member

5.23 The Monitoring Officer may take into account the response to and effectiveness of recommendations made for informal resolution in deciding whether or not the matter should nevertheless be formally investigated and pursued further under this process.

5.24 If the decision is that the matter should be formally investigated, then the following provisions of this procedure apply.

5.25 **Formal investigation**

5.26 If the Monitoring Officer decides that the complaint merits formal investigation, an Investigating Officer will be appointed. This may be another senior officer the council, another council or an external investigator. The Monitoring Officer will determine the terms of reference for any investigation in consultation with the Independent Person.

5.27 The Terms of Reference of the investigation will not be published at this stage, but rather at the stage a draft report is sent to the complainant and subject councillor. The balance of the public interest has usually shifted towards disclosure at this point, and the Terms of Reference would be likely to be disclosed in response to a Freedom of Information request.

5.28 **The investigation process**

5.29 The investigator is independent from the complainant and the subject councillor. The investigator will assess the complaint, speak to the individuals and any witness they consider relevant, and then produce a report to the Monitoring Officer.

5.30 The investigation must be proportionate in resources and costs to the complaint made.

5.31 Where there are multiple complaints or complainants the investigator may select a representative sample or to select the individual to take evidence.

5.32 The process will usually be:

- a) Interview of Complainant and any relevant supporting witness, either remotely or in person
- b) Interview of Member(s) and any relevant supporting witness
- c) Further interview with Complainant to consider the Members response
- d) Further interview with the member to consider any new matter or evidence arising
- e) Unless there is an exceptional circumstance, no further evidence or additional witness or will be permitted after this stage
- f) Draft report completed
- g) Draft report shared with Monitoring Officer to ensure it has met the requirements of the Terms of Reference for the investigation
- h) The Complainant and Member are asked to comment on any issues of factual accuracy contained within the draft report
- i) The draft report is finalised and served on Monitoring Officer, Complainant and Member
- j) The Monitoring Officer in consultation with the Independent Person will decide if it is in the public interest to continue.

- k) The Complainant and Member will normally be given two opportunities to take part in the process. If there is any failure to participate the report will be completed without that person assistance.

Unless there are exceptional circumstances.

5.33 The Committee Process

5.34 The process will usually be:

- a) The investigators report and a covering committee report from the Monitoring Officer will be provided to the Committee.
- b) The covering report will contain a summary of the issues and recommendation of the report, the costs and time taken and any issues in respect of participation.
- c) The committee report and investigators report will be considered by the Monitoring Officer, who will confirm the procedure for the committee
- d) The Monitoring Officer will appoint a Democratic Services Officer to administer the Committee and a legal officer to advise the Committee
- e) 21 days from notification of the matter proceeding to Committee, the Subject Member to file a written summary of their response to the report stating areas of agreement disagreement or admission and reassigning any legal issue. If no response is received in 21 days, the Subject Member will not be able to rely on that evidence
- f) 14 days thereafter the independent investigator to consider the submission and provide a response. In the event the investigator considers it necessary to contact either the Subject Member or third party to clarify any aspect they will notify the Monitoring Officer with reasons
- g) 14 days or as soon as reasonably practicable thereafter the Committee shall meet and decide if there is any breach of the code.

5.35 In the event the subject member does not attend and no sufficient reason is given the matter will proceed. If in the Monitoring Officer's view, a sufficient reason is given such as illness supported by a certificate, the Committee will agree a further date.

5.36 Unless exceptional circumstance the Committee will decide the matter on the second occasion.

5.37 Notification will be deemed to have occurred 3 days after posting or email sent.

5.38 Procedure at Committee

5.39 If there are any legal issues identified by the subject member in their response, they will be considered at the start of the meeting.

5.40 The Committee will determine whether any party can call witnesses, and if so, the procedure governing witness involvement.

5.41 The Committee will then hear from the investigation officer who will present the report and give any response to the submissions from the subject member. Although there is no strict time limit this usually this will be no more than 1 hour. Opportunity for Committee to ask questions

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- 5.42 The subject member will respond and will be entitled to expand upon the issues raised in their response to the investigators report. Usually this will be no more than 1 hour. Opportunity for Committee to ask questions
- 5.43 The Committee may then decide if they require further information from either investigator or subject member, consult with the Independent Person, ask any further questions or adjourn to make a decision.
- 5.44 After the Committee has adjourned to make a decision it may exculpate the subject member or decide that they consider the subject member has breached the code
- 5.45 If it is decided the subject member has breached the code they will then (if a borough councillor) hear from the subject member if they have anything further to say, and then decide any appropriate penalty
- 5.46 The decision is based on a balance of probabilities, based on the information before the Committee

6. Confidentiality and Publication of decision notices / hearing outcomes

- 6.1 The assessment of complaints will be conducted in private by the Monitoring Officer or his/her representative.
- 6.2 Data protection and freedom of information requirements will be complied with which will mean that complaint information will not normally be disclosed to the press or public.
- 6.3 On completion of the assessment or determination of a complaint a decision notice will be issued as detailed above. If a complaint is upheld, it will be published on Cheshire East Council's website, and it will be available for public inspection at Cheshire East Council's offices for 6 years from the date of issue.

7. Withdrawal of complaints

- 7.1 Requests to withdraw complaints will normally be granted but in considering such a request from the Complainant the Monitoring Officer will consider the following factors:
 - a) Whether the public interest in taking action on the complaint outweighs the Complainant's desire to withdraw it;
 - b) Whether the complaint is such that action can or should be taken on it without the Complainant's participation; and
 - c) Whether there appears to be an identified underlying reason for the request to withdraw the complaint; such as information to suggest that the Complainant may have been improperly pressured into withdrawing the complaint.
- 7.2 Even if a request to withdraw a complaint is granted, the Monitoring Officer may still refer it for assessment under these procedures or refer it to the appropriate professionals or body if, in the opinion of the Monitoring Officer, such action is reasonable and proportionate. This may be

appropriate, for example, if the complaint discloses potentially significant probity issues, possible criminal offences or safeguarding issues.

8. Rights of appeal

- 8.1 [There is no right of appeal for either the subject member or complainant in relation to a decision of the Monitoring Officer or Committee. Concerns about the process adopted in respect of a specific matter may be referred to the Local Government Ombudsman.] *subject to a further paper to Committee on possible appeal / review arrangements.*

Comparator table:

Ethics Report Best Practice	LGA Model Code Provisions	CEC draft	Group Leader recommendations
Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.	As a Councillor: 8.2 I cooperate with any Code of Conduct investigation and/or determination.	The Working Group has asked that this is deleted from the Cheshire East Councillor Code of Conduct on the basis that if a councillor cannot be legally compelled to cooperate, a Councillor should not be expected to cooperate.	That the Model Code should be adopted, and para 8.2 reinserted.
Extract from Plymouth City Council code of conduct: <i>Disrepute</i> Councillors must not act in a manner which could be seen to bring the council or the role of councillor into disrepute.	As a councillor: 5.1 I do not bring my role or local authority into disrepute.	The working group are recommending this is limited to 'I do not bring my role of Councillor into disrepute'. This limitation means that the draft Code does not include guidance to specifically address behaviour that may bring the Council itself into disrepute.	That the Model Code should be adopted, but that wording should be added to recognise the ability of Councillors to bring legitimate challenge in relation to Council functions and operation.
Recommendation 6: Local authorities should be required to establish a register of gifts and hospitality, with councillors required to record any gifts and hospitality received over a value of £50, or totalling £100 over a year from a single source. This requirement should be included in an updated model code of conduct.	As a councillor: 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt. 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.	The working group concluded that the requirement for maintaining a running total from a single source was not practicable. The working group considered that the Councillor code and the Officer code should be the same. As a Councillor: 10.2 I will only accept gifts and hospitality when on a scale appropriate to the circumstances, and where it is apparent that no cause could reasonably arise for adverse criticism about the acceptance of the gift or hospitality. Hospitality is usually acceptable when the invitation is corporate not personal. Whatever gift/hospitality is provided to you, other than a gift or hospitality of nominal value only (such as drink or small items of stationery), you should report the circumstances and the type of hospitality to the Monitoring Officer. Small insignificant gifts of a value of less than £50, such	That there is no objection to the proposed amendment.

		as pens, diaries, calendars, mouse mats or mugs, may be accepted. 10.3 I will register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.	
Predetermination and predisposition and bias (does not appear in Report)	Does not appear in the model code.	Draft includes paragraphs relating to predetermination and predisposition, and bias.	That the draft Code should reference relevant guidance but not attempt to repeat or summarise it.
<p>Recommendation 13: Councillors should be given the right to appeal to the Local Government Ombudsman if their local authority imposes a period of suspension for breaching the code of conduct.</p> <p>Recommendation 14: The Local Government Ombudsman should be given the power to investigate and decide upon an allegation of a code of conduct breach by a councillor, and the appropriate sanction, on appeal by a councillor who has had a suspension imposed. The Ombudsman's decision should be binding on the local authority.</p> <p>(NB: Both recommendations require a change to the law)</p>	Not included as requires a law change	The working group favour the concept of an appeal process (for subject members only) and have requested a more detailed paper on the issue to be provided to A&G for discussion.	That there is no objection to this issue being considered in more detail at Committee.
Recommendation 15: The Local Government Transparency Code should be updated to require councils to publish annually: the number of code of conduct complaints they receive; what the	Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on	On completion of the assessment or determination of a complaint a decision notice will be issued as detailed above. If a complaint is upheld, it will be published on Cheshire East Council's website, and it will be available for public	That all decision notices where there is a definitive outcome (of breach or no breach of the Code) should be routinely published unless the Monitoring Officer agrees there is a reason not to (e.g. risk or harm or harassment)

complaints broadly relate to (e.g. bullying; conflict of interest); the outcome of those complaints, including if they are rejected as trivial or vexatious; and any sanctions applied.	its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.	inspection at Cheshire East Council's offices for 6 years from the date of issue.	
	Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.	The working group at para 5.13 felt it important not to allow the Monitoring Officer to inform the Group Leader or Whip of relevant member complaint matters. The working group considered that it was not best practice for the Group Leader or Administrator/ Whip to be routinely informed of conduct matters, and that it would in any event not be useful particularly if complaints had not been upheld	That the Model Code Best Practice 15 provision be incorporated into the draft Code.

Additional notable changes to draft procedure:

1. The formal report considered by the sub-committee will include a record of the observations of any witness and the subject councillor (assuming they have chosen to cooperate). The requirement for 'live' witness is therefore not mandatory and given the cost and time involved should only be considered in the most exceptional circumstances. The officer recommendation is that no witnesses should be involved in the sub-committee hearing itself, and that all witness evidence should be dealt with at the investigation stage of the process. Subject only to an exceptional circumstance provision. This officer recommendation was rejected by the working group, on the basis that this may prejudice the subject member's presentation of their case, and that the ability to call witnesses and the number of witnesses called should be at the discretion of the sub-committee. **Group Leaders considered that Code of Conduct hearings should take the form of a committee meeting rather than adversarial process, and that witnesses should be identified and given adequate opportunity to be included within the investigation part of the process.**
2. The working group are recommending the removal of the Monitoring Officer's discretion and that no changes are made to the adopted process without the consent of the Audit and Governance Committee. The new process will be fixed and require clear compliance if any matter is to proceed to subcommittee. The working group considered that the process should have the oversight of the Committee, with any changes to it to be considered by Members. **Group Leaders were content for the Committee to deal with proposed amendments to procedure as they arose.**

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Working for a brighter future together

Corporate Policy Committee

Date of Meeting:	9 June 2022
Report Title:	Covid-19 Update
Report of:	Jane Burns, Executive Director of Corporate Services
Report Reference No.	AG/20/21- 22
Ward(s) Affected	All

1. Purpose of the Report

To provide the Committee with an update on recent Covid developments, including the Government's Living with COVID-19 approach, for the purposes of oversight and review.

2. Executive Summary

- 2.1** COVID-19 is an enduring national and international public health emergency. Members have been kept informed through regular reports and briefings on how the Council, working with its partners, continues to respond to the COVID-19 pandemic and plan for the recovery from it. This report summarises recent developments on an exception basis.
- 2.2** The Government's plan for removing the remaining legal restrictions while protecting people most vulnerable to COVID-19 and maintaining resilience was published on 21 February 2022. The publication explained that the Government was structuring its ongoing response around four principles: "(a) Living with COVID-19: removing domestic restrictions while encouraging safer behaviours through public health advice, in common with longstanding ways of managing most other respiratory illnesses; (b) Protecting people most vulnerable to COVID-19: vaccination guided by Joint Committee on Vaccination and Immunisation (JCVI) advice, and deploying targeted testing; (c)

Maintaining resilience: ongoing surveillance, contingency planning and the ability to reintroduce key capabilities such as mass vaccination and testing in an emergency; and (d) Securing innovations and opportunities from the COVID-19 response, including investment in life sciences.”

- 2.3** The Council and its partners have continued to respond to the changing requirements through ongoing work on response and recovery and positive public health messaging. The response to and recovery from the pandemic contributes to the strategic aims and objectives in the Council's Corporate Plan 2021-25

3. Recommendation

- 3.1** To note the ongoing implications of Covid-19 and Cheshire East Council's response.

4. Reason for Recommendation

- 4.1** This report is part of the Council's commitment to being open and transparent.

5. Other Options Considered

- 5.1** Not appropriate.

6. Background

Update and by exception reporting on Council actions

- 6.1** Cheshire East Council has continued to respond to the Coronavirus pandemic for over 2 years now. At all times, the Council has continued to strive to:

- deliver essential local services
- protect our most vulnerable people
- support our communities and local businesses.

- 6.2** A summary of the key changes since February 2022 is provided below.

- 6.3 Covid infection rates**– Since January 2022, Cheshire East has consistently been experiencing high rates of infection, followed by Cheshire West, compared to other local authorities across the Cheshire and Merseyside sub region, mostly higher than England and North West rates. After the first week of January 2022, the rates started to decline. Cheshire East has seen a reduction in infection rates from 2,175 cases per 100,000 population (as of 4 January 2022) down to 79.66 cases per 100,000 (380 cases as of 22 May 2022). This is more evident since April

2022, after the restrictions being lifted and mandatory free testing came to an end, the infection rate has been decreasing dramatically.

Hospital admissions - There are fewer Covid-related admissions in our local hospitals compared to this time last year. However, the number of patients in hospitals increased from 30 to 200 between November 2021 and January 2022. Compared to last year, the rate of increase has been slower and the number of patients occupying intensive care unit (ICU) beds is very low. Since the end of March, the Covid occupied beds have decreased from 146 (27 March 2022) to 39 (23 May 2022) beds. Nevertheless, it remains a priority to emphasise the need for the local population to follow Covid safety guidance and get fully vaccinated and boosted.

Vaccination - As of 4 May 2022, there were 383,828 eligible registered patients over the age of 5 with Cheshire East GP practices, of which 311,373 (81.1%) have received their first dose, 298,582 (77.8%) have received their second dose, and 246,723 (87.1%) of those eligible have received their third or booster vaccination dose. The rate of full vaccination and booster vaccination within electoral wards ranges from 73% to 92%, and individuals yet to be vaccinated range between 11% and 42%. One explanation for this variation is that some wards have a significantly younger age profile and therefore only became eligible for vaccination later in the schedule. Targeted efforts are in place to ensure everyone in our communities has access to vaccination, with additional support to those with greater need, where possible.

- 6.4 Test Trace Contain Enable (TTCE)** – The core elements of test and trace were largely demobilised at the end of March as part of the Government's 'Living with Covid' plan. However, the TTCE Programme has been extended to October 2022 in order to mitigate the risk of Covid-19 resurgences. The Swab Squad remain proactive and continue to provide LFT home testing kits to priority cohorts, partners and staff as required, until the end June 2022 where this will be reviewed. In order to do this, Cheshire East Council purchased 10,000 home testing kits and also retained the Department of Health and Social Care stock of testing kits. To ensure the programme remains productive, both test and trace teams have taken on a range of other roles across the organisation to provide essential support where required. This includes, as some examples, vaccine tracing, supporting the mobile vaccination clinics, mobilising a mobile health and wellbeing offer in the community, undertaking in-person and telephony welfare checks for the Ukrainian Homes Programme, providing transport and telephony support to adult social care teams. The TTCE Programme is also working on a legacy project which is a Covid-19 early warning system,

which will involve working with the UK Health Security Agency (UKHSA) on a national wastewater pilot project.

6.5 National Changes since February 2022

From 21 February the Government:

- Removed the guidance for staff and students in most education and childcare settings to undertake twice weekly asymptomatic testing.

From 24 February the Government:

- Removed the legal requirement to self-isolate following a positive test. Adults and children who test positive continue to be advised to stay at home and avoid contact with other people for at least 5 full days and then continue to follow the guidance until they have received 2 negative test results on consecutive days.
- No longer asks fully vaccinated close contacts and those aged under 18 to test daily for 7 days, and removed the legal requirement for close contacts who are not fully vaccinated to self-isolate.
- Ended self-isolation support payments, national funding for practical support and the medicine delivery service is no longer be available.
- Ended routine contact tracing. Contacts will no longer be required to self-isolate or advised to take daily tests.
- Ended the legal obligation for individuals to tell their employers when they are required to self-isolate.
- Revoked The Health Protection (Coronavirus, Restrictions) (England) (No. 3)

From 24 March, the Government:

- Removed the COVID-19 provisions within the Statutory Sick Pay and Employment and Support Allowance regulations.

From 1 April, the Government:

- Removed the current guidance on voluntary COVID-status certification in domestic settings and no longer recommends that certain venues use the NHS COVID Pass.
- Updated guidance setting out the ongoing steps that people with COVID-19 should take to minimise contact with other people. This aligns with the changes to testing.
- No longer provides free universal symptomatic and asymptomatic testing for the general public in England.

- Consolidated guidance to the public and businesses, in line with public health advice.
- Removed the health and safety requirement for every employer to explicitly consider COVID-19 in their risk assessments.
- Replaced the existing set of 'Working Safely' guidance with new public health guidance

6.5.1 Summary of developments in council services brought about by the changes include:

6.5.2. Education - Specific Covid operational guidance for education has now been withdrawn. Schools and all other education settings should follow national guidance for Covid and other respiratory infections, contacting the local authority when there is cause for concern. Cheshire East Education and Public Health Teams have produced a short toolkit to help settings manage the transition during the summer term which clarifies when the council should be contacted and how schools should start to deal with Covid in the same way as other infectious diseases. The Covid support team has been reduced to match the fall in case numbers but remains available for any school or setting which requires advice. Staff who have a positive Covid test are advised to stay away for 5 days while pupils are advised to stay away for 3 days. Anyone with respiratory symptoms who has a high temperature or is unwell is advised to stay away until their temperature is normal and they are well enough to carry out all usual activities. Household and class contacts are not required to stay away from school although some individual risk assessments will be required for pregnant staff or anyone who is clinically vulnerable. All other measures such as keeping classes apart and wearing face coverings have ended but settings have been provided with an updated Health and Safety checklist which focuses on good infection prevention and control measures. This includes good hand and respiratory hygiene and ensuring good ventilation. Schools are being provided with regular updates and resources to ensure that these basic measures remain in place.

6.5.3. Covid support remains in place and settings have been advised of the circumstances when they should contact the local authority, such as rising absence rates due to respiratory illness or when an individual is admitted to hospital. In such cases, test kits may be provided by the council for specific individuals or groups.

6.5.4. The national programme of asymptomatic testing in schools has ended, but Cheshire East has decided to provide kits for staff working in

profound and multiple learning difficulties (PMLD) schools until the end of May as they are often required to work in close proximity to children who are clinically vulnerable.

- 6.5.5.** Education and Public Health have worked with HR to provide guidance on managing staff absence due to confirmed cases of Covid or symptomatic respiratory illnesses where no test has been taken. This guidance has been shared with unions and advises on how staff absence should be recorded and when sick pay and attendance management trigger thresholds will be reached. This is being kept under review and will be updated should there be any new regional or national guidance.
- 6.5.6.** The School Immunisation Team offered two sessions to all schools with pupils aged 12-15 years by the end of March 2022. Additional sessions across the borough were offered to those who had requested the vaccination in school but were unable to receive this on the day of the session. As of 20 April 2022, 69% of 12-15 year olds and 81% of 16-17 year olds have had at least one vaccine. From 1 April, vaccination has been available for everyone aged 5 to 11 years. All age groups, including those aged 5 to 11 years, are able to access vaccinations in the community and schools have been kept aware of these sessions so that they can inform parents.
- 6.5.7.** The Education Recovery Group continues to meet regularly to focus on issues that will help schools and settings get back to normal as quickly as possible. The remit has now been expanded to include health and wellbeing, attendance and behaviour. Schools and settings are kept updated about developments in these areas and any other relevant information via the Covid Briefing and Learning Bulletin.
- 6.5.8 Children's Social Care** – There continue to be significant pressures nationally on the number of placements available for cared for children and young people as a result of the pandemic. As a result we are continuing to experience significant challenges in finding the right homes for a small number of our cared for children and young people, and this is also impacting on the cost of placements.
- 6.5.9. Early Help and Prevention – Household Support Fund** - Cheshire East Council, with the help of a wide range of local partners, has distributed vouchers worth £2.2 million on behalf of the Department of Work and Pensions to support the most vulnerable households across the borough with food, utilities, housing costs, and other essentials. The money was our share of the government's £500 million Household

Support Fund which ran from 6 October 2021 to 31 March 2022. The fund is available to support both adults (without dependent children) and families with children and is available to vulnerable households who need additional financial support. The fund has since been extended from 1 April 2022 to 30 September 2022, with an additional £2.2 million being supplied to Cheshire East.

- 6.5.10 Holiday Activities and Food Programme** - The government's Holiday Activities and Food Programme has run since April 2021, and has been extended to March 2023. The scheme provides enjoyable activities and nutritious meals for primary and secondary school aged children who are eligible for benefits-related free school meals during the school holidays. It is also an important source of support for children and families during the holiday period. As at 31 March 2022, over 50,000 hours of support had been provided to over 3,000 free school meal eligible young people, and over 20,000 healthy meals.
- 6.5.11 Adult social care** – Final payments have been made from the temporary government funding streams to support the care market including the Infection Control Fund, Testing and Vaccination, and Workforce Recruitment and Retention Funding (WRRF). In total £19.14 million of government funding was provided to support Adult Social Care in Cheshire East over the two years of the pandemic. Though welcomed by providers, the short term and prescriptive nature of the funding meant it could not address longer-term recruitment and retention issues in the sector.
- 6.5.12** Recruitment and retention pressures on the care market continue due to competition from the retail and hospitality industries and this is impacting on the ability to discharge medically fit patients from hospital. This has settled to a small extent in care homes but continues in care at home services where increases in fuel costs are exacerbating the issue. A proportion of the final tranche of the WRRF was paid to care at home providers to support their careworkers with fuel costs, and a task and finish group has been established with provider representatives to support the market. An increased fee uplift of 14% (from 6%) has been agreed with the additional costs funded from Better Care Fund so that providers are able to offer staff enhanced rates of pay. The beneficial effect of this is starting to be felt with improved retention of staff and a small increase in new staff joining as rates of pay begin to match those in the hospitality and retail sectors.

6.5.13 Care homes continue to be impacted by the virus and at the time of writing, 21 care homes and one supported living setting are in outbreak. The risk based assessment tool for unlocking admissions into care homes agreed by Public Health and the Infection Prevention Control team to be safe to admit with the appropriate controls in place continues to be used and is having a positive impact on hospital discharges. This has been developed in accordance with the latest government guidance. Providers have complimented and thanked officers for their timely response and support, offered in the face of frequently changing guidance and new understanding of the virus. This support has included (but is not limited to) ready provision of large quantities of PPE purchased by the council on behalf of care providers, regular mutual aid calls, weekly calls offering support, passporting government grants and council funding, IPC visits and training provided by the Cheshire Clinical Commissioning Group (CCG).

6.5.14 The Government has now revoked the mandatory requirement for care staff to have been fully vaccinated. However, the council continues to monitor the percentage of care home staff and residents who have had the vaccination. At the last count 99% of staff had received both vaccinations and 60% had received the booster vaccination. The roll out of a second booster jab is underway for eligible staff and residents.

6.5.15 A joint project has been running with the council's Quality Assurance and Contracts team and the CCG encouraging care homes to complete the Better Care Data Security and Protection Toolkit (DSPT) to obtain their NHS email address to allow the homes to securely communicate and undertake remote video consultation and the reordering of prescriptions for residents. Our care homes have positively engaged with this offer and a good uptake was recorded for April. Joint local authority and CCG quality assurance visits have continued to take place within our care homes across the borough and a planned schedule of visits has been set for May.

6.5.16 **Tatton Park** – All facilities are open. Visit the website for information: www.tattonpark.org.uk/home.aspx

6.5.17 Waste and recycling collections

The increase in the tonnage of waste collected since the first lockdown when more people started to work from home has not yet reduced to pre-lockdown levels, although recycling levels remain encouragingly high. Disruption to individual rounds on a daily basis as a result of staff absences has now stabilised with the need to suspend rounds now

occurring infrequently. Suspended rounds are generally being collected within 1-5 working days of their scheduled collection day. The increased tonnages of waste could result in cost pressures into 2022-23 if the tonnages do not reduce to pre-pandemic levels.

6.5.18 Planning

The caseload within the Planning service remains exceptionally high and most applications are taking 4-6 months to determine, although the backlog of applications has reduced, albeit slowly, from the peak of 2,882 at the end of October 2021 to 2,654 at the end of March 2022. Valid applications continue to be registered and the appropriate publicity and consultations are taking place but allocation to a case officer is being delayed to manage workloads. An external provider has been procured to provide additional resources to help address the backlog of applications over the next 6 months. We continue to recruit to fill staff vacancies on a permanent basis and explore options to increase resource capacity on a temporary basis. To help develop greater resilience and improve service standards in the longer term, a deep dive review of the service is being undertaken with a Members Advisory Panel established to support and advise the review. This will be reported to the Environment and Communities Committee.

6.6 Business Grants Update

At the end of December 2021, Government announced a further round of grants with the introduction of support for hospitality and leisure businesses in England as a response to the Omicron variant. This included the **Omicron Leisure and Hospitality Grant**, which was a one off payment based on a business's rateable value and subject to appropriate eligibility criteria.

At the same time, the Government announced a further Top Up to the Additional Restrictions Grant to enable Councils to award discretionary grants to businesses through locally designed schemes. Cheshire East distributed its ARG allocation under the following grant policy and schemes;

The **Business Interruption Fund** was available to support all businesses, based in the Borough that are able to demonstrate they have been impacted by the pandemic, including the latest Omicron variant. To be eligible, a business must demonstrate that they are either: operating at reduced capacity due to staff shortages as a result of Covid-19 or; have had to close for operational reasons due to Covid-19 or; that

cashflow has been disrupted due to reduced customer demand or supply-side issues as a result of Covid-19.

The **Recovery and Growth Grant Programme** aimed to support economic recovery and assist businesses that are seeking to grow, adapt, diversify, and expand their current operation to support long-term sustainability. The grant was made available for businesses seeking to invest in their premises, facilities or equipment that will enable them to re-open quickly, bring staff and customers safely back to work or to capitalise on new opportunities. access improvements / amendments (i.e. motion sensor doors, queueing adaptations, one-way set-ups, improvised waiting areas etc)

The closing date identified by the Council for applications was 11th February with final payments to be made by 31 March 2022.

The Council successfully achieved full payment of allocated funds for Discretionary Grants by that deadline date.

Addressing the complete timeline of support since the first lockdown in March 2020, and the introduction of **Discretionary Grant support** from June 2020, the Council's Economic Development Service has assessed 4,114 grant applicants and awarded 2,374 grants.

In addition, the Cheshire East Recovery & Growth Programme was set up and delivered support to more than 350 businesses to help develop recovery and growth plans through an online portal and one-to-one consultancy support.

The Council Team are in the process of conducting an economic impact assessment report on the Recovery & Growth Programme to capture the benefits of the grants and business support on the recovery and growth of the beneficiary businesses.

Below is a summary table of the total amounts distributed via each discretionary grant scheme;

	Local Discretionary Grant Schemes	Period of Grant Scheme	Total Funding Allocated to Cheshire East Council	Total Amount Awarded	Total Number of Applications	Total Number of Payments Made to Businesses
2020 - 2021	Local Discretionary Grant Scheme	4 Phases: (1/6/2020 - 30/9/2020)	£ 4,356,000.00	£ 4,368,500.00	751	540
	ARG Initial payment and top up 1	14/10/2020 - 30/06/2021	£ 11,095,482.00	£ 11,095,482.00	2133	1102
2021 - 2022	ARG 2 nd & 3 rd Top Up		£ 4,232,452.00			
	Extended Restrictions Grant	13/09/21 - 14/10/2021		£ 430,500.00	249	187
	Business Interruption Fund	27/09/21 - 11/02/2022		£ 1,296,929.00	709	359
	Recovery & Growth Grant	27/09/21 - 11/02/2022		£ 2,427,474.00	272	186
	Recovery & Growth Programme (online portal and business support)			£ 77,549.00		
	TOTAL		£ 19,683,934.00	£ 19,696,434.00	4114	2374

The Discretionary Grant was supplemental to the main **National Grant Schemes for the Retail, Hospitality & Leisure** Sectors. These Main Grants were based on property and business rateable value and similar to the discretionary grants evolved over the period of the pandemic and became more focused to react to the parameters of each lockdown period.

Again, significant levels of support were applied across the Borough, as outlined in the table below;

	National Grant Schemes (Based on Rateable Values)	Period of Grant Scheme	Total Funding Allocated to Cheshire East Council	Total Amount Awarded	Total Number of Applications	Total Number of Payments Made to Businesses
2020 - 2021	Small Business Grant	One-off payment (1/4/2020 - 30/09/2020)	£ 91,158,000	£ 55,480,000	5549	5547
	Retail, Hospitality & Leisure Grant	One-off payment (1/4/2020 - 30/09/2020)		£ 31,506,939	1694	1680
	Christmas Support Payment	One-off payment (Dec 2020)	£ 274,000	£ 274,000	274	274
	Local Restriction Support Grant	4 phases based on Local Tiers: 14/10/2020 - 31/03/2021	£ 30,440,594	£ 23,467,717	5155	3185
	Closed Business Lockdown Payment	One-off payment (05/11/2020 - 01/12/2020)	£ 19,557,000	£ 14,838,000	4878	3062
2021 - 2022	Restart Grant	One-off payment (April 2021 - Aug 2021)	£ 21,294,675	£ 18,634,155	2137	2137
	Omicron Hospitality & Leisure Grant	Dec 2021 - 31/03/2022	£ 3,486,195	£ 2,641,462	745	745
	TOTAL		£ 166,210,464	£ 146,842,273	20432	16630

6.7 Future Workplace and engagement

6.7.1 Throughout the pandemic, we have provided frequent briefings to staff through a variety of methods. This includes written briefings, Conversation With/Question and Answer sessions, team meetings, TLC calls and wellbeing support. There have been three Pulse Surveys of staff which reported mainly positive feedback on how informed staff have felt. The summary of the latest results is included in the Workforce Strategy Update, elsewhere on the agenda.

6.7.2 Member decision-making meetings have been held face-to-face since the remote meeting regulations expired. Appropriate health and safety and risk assessments have been undertaken to protect participants. The Government conducted a consultation on future arrangements between 25 March and 17 June 2021 to inform consideration of permanent provisions. Any permanent provision would require primary legislation and would depend upon available Parliamentary time. The department has considered responses to the Call for Evidence and the Minister, Kemi Badenoch MP confirmed on 19 April 2022 that the Government will respond shortly.

- 6.7.3** We have continued to engage with and listen to staff about new ways of working which meet customer, service and individual needs. Our recent *Spring Back Together* campaign is focused on building one team at Cheshire East Council and actively encouraging those staff who have been predominantly working at home to come back into workplaces again to re-connect with colleagues. The feedback from the week has been positive. Other events are planned in June. Following on from team based conversations about effective ways of working, team plans will now be developed which will allow us to identify whether changes to policies are required to embed the new ways of working. Work is also progressing on options for asset rationalisation.

6.8 Recovery planning

- 6.8.1** At the sub-regional level, the multi-agency group that brings together key partners including local government, health, police, the local enterprise partnership enables feedback and escalation to central government was formally stood down on 31st March 2022.
- 6.8.2** The Cheshire East CEMART arrangements were stood down on 22 April 2022. It can be stepped back up as and when necessary.

7. Consultation and Engagement

- 7.1** Consultations have resumed, although they are predominantly through digital or remote means.

8. Implications

8.1 Legal Implications

- 8.1.1** The UK Government has now moved to a policy of living with Covid-19 and away from deploying regulations and requirements in England, to be replaced with specific interventions for Covid-19 with specific interventions and public health measures and guidance.

Remaining domestic restrictions were removed earlier this year, which included the legal requirement to self-isolate following a positive test. Although those testing positive are still advised to stay at home and to avoid contact with other people. People are advised to take a LFT on the 5th and 6th day – if these results are negative, they can go about their normal routine. The Health Protection (Coronavirus, Restrictions) (England) (No.3) Regulations were also revoked. Local authorities will continue to manage local outbreaks of

COVID-19 in high risk settings as they do with other infectious diseases.

The COVID-19 provisions within Statutory Sick Pay and Employment and Support Allowance regulations ended on 24 March. People with COVID-19 may still be eligible, subject to the normal conditions of entitlement.

- 8.1.2** The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 have expired. The High Court determined that primary legislation would be necessary to allow remote meetings to continue. There was no reference to such legislation in the Queen's Speech on 12 May. Essential meetings including planning and licensing committees, are taking place in person with appropriate COVID-19 measures such as ensuring adequate ventilation, separation distances and the requirement for attendees to wear face masks unless sat during the meeting.

8.2 Financial Implications

- 8.2.1** The financial implications of the Covid-19 pandemic on the Council relate to the need to incur additional expenditure to meet the needs of our community and to continue to provide services; losses in income from sales, fees and charges; and reductions in council tax and business rates income. The effect on the Council's budget and its Medium Term Financial Strategy are influenced by the Government's approach to funding. Government policies and strategies in this regard evolved over time, since March 2020; but essentially financial support to the Council and for our Borough has been provided in the following forms:

- Unringfenced grant
- Sales, fees and charges compensation scheme
- Tax income guarantee
- Specific grants
- Deferment of financial impacts on Capital Programme and Collection Fund

- 8.2.2** With regard to unringfenced grant received from Government for Covid-19 purposes, as at 31 March 2021 the balance held in an earmarked reserve for future use was £5.153m. For the 2021/22 financial year, the Council was allocated £8.508m in unringfenced grant; and the sales, fees and charges scheme was also extended

to provide some compensation for losses in income compared to budget, for the April to June 2021 period.

- 8.2.3** The draft final position for the 2021/22 financial year is summarised in the table below. The Committee may wish to note that with pressures on Service budgets totalling some £8.6m, and following the compensation receivable for income losses and capitalisation of some expenditure, where appropriate, not all of the unringfenced Covid grant allocation for the year was utilised. Consequently, some £6m in grant will be carried forward into 2022/23, as anticipated in the MTFS, to help cover certain 'Covid scarring' costs/ financial pressures, that will continue for some time due to the effects of the pandemic on Council services.

Service expenditure and income losses

	Expenditure	Income	Net
	£000	£000	£000
Service costs/ losses above Budget	5,191	3,434	8,625
Less:			
Sales, fees & charges compensation - 2021/22			(872)
Capitalisation of expenditure			(81)
Net pressures in year			7,672
Unringfenced Grant			
Balance of grant brought forward 1 April 2021			5,153
Unringfenced grant allocation 2021/22			8,508
Less - net pressures in year as above			(7,672)
Balance of grant carried forward 31 March 2022			5,989

- 8.2.4** Implications for council tax and business rates will continue to be managed within the Collection Fund, over the medium term, and are not expected to have an immediate effect on the Council's revenue budget in 2022/23. Draft final estimates for last year show losses in receipts of £3m on council tax, and £7m on business rates, as at 31 March 2022.

- 8.2.5** The Council was also allocated some £88m for 2021/22 in specific grants, to continue to support outbreak management, infection control in care homes, and to provide businesses with support and restart grants, along with other grants to support residents.

- 8.2.6 Reporting to Government**

Reporting of the Council's position continued to be submitted frequently to DLUHC as required, in the specified format; and those returns are published on the Cheshire East website:

[Open data and transparency \(cheshireeast.gov.uk\)](https://cheshireeast.gov.uk)

[Search for 'covid' | Insight Cheshire East \(arcgis.com\)](https://arcgis.com)

Over the last two years, the Council supported lobbying by the LGA and CCN in their aim to ensure fair settlement of the financial pressures facing local authorities.

8.3 Policy Implications

- 8.3.1** COVID-19 is having a wide-ranging impact on many policies. Any significant implications for the Council's policies are outlined in this report.

8.4 Equality Implications

- 8.4.1** Work has continued to improve accessibility of the vaccine, particularly for those who are vaccine hesitant or less able to travel to vaccination centres Targeted efforts are in place to ensure everyone in our communities has access to vaccination, with additional support to those with greater need, where possible. A recent example is the provision of multiple vaccination sites in Crewe.
- 8.4.2** We carried out individual risk assessments for staff with protected characteristics, particularly in relation to BAME colleagues and staff with a disability and have issued regular reminders to keep these under review as circumstances may change. Further work is being done to support staff who may be vaccine hesitant, including BAME staff.

8.5 Human Resources Implications

- 8.5.1** Sickness absence has continued to be reported, although the frequency has been stepped down to monthly, given the drop in infection levels. The latest data on staff absences on 19 May 2022 are 15 (31 in January) staff self-isolating and working from home, no members of staff self-isolating and not working from home (1 in January) (role does not allow), 14 (45 in January) Covid-related sickness absences, and 124 (129 in January) non-Covid-related sickness absences.
- 8.5.2** There has been no update on the staff vaccinations. As at 24 January 2022, 1900 staff are eligible for vaccinations due to their role. Of these, 95.3% have had a first vaccination and 94.1% have

had their second vaccination. Data on boosters not been collected.

8.5.3 The pandemic has exposed capacity pressures and skills shortages, for example, public health professionals, enforcement officers, care workers and school support staff. In addition, the challenging financial context and re-prioritisation of work has meant that vacant posts in some service areas have not been automatically filled. Work continues to provide short and longer term resourcing solutions in a challenging recruitment market.

8.5.4 There continues to be regular communication with staff and good co-operation with the Trade Unions.

8.6 Risk Management Implications

8.6.1 The risk environment around COVID-19 remains dynamic. Risk registers have been maintained as part of the Council's response to date and the plans for recovery. Business Continuity Plans have been invoked over December/January period in a number of services are being kept under review and have been invoked following the Omicron surge.

8.7 Rural Communities Implications

8.7.1 COVID-19 has had an impact across all communities, including rural communities. The support for small businesses will support rural business.

8.8 Implications for Children & Young People/Cared for Children

8.8.1 There are implications for children and young people. There are implications for schools, early help and prevention and children's social care which are summarised in the report.

8.9 Public Health Implications

8.9.1 COVID-19 is a global pandemic and public health emergency. There are implications for Cheshire East which are summarised in the report.

8.10 Climate Change Implications

8.10.1 There have been positive benefits of fewer cars on the road during the first 12 months of the pandemic, although traffic levels are now exceeding pre-pandemic levels. Those staff who have been able to work from home have done so and business mileage has also reduced. There has also been lower demand for heating/lighting

offices. The emerging Future Workplace Strategy will carefully consider how to embed carbon reduction.

National Highways data shows that on the UK strategic road network traffic is 107% of pre-pandemic levels. There are a number of reasons for this:

- Public transport use levels are still significantly lower. CEC public transport use is 65%-70% of pre-pandemic levels.
- A sharp increase in value and purchasing second hand cars apparently due to people seeking own transport to avoid using public transport.
- A significant increase in online shopping associated increase in local delivery journeys
- A significant increase in people vacationing in the UK rather than overseas.

9 Ward Members Affected

9.1 All members.

Access to Information	
HM Government website contains comprehensive information.	
Contact Officer:	Jane Burns, Executive Director of Corporate Services Jane.burns@cheshireeast.gov.uk 01270 686013
Appendices:	None
Background Papers:	COVID-19 Response - Living with COVID-19.docx (publishing.service.gov.uk)

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Working for a brighter future together

Audit & Governance Committee

Date of Meeting:	28 July 2022
Report Title:	Draft Pre-Audit Statement of Accounts 2021/22
Report of:	Alex Thompson, Director of Finance & Customer Services
Report Reference No:	AG/38/21-22
Ward(s) Affected:	All

1. Executive Summary

- 1.1. This report confirms that the Council will publish, on its website, its pre-audit Statement of Accounts for year ended 31st March 2022, alongside its draft Annual Governance Statement.
- 1.2. Information on the 2021/22 pre-audit Statement of Accounts, for the Cheshire East Group of Companies and for the single entity of Cheshire East Borough Council, will be presented to the committee. This step is taken to provide committee members with an early summary of the accounts, which will help them in advance of any formal responsibility to approve the accounts.
- 1.3. The Council produces an Outturn Report for the year that reflects the Council's financial and non-financial performance, this was reported to Finance Sub Committee on 6th July 2022.

2. Recommendations

- 2.1. Members' note the summarised position of the accounts for year ended 31st March 2021 based on the presentation provided at this meeting and included in this report at Appendix 1.
- 2.2. Members' note the dates in relation to the approval process for the Statement of Accounts.

3. Reasons for Recommendations

- 3.1.** The Accounts and Audit Regulations 2015 require the Audit and Governance Committee to approve the Statement of Accounts after the external audit is completed.
- 3.2.** To support this responsibility the Committee is provided with an overview of the key issues within the draft Statement of Accounts before the external audit work is completed. This allows committee members adequate time to scrutinise the statements ahead of the deadline for approval.
- 3.3.** The Department of Levelling Up, Housing and Communities (DLUHC) has put in place revised regulations that came into force on 22nd July 2022. The Accounts and Audit (Amendment) Regulations 2022 extend the statutory audit deadlines for 2021/22. The publication date for audited accounts has been extended from 31st July to 30th November 2022 for all local authority bodies. For subsequent years the deadline has been extended from the 31st July to the 30th September.

4. Other Options Considered

- 4.1.** Not applicable.

5. Background

- 5.1.** The Statement of Accounts for 2021/22 is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.2.** The Group statements consolidate the accounts of: Cheshire East Council and three wholly owned subsidiaries (Ansa, Orbitas and TSS); the accounts of a fourth wholly owned subsidiary (TPE), and one associate organisation (CWLEP), although part of the Group, are not consolidated on the grounds of materiality. This mirrors treatment of these organisations in 2020/21. The single entity statements for Cheshire East Borough Council will also be presented to the Committee for approval on 24th November 2022.
- 5.3.** The objective of the Statement of Accounts is to provide information about the organisation's financial performance that is useful to a wide range of interested parties. Its purpose is to give readers and stakeholders clear information about the Group's consolidated finances and to answer questions such as: what did services cost; where the money came from; what are the significant events this year; and what is the Group's net worth?
- 5.4.** Members are not required to approve the pre-audit statement of accounts for the Group or for the Council as a single entity. But the Director of Finance & Customer Services (Section 151 Officer) is providing the committee with an early indication of the key messages from these accounts before he signs them for publication. The Pre-Audit Statement of

Accounts will be published on the 29th July 2022 and the certified Statement of Accounts will be published by the 30th November 2022.

- 5.5.** The final audited Statement of Accounts will be presented to this Committee for approval on 24th November in time for publication by the deadline of 30th November 2022.

6. Consultation and Engagement

- 6.1.** The accounts will be available for public inspection for 30 working days between the dates of 1st August to 10th September 2022, between 10 am and 4 pm Monday to Friday.
- 6.2.** Any person may inspect, and make copies of the accounts and all books, deeds, contracts, bills, vouchers, receipts and other related documents of the Council for the year ended 31st March 2022, as stipulated in Section 25 of the Local Audit and Accountability Act 2014.

7. Implications

7.1. Legal

- 7.1.1.** The regulations arising out of the Local Audit & Accountability Act 2014 (Accounts and Audit Regulations 2015) prescribe statutory provisions regarding the overall format and approval procedures for authorities' financial statements. The detailed format of the Statement of Accounts is laid out annually by the Chartered Institute of Public Finance and Accountancy (CIPFA) in the form of the Code of Practice on Local Authority Accounting in the UK (the Code).
- 7.1.2.** The pre-audit Statement of Accounts must be signed by the Council's Section 151 officer and published by the required deadline following the financial year end. The pre-audit statements do not require committee approval, however it is deemed to be good practice to present the accounts to members before publication.
- 7.1.3.** The audited statements are to be approved by this Committee and published by the 30th November 2022.

7.2. Finance

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

authority. The Statement of Accounts is an important part of the Council's financial governance and stewardship arrangements.

7.3. Policy

7.3.1. None.

7.4. Equality

7.4.1. None.

7.5. Human Resources

7.5.1. None.

7.6. Risk Management

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

7.7. Rural Communities

7.7.1. There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

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

7.9. Public Health

7.9.1. There are no direct implications for public health.

7.10. Climate Change

7.10.1. There are no direct implications for climate change.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (S.151. Officer) alex.thompson@cheshireeast.gov.uk
Appendices:	Appendix 1 – Presentation - Summary Group Accounts 2021/22
Background Papers:	Statement of Accounts and Annual Governance Statement (cheshireeast.gov.uk)

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Alex Thompson
Director of Finance & Customer Services

2021/22 Draft Statement of Accounts

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Audit & Governance Committee

28th July 2022

Changes to Deadlines

The Accounts and Audit (Amendment) Regulations 2022

- The Accounts and Audit (Amendment) Regulations 2022 extend the statutory audit deadlines for 2021/22. The publication date for audited accounts has been extended from 31st July to 30th November 2022 for all local authority bodies.

Important Dates

July 28th	Committee receive presentation on draft SOA
August 1st	Public Inspection (30 working days to 10 th Sept)
September – November	Mazars on site for main audit
November 24th	Committee receive audit findings and SOA.
November 30th	Audited Statement of Accounts published

Approving the Accounts

- The Group Accounts require the approval of the Audit & Governance Committee.
Recommendations will be made at the Committee meeting on 24th November 2022.
- Each entity within the group also has a set of accounts that require approval, either by the Committee or a Company Board.
- The Cheshire East Group accounts are audited by Mazars LLP.
- The companies accounts are audited by Grant Thornton UK LLP.

Cheshire East Group 2021/22

Cheshire East Borough Council

Wholly owned companies

CERF

Ansa Ltd

Orbitas Ltd

Transport
Service
Solutions Ltd
(ceased trading
31st March
2022)

Tatton Park
Enterprise Ltd

Not consolidated due
to materiality

Cheshire &
Warrington Local
Enterprise
Partnership
Not consolidated

Associate

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Cheshire East Group

Statement of Accounts 2021/22

Supporting Narrative

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

Management Accounts headlines

- Group useable reserves increased by £1.6m to **£166.9m**
 - 92% of useable reserves have been earmarked
 - Revenue spending (including Covid-19 related) was **£303.7m**
 - Net underspend was **£1.1m**
 - General Fund Balance increased from £11.5m to £12.6m
 - Wholly Owned Companies spending was **£54.8m**
 - Wholly Owned Companies achieved a surplus of **£0.047m**

Cheshire East Council make up 99% of the Group

Cheshire East Borough Council – Management Accounts

- **£303.7m of Net revenue spending** supported services, a decrease of £53.5m (15%) from 2020/21.
- **Included Covid Related expenditure:**
 - £7.3m Un-ringfenced emergency grant
 - £0.872m for loss of sales, fees & charges income
- **£286.0m of Council Tax and Business Rates** were managed through the Collection Fund.
- **£84.5m of Capital Spending** was completed.

Cheshire East Group – 2021/22

Movement in reserves (£m)	Usable	Unusable	Total
Opening Balance	165.3	49.4	214.8
I & E Surplus/(Deficit)	(50.0)	226.9	176.9
I & E (Adjustments)	51.6	(51.6)	0.0
Change	1.6	175.3	176.9
Closing Balance	166.9	224.8	391.7

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Increases: pension liability, earmarked reserves;

Cheshire East Group - 2021/22

Income & Expenditure (£m)	2020/21	2021/22
Cost of Services	358.7	393.8
Other Income & Expenditure	44.3	47.8
Taxation and Non-Specific Grant	(391.2)	(391.6)
(Surplus) or Deficit on Provision of Services	11.8	50.0
Revaluation of Assets	(4.2)	(24.2)
Pension Liability	207.8	(202.7)
Total I & E (Surplus) or Deficit	215.4	(176.9)

Cheshire East Group – 2021/22

Balance Sheet (£m)	2020/21	2021/22
Long Term Assets	1,107.0	1,134.5
Current Assets	151.1	131.5
Current Liabilities	(330.6)	(323.6)
Long Term Liabilities	(712.8)	(550.7)
Net Assets	214.7	391.7
Usable Reserves	165.3	166.9
Unusable Reserves	49.4	224.8
Total Reserves	214.7	391.7

Positive impact: LT Investments; Short Term Debtors; Long term borrowing

Negative impact: Short term Creditors; Pensions Liability

Cheshire East Group

Cashflow (£m)	2020/21	2021/22
Opening Balance – cash & cash equivalents	33.7	31.7
Closing Balance	31.7	40.8
Net Increase / (decrease) in cash & cash equivalents	(2.0)	9.1

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What to do now....

Members of the Committee should consider:

- Quality of the supporting narrative
- Relevance of the information provided
- Transparency of the accounts
- Engage with the Finance Team on any queries up to the Committee Date (24th November)

The Finance Team will:

- Work with Mazars to complete the audit.
- Promote the public engagement opportunities
- Finalise the accounts based on feedback



Working for a brighter future together

Audit and Governance Committee

Date of Meeting:	28 th July 2022
Report Title:	Production of the Annual Governance Statement 2021/22
Report of:	David Brown, Director of Governance and Compliance Services
Report Reference No:	AG/34/21-22
Ward(s) Affected:	All wards

1. Purpose of Report

- 1.1. The purpose of this report is for the Committee to receive an update on the production of the Annual Governance Statement (AGS) for 2021/22.

2. Executive Summary

- 2.1. Each year, Cheshire East Council produces an Annual Governance Statement that explains how it makes decisions, manages its resources, and promotes values and standards of conduct and behaviour. The review is carried out against the Council's Code of Corporate Governance. The statement will reflect activity over the 2021/22 financial year, but also needs to be relevant up to the date of approval of the Council's Statement of Accounts.
- 2.2. Due to delays in finalising the 2020/21 Annual Governance Statement, and in line with the planned timescale for the production and audit of accounts the 2021/22 Annual Governance Statement will be brought as a draft to the September meeting, and a final to support the accounts presentation in November. This ensures that the AGS supports the timescale for the production and audit of the 2021/22 accounts

3. Recommendations

- 3.1. That the Committee notes and endorses the process for the production of the 2021/22 Annual Governance Statement.

4. Reasons for Recommendations

- 4.1.** In accordance with the Accounts and Audit Regulations 2015, the Annual Governance Statement should be approved by Members of the Council meeting, or by a Committee, at the same time as the Statement of Accounts is approved and (usually) no later than 31st July. The Audit and Governance Committee has delegated authority to approve the Annual Governance Statement.
- 4.2.** The approach to the production of the AGS 2021/22 set out in this report will ensure the Committee receives the AGS 2021/22 to approve in November 2022.

5. Other Options Considered

- 5.1.** Continuing with the prior year approach of a draft AGS presented in July; this is not recommended as the current AGS, whilst approved by committee, has not been signed off by external audit, so any findings could not be reflected.
- 5.2.** Delay the AGS until one year after the current AGS, meaning a presentation of no earlier than July 2023. This is not recommended as the 2020/21 AGS is being delayed for reasons which are not expected to recur. As such presentation of the AGS for 2021/22 is better aligned with the current timescales of the 2021/22 financial audit process.

6. Background

- 6.1.** In recognition of the ongoing impact of Covid-19, the Accounts and Audit (Amendment) Regulations 2021 amended the timescales of the publication of the audited statement of accounts and other documents from the 31st July to not later than the 30th September for the financial years 2021/22 and 2021/22.
- 6.2.** Following discussion and agreement with the external auditors and taking into account the impact of the pandemic and implementation of the new financial system, it was determined that the Council would operate to a November 2021 deadline for the 2020/21 accounts. However, due to the national issue on accounting for infrastructure assets, the sign off of the AGS was delayed, being approved at the January 2022 meeting of the Audit and Governance Committee.
- 6.3.** In practical terms, this means that the Committee approved an Annual Governance Statement which spanned 1st April 2020 to mid-January 2022. Whilst progress on the practical assurance activities which inform the Annual Governance Statement has been undertaken, there is currently significant duplication between the final 2020/21 AGS and the drafted statement for 2021/22, and as the period which the 2021/22 AGS will need to cover extends until November 2022, the draft AGS will be brought to the September 2022

meeting of the Audit and Governance Committee, and the final to the November meeting.

- 6.4.** The production of the AGS is co-ordinated by the Head of Audit and Risk, with support from members of the Internal Audit team. The inclusion of significant governance items in the AGS and the responsibility for any actions required lies with Corporate Leadership Team. Once the AGS has been approved by the Audit and Governance Team, it is signed by the Leader and Chief Executive of the Council and published on the Council's website.
- 6.5.** The AGS will be prepared in line with the requirements of the CIPFA/SOLACE guidance; the *Delivering Good Governance in Local Government* framework and against the Council's Code of Corporate Governance.
- 6.6.** The review of the effectiveness of the Council's governance framework will be informed by the work of Internal Audit, senior managers and comments made by the External Auditors and other review agencies/inspectorates. The sources of assurance include, but are not limited to:
- 6.6.1. Senior management assigned with the ownership of risks and delivery of services through the risk management process;
 - 6.6.2. The Section 151 Officer and the Monitoring Officer in meeting statutory responsibilities;
 - 6.6.3. Internal Audit through the annual and interim reports;
 - 6.6.4. External Audit through its reports to those charged with governance;
 - 6.6.5. Outcomes from other review agencies and inspectorates;
 - 6.6.6. Service managers who independently sign off on the adequacy of controls within their service areas via disclosure statements;
- 6.7.** The production of the AGS will be considered by the Corporate Leadership Team on an ongoing basis with the draft and final being informed by the following activities;
- 6.7.1. review and update of the Code of Corporate Governance and governance framework as necessary
 - 6.7.2. identifying the systems, processes and documentation that provide evidence of compliance:
 - 6.7.3. content and format of Management Disclosure Statements, self-assessments and questionnaires
 - 6.7.4. identifying the individuals responsible for monitoring, reviewing and providing assurance on the systems, processes and documentation identified

- 6.7.5. considering the extent to which the Council complies with the principles and elements of good governance set out in the CIPFA/SOLACE Framework using:
- Self-assessment of the Organisation's performance against its Code of Corporate Governance
 - Completion of Disclosure Statements
 - Self-assessment of Internal Audit against the Public Sector Internal Audit Standards
 - Assessment of the effectiveness of the Audit and Governance Committee
 - Consideration of sources of external assurance as applicable (External Audit, Ofsted, Care Quality Commission etc.)
 - Assessment of the effectiveness of mitigating actions for strategic risks
 - Consideration of the Annual Internal Audit Opinion Report
- 6.7.6. identifying issues that have not been addressed in the Council and consider how they should be addressed, including items reported in previous Annual Governance Statements
- 6.7.7. identifying the individuals who would be responsible for undertaking the actions that are required.

7. Implications

7.1. Legal

- 7.1.1. The Production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit England Regulations 2015.
- 7.1.2. The timescales for approval of the AGS and Statement of Accounts have changed in recognition of the impact of the pandemic via The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021.
- 7.1.3. The preparation and publication of the Annual Governance Statement has is carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA): "Delivering Good Governance in Local Government (2016)".

7.2. Finance

- 7.2.1. There are no financial implications upon the Medium Term Financial Strategy; the production of the AGS is delivered within existing resources.
- 7.2.2. The production of the AGS aligns with the production of the Council's Annual Accounts and is published alongside the audited accounts.

7.3. Policy

- 7.3.1. There are no direct implications for policy.

7.4. Equality

7.4.1. There are no direct implications for equality.

7.5. Human Resources

7.5.1. There are no direct implications for human resources.

7.6. Risk Management

7.6.1. The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit England Regulations 2015 and updated by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021. Failure to do so could result in non-compliance with the requirements of the Regulations.

7.7. Rural Communities

7.7.1. There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

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

7.9. Public Health

7.9.1. There are no direct implications for public health

7.10. Climate Change

7.10.1. There are no direct implications for climate change.

Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit and Risk Management Email: Josie.griffiths@cheshireeast.gov.uk
Appendices:	n/a
Background Papers:	Annual Governance Statement 2020/21 – 22 nd January 2022, Audit and Governance Committee.

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Working for a brighter future together

Audit and Governance Committee

Date of Meeting:	28 th July 2022
Report Title:	Audit and Governance Committee – Annual Information Governance Update 2021/22
Report of:	Jane Burns, Executive Director Corporate Services
Report Reference No:	AG/42/21-22
Ward(s) Affected:	Implications are borough wide

1. Purpose of Report

- 1.1. This report provides an update on the Council's Information Assurance and Data Management (IADM) programme and outlines key aspects of the programme to assure the Committee that information continues to be treated and managed as a valued asset, with on-going measures to protect it in line with compliance and leverage it where possible to support enhanced service delivery and optimise business benefit.
- 1.2. The protection and management of information directly supports the corporate plan by means of enabling the organisation to be transparent, promoting and enabling services, underpinning the digital emergence of technologies and overall supporting the organisations vision to support compliance and security of information whilst delivering innovative services for Residents.

2. Executive Summary

- 2.1 This report provides the Audit and Governance Committee with an update on Information Assurance and to advise on progress made with the Information Assurance Programme during 2021/2022.
- 2.2. The Council relies on accurate and timely information and data for service areas to make informed decisions and fulfil the aims of the organisation and needs of its residents in a cost-efficient and effective way.

- 2.3.** This report outlines the progress made ensuring the Council matures its use of information and data through on-going compliance through key projects and initiatives which are underway to enable services to streamline information, enhance and unify business processes and delivery.

3. Recommendations

- 3.1.** That the Committee note the progress made on the Information Assurance Programme during 2021/2022, and the future vision to support ongoing compliance.

4. Reasons for Recommendations

- 4.1.** To provide the Audit and Governance Committee with an update on Information Assurance.

5. Other Options Considered

- 5.1.** Not applicable.

6. Background

- 6.1.** Information is a critical asset to many organisations, particularly so for local authorities where information is held in trust for its residents and the types of information processed are so diverse, varying in levels of sensitivity and risk. Handling of information and its assurance is essential to ensure that the organisation can meet its strategic objectives and ethical responsibilities.
- 6.2.** Information Assurance (IA) is a practice that addresses all risks to information and all manner of controls including technical, physical, procedural and personnel. IA is defined as the practice of managing information related risks.
- 6.3.** The Council has an Information Assurance and Data Management (IADM) Programme in place to support the adoption, improvement, and alignment of IA, including the centralised management of information, whether this be through technology, process or business change. Ultimately ensuring that the maturity and awareness of information being a strategic asset and how it should be processed, is increased across the organisation and underpinned by projects which support service delivery.
- 6.4.** The IADM programme is leading key projects which not only underpin the safeguarding of information but will also enhance the use of information which will enable the organisation to use information to its full potential where it is appropriate to do so.
- 6.5.** The Programme has used the Gartner's Enterprise Information Management (EIM) Maturity assessment tool to monitor progress and to provide an assessment for future workloads to increase the organisations maturity. The programme uses this assessment tool at the end of every delivery year, so comparisons can be made, reprioritisation and focus can

take place where appropriate and the programme business case can be aligned accordingly.

The tool assesses maturity by using four categories; *Highly Unbalanced*, *Somewhat Unbalanced*, *Somewhat Balanced* and *Highly Balanced* and assessments are made over seven themes:

- **Vision** – clear definition of business goals with the vision and initiatives in place to deliver against them it
- **Strategy** - the level of clarity, outline and communication pertaining to the organisations attitude and approach to information and how this generates benefit
- **Metrics** - demonstration of value beyond ICT teams, level of EIM alignment and support of enterprise performance improvements
- **Governance** - frameworks and accountability for the processing of information
- **Organisation and Roles** - an established organisation and structure which is accountable for EIM, a cross section of expertise focused on attaining enterprise goals
- **Lifecycle** - the proper flow and management of information from creation to deletion
- **Infrastructure** - components, information architecture and application needs

	Balance	Level	Overall Score	Vision	Strategy	Metrics	Governance	Org/Roles	Lifecycle	Infrastructure
2016/17 EOY	Somewhat Unbalanced	Proactive	2.72	3.07	3.63	3.25	2.69	1.90	2.33	2.20
2017/18 EOY	Somewhat Unbalanced	Proactive	2.52	3.03	3.64	2.13	2.43	1.90	2.34	2.20
2018/19 EOY	Somewhat Balanced	Proactive	3.01	3.29	3.61	2.82	2.95	2.97	2.74	2.67
2019/20 EOY	Somewhat Balanced	Proactive	3.18	3.25	3.65	3.26	2.96	3.06	3.05	3.05
2020/21 EOY	Somewhat Balanced	Proactive	3.30	3.26	3.81	3.38	3.02	3.11	3.28	3.24
2021/22 EOY	Somewhat Balanced	Proactive	3.35	3.37	3.71	3.59	2.97	3.20	3.35	3.26

- 6.6.** Over the last five years, IADM has self-assessed with the following outcomes, all scores are out of 5, and the assessment is made by aligning back to delivery, business engagement and commissioning.

- 6.7.** At the end of the financial year 21/22, using this tool the Council has achieved a maturity rating of “Somewhat Balanced”. The description for “Somewhat Balanced” is:

“These organizations typically have become more proactive in addressing certain areas of information management and have started to put the “enterprise” in enterprise information management”.

- 6.8.** Overall, the maturity has improved over delivery periods, however the table does highlight scores where maturity has regressed. This is to be expected when significant deliveries are underway which challenge the organisations behaviours, ways of working and importantly, in IADMs case, the ownership of information and associated activities.
- 6.9.** A number of key regulatory and internal changes have impacted on the scores and at times resulted in regression of the scores, i.e., a notable regression can be seen at the end of 17/18 due to the impending changes from the GDPR / Data Protection Act 2018. During the later years of regression, IADM has been tackling investigations into large areas of data with unknown content types and associated retention periods amongst other projects and so it is to be expected, as IM issues are understood that the scores will regress, but also as deliveries such as ECM and MDM are implemented the scores will increase and stabilise.
- 6.10.** The end of year assessment for 21/22 shows a reduced score in the Strategy and Governance scores. The Strategy score has reduced as a consequence of the initial findings with Enterprise Content Management (ECM), this workstream is tasked with harmonising the way content is processed across several content management platforms, in doing this IADM has discovered several disparate ways in which content is being processed and managed. This was to be expected and ECM will embed consistent ways to manage information with consistent taxonomies across service areas, thereby ensuring reliable management of information in line with the Strategy and adoption of technology, business process and changes in behaviour. IADM has published a strategic view of how information must be managed consistently, and now the programme will focus on implementing this operationally.
- 6.11.** The Governance has a reduced score due to increased activity and scope of Master Data Management (MDM), this workstream is tasked with harmonising key data fields which are used across the authority within several teams for varying reasons, often these fields are out of step and are

managed in different ways. MDM, as it is deployed and adopted, will enable more automation of Data Quality and formalised ownership of data where it is required. Adoption of MDM will lead the standardisation and harmonisation of the core data fields, resulting in a master record of fields which will be consistent across the authority irrespective of the business area or system. These standard data fields across multiple systems and service areas will ensure that management and governance across the organisation will improve data quality in a consistent manner.

6.12. The direction and delivery of IADM is focussing on these themes through several different channels with the aim to increase the organisations maturity levels, by doing this, the authority can be assured that information is being protected and utilised in ways which benefit both service delivery and compliance.

6.13. The aim of programme is to increase the maturity and move the overall assessment to a level of Highly Balanced which will ensure that information is used efficiently and consistently across the organisation. IADM is not striving for best practice for best practice's sake, the programme is focussing on pain points so improvements in maturity don't only lend themselves to strategic success but improve and optimise delivery.

6.14. Vision

6.14.1. The IADM Programme has published an Information Management Strategy (Appendix 1) which outlines this vision:

- We will be an information centric organisation
- Information will be at the heart of all we do and is recognised to be central to service delivery
- Information management is embedded and owned within services areas, it is seen to be a part of all roles and not just a centralised function
- Information is safe, secure, of good quality and accessible to users so they can deliver services efficiently and accurately

6.14.2. With the strategy in place, the programme is now working to provide a corporate information management framework underpinned by the required technology platforms to centralise information. This will comprise of several disciplines, from knowledge management, to master data management, to information governance. The programme will continue to be clear on the vision, but also will work with services and technology to implement this vision. The programme will ensure that business engagement is central to adoption, and will provide clear strategy, best

practice guidelines and core processes on how information should be used, processed and managed throughout its lifecycle.

6.15. Strategy

6.15.1. The Programme is delivering several workstreams which will impact the fundamental workings of the organisation when it comes to content, and so the programme has already published several strategies to support this including Master Data Management, Business Intelligence, and Information Management. The programme will also deliver strategies related to Enterprise Content Management and Location Management, all will support the Information Management strategy, adopting the core principles and themes.

6.15.2. All IADM published strategies will commit to growing an environment which enables the organisation to:

- Work flexibly, where and when it best suits the workforce, their customers and service users
- Ensure reliable, timely and accessible information that drives informed decision making, service commissioning and business transformation
- Enable a flexible, scalable, and secure logical information platform that enables the correct levels of assurance and governance whilst enabling the workforce
- Centralise information that is consistent, accurate, usable, and accessible across all services
- Standardise information across the organisation without obstructive silos pertaining to data, process, technology.

6.16. Metrics

6.16.1. To truly deliver valued use of information, it will be fundamental that value is demonstrated beyond ICT teams and applications. IADM has focussed on enhancing business knowledge and ownership of information and this continues to mature practices in the business areas and operationally.

6.16.2. Key projects under the programme will enhance information management and processing of information for the services. MDM will harmonise and synchronise data across several systems to create a common understanding of our residents and employees.

6.16.3. IADM is also ambitious to enhance areas such as knowledge management and profiling to support enhanced use of information and technology. The

programme has recently published a one-page infographic outlining these ambitions for the future (Appendix 2).

- 6.16.4.** With the implementation of significant projects such as ECM and other information management disciplines, the organisation will have the confidence that irrespective of where in the environment the information sits, it will have a standard set of controls, which meet compliance requirements. These may include retention dates and metadata (such as content type or protective marking) embedded within the information which supports or limits sharing. It will also support the assignment of protective marking to limit or support practices and behaviours.
- 6.16.5.** IADM will continue to manage a business change plan with communications into leaders of the organisations, underpinned by working and steering groups which will own various parts of delivery. This will ensure IADM delivery is aligned to the real-world issues and solutions, it will also continue to raise the maturity through expert knowledge outside of the core programme and Information Governance (IG) teams, and foster ownership of IG and information within business teams.

6.17. Governance

- 6.17.1.** The IADM programme is ensuring that appropriate governance, practices and processes are in place so that risks are managed and opportunities to share and use information are realised. IADM works in harmony with the Information Governance Group (IGG), supporting with business change projects where IGG note a corporate requirement.
- 6.17.2.** The programme has and will continue to achieve appropriate levels of governance through a combination of information management disciplines such as Enterprise Content Management, Document and Records Management, Master Data Management and Data Quality Management.
- 6.17.3.** IADM continues to define and lead the requirements for information governance across the organisation. It utilises existing governance arrangements such as IGG which supports the Senior Information Risk Owner (SIRO) who takes overall ownership of the organisation's information risk management policy, and the Data Protection Officer who is responsible for ensuring the organisation's data protection compliance.

6.18. Organisation and Roles

- 6.18.1.** The programme is working within the organisation to raise the understanding of information types, irrespective of format or physicality,

and where these information types should be held and why. For example, the need to understand that emails holding case or business-related content should not be stored within the email system because the information should be understood as a corporate record and held with the right case record or content system. IADM has now been able to email retention policies to automate this practice, having given a long period of time for users to adopt this changed behaviour. IADM has and will continue to work with colleagues and services whilst also leveraging technology to automate and streamline IM where possible.

6.18.2. IADM has been and will continue to place focus and importance on the “Data Steward” role which operationally works with and processes information within the business. The organisation has a well-rounded group of subject matter experts to support IM, but it will also be the Data Steward roles at the business level to adopt correct processes and behaviours, which will enhance organisational maturity.

6.18.3. As part of a comprehensive multiyear training approach, a number of mandatory e-learning modules have been produced under the umbrella of Protecting and Managing Information (PAMI) for all staff to complete. In addition, several guides have been produced to provide clear guidance on how to continue to handle, store, share and protect information responsibly in the changing environment that we continue to work in.

6.18.4. Organisational training is essential to successful adoption of compliant behaviours and enhanced maturity for operational information management. IADM will continue to deliver annual mandatory training to support on-going knowledge building and compliance.

6.19. Lifecycle

6.19.1. Information Management disciplines will give the organisation a set of defined processes and tools to allow the business to effectively organise and store information, and so will support the vision of managed information throughout its lifecycle. This will include managing the entry of information into systems, so content is controlled from the point of creation to deletion.

6.19.2. Content Management and Records Management are a central part of realising a standardised, simplified, and rationalised way in which content is held, used, stored, and destroyed across the organisation thereby ensuring its compliance across its lifecycle.

- 6.19.3.** In this way the organisation will understand the information it has, where it is held through the Information Asset Register (IAR) and be assured that it's being held for the correct period. Standardising the classification and retention of content through the ECM projects is central to this adherence to compliance.

6.20. Infrastructure

- 6.20.1.** Therefore, throughout 20/21, the programme has been testing, configuring and implementing various tools, applications, and infrastructure to support key areas of the programme such as MDM, ECM, Digitisation and Information Assurance. The programme will leverage technologies such as SharePoint Online which allow the organisation to mature practices such as search, storing, automate and lifecycle management.
- 6.20.2.** The programme has successfully implemented a centralised Geographical Information System (GIS) which holds corporate special data which is consumed by line of business systems and will continue to align systems to the corporate information platforms. The similar approach has been achieved with location data, with centralised gazetteers and utilisation of the Unique Property Reference Number (UPRN) and Unique Street Reference Number (USRN).

7. Consultation and Engagement

7.1. Legal

- 7.1.1.** The Council must comply with the General Data Protection Regulations (GDPR), the Data Protection Act 2018, the Computer Misuse Act 1990, the Freedom of Information Act 2000 and other relevant legislation in particular that relating to retention of information.
- 7.1.2.** At the heart of GDPR are the data protection principles, the IADM programme in particular addresses the following principles:
- 7.1.2.1.** Data minimisation – organisations must ensure that personal data they process is adequate, relevant, and limited to what is necessary.
- 7.1.2.2.** Accurate – where necessary ensure that personal data is accurate and up to date.
- 7.1.2.3.** Storage limitation – personal data must not be kept for longer than required by an organisation, a policy setting standard retention periods is required and applied.
- 7.1.3.** GDPR has brought in substantially higher levels of penalties for data controllers than the previous legislation, up to € 20 million (£17m) or 4% of annual worldwide turnover although it is capped at €20 million for public

authorities. GDPR has also introduced fines for data processors. The Council needs to understand what data they control and what is processed on their behalf and build data protection into its day-to-day processes to ensure that it and organisations processing data on its behalf are compliant.

7.2. Finance

- 7.2.1.** There are no financial implications but as the report highlights, failure to appropriately manage data and information could leave the council open to financial penalties.

7.3. Policy

- 7.3.1.** The Council's internal policies on Data Protection, ICT Security and Information Assurance will reflect any changes identified as part of the GDPR, the Data Protection Bill and the Data Protection Act 2018.

7.4. Equality

- 7.4.1.** Equality impact assessments will be considered when required.

7.5. Human Resources

- 7.5.1.** Under the new GDPR data subjects have a number of rights in relation to their personal data, including confirmation as to whether or not personal data concerning them is being processed, where and for what purpose. This requirement cannot be met if information is not managed in a compliant manner or used as a storage mechanism for information.

7.6. Risk Management

- 7.6.1.** Any changes to the risk profile of information and the Council will be detailed within the corporate risk register.

7.7. Rural Communities

- 7.7.1.** There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

- 7.8.1.** There are no direct implications for children and young people.

7.9. Public Health

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

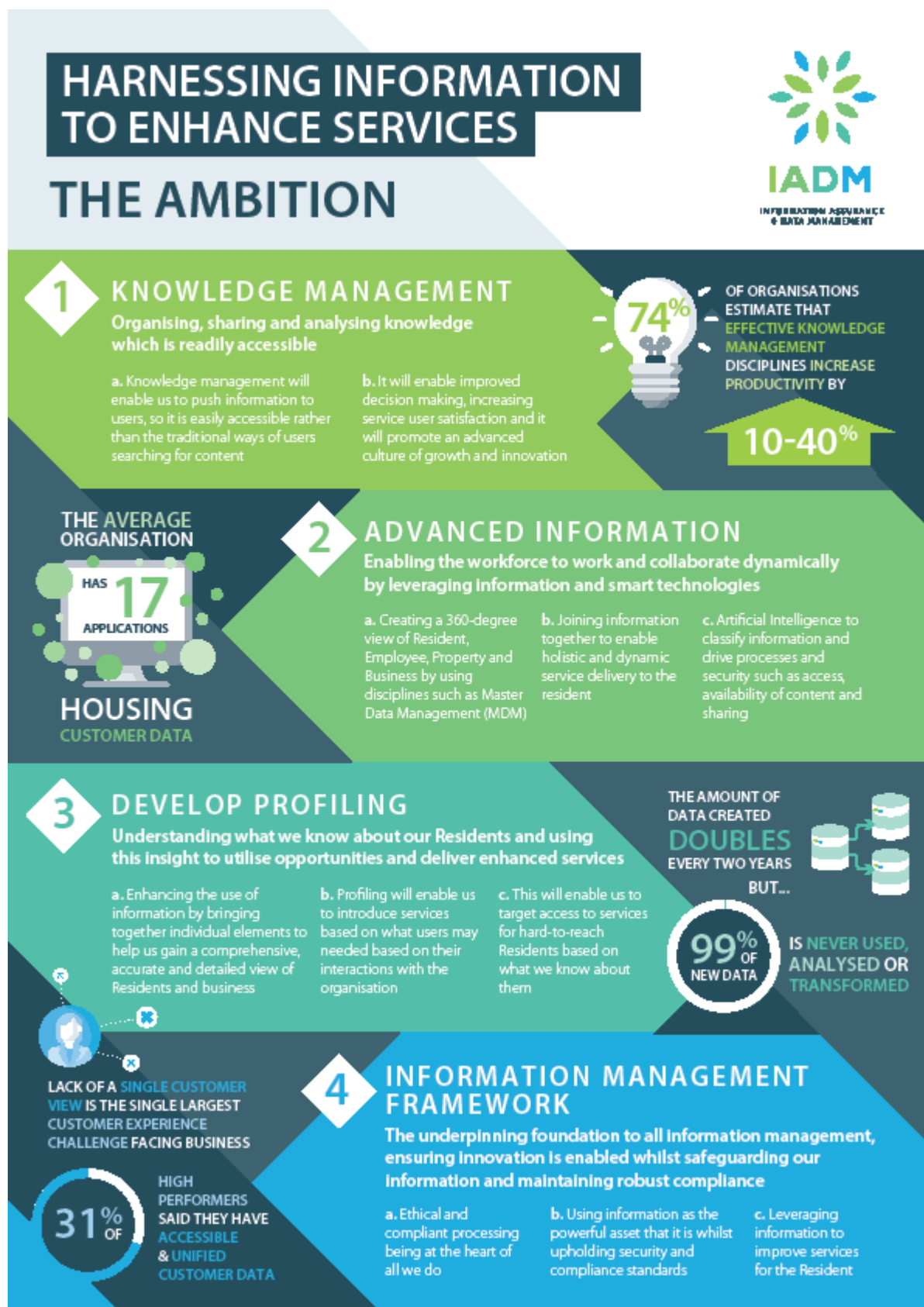
7.10. Climate Change

- 7.10.1.** There are no direct implications for climate change.

Access to Information

Contact Officer:	Gareth Pawlett, Head of ICT Services and Chief Information Officer Gareth.Pawlett@cheshireeast.gov.uk
Appendices:	Appendix 1 Information Management Strategy Appendix 2 Information Management Infographic
Background Papers:	N/A

Appendix 2 Information Management Infographic 22/23



Audit Strategy Memorandum

Cheshire East Council

Year ending 31 March 2022



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Appendix – Key communication points

This document is to be regarded as confidential to Cheshire East Council. It has been prepared for the sole use of the Audit and Governance Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



Audit and Governance Committee
Cheshire East Council
Westfield, Middlewich Road.
Sandbach. CW11 1HZ

20 July 2022

Dear Sirs/ Madams

Audit Strategy Memorandum – Year ending 31 March 2022

We are pleased to present our Audit Strategy Memorandum for Cheshire East Council for the year ending 31 March 2022. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Cheshire East Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 07795 506766.

Yours faithfully

Mark Dalton
Mazars LLP

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Cheshire East Council (the Council) for the year to 31 March 2022. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

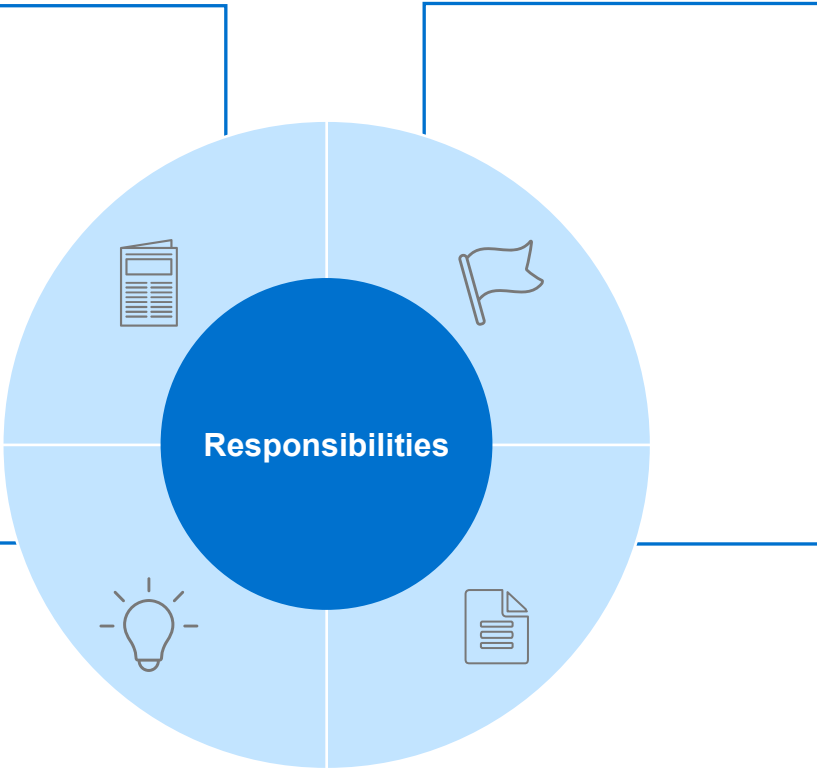
Audit opinion

We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or the Audit and Governance Committee, as those charged with governance, of their responsibilities.

The Director of Finance & Customer Services is responsible for the assessment of whether it is appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and to conclude on: a) whether a material uncertainty related to going concern exists; and b) consider the appropriateness of the Director of Finance & Customer Services use of the going concern basis of accounting in the preparation of the financial statements.

Value for money

We are also responsible for forming a commentary on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

Wider reporting and electors' rights

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom

02

Section 02:

Your audit engagement team

2. Your audit engagement team

Your external audit service continues to be led by Mark Dalton. A summary of key team members are detailed below:

Who	Role	E-mail
Mark Dalton	Engagement Lead	mark.dalton@mazars.co.uk
Muhammad Uzair Khan	Engagement Senior Manager	muhammad-uzair.khan@mazars.co.uk
Katie Kingston	Engagement In-charge	katie.kingston@mazars.co.uk

As the Council meets the criteria of a Major Local Audit under the Local Audit Act 2014, per the Firm’s quality management arrangements, an engagement quality control reviewer (EQCR) has been appointed. They will work with the engagement lead and the team, but have no direct engagement with the Council.



Engagement and responsibilities summary	Your audit engagement team	Audit scope, approach and timeline	Significant risks and key judgement areas	Value for money	Fees for audit and other services	Our commitment to independence	Materiality and misstatements	Appendices
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03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your activities which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

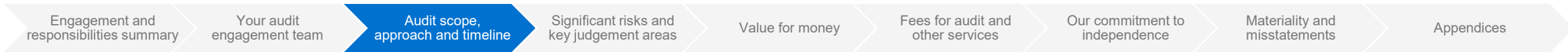
Audit approach

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

If we conclude that appropriately-designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.



3. Audit scope, approach and timeline

The Department for Levelling Up, Housing and Communities (DLUHC) have confirmed that audited accounts for local authorities for 2021/22 are required by 30 November 2022 with draft accounts required by 31 July 2022. We will work with the Authority to agree a detailed plan to help ensure that it can meet the submission dates

Planning March

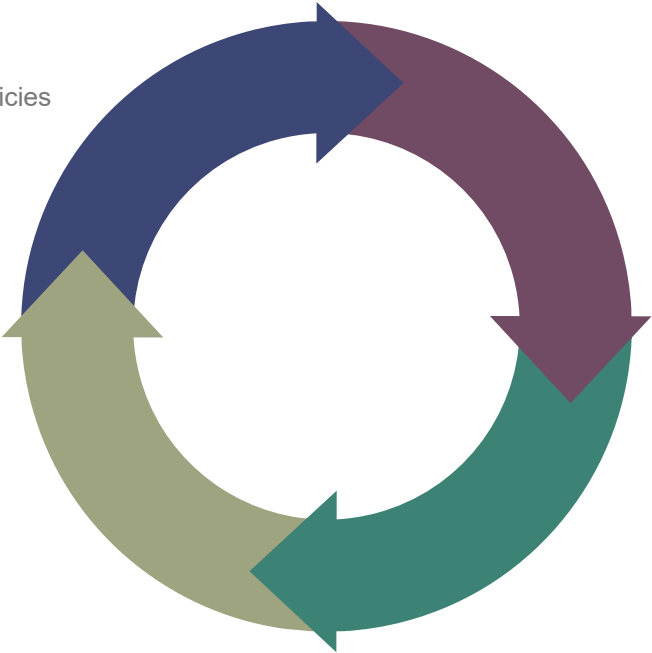
- Planning visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review

Completion November

- Final review and disclosure checklist of financial statements
- Final partner and EQCR review
- Agreeing content of letter of representation
- Reporting to the Audit and Governance Committee
- Reviewing subsequent events
- Signing the auditor's report

Value for Money

We plan to complete and report our Value for Money arrangements work within three months of our audit opinion, per National Audit Office (NAO) guidance. See section 5 of this report for more details of our work in this area.



Interim March – April

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork September - October

- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting

3. Audit scope, approach and timeline

Working with internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Management’s and our experts

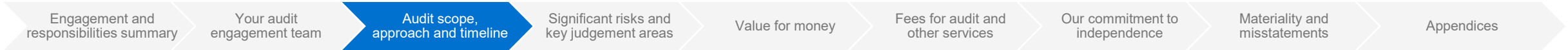
Management makes use of experts in specific areas when preparing the [Council]’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Defined benefit liability	Hyman & Robertson Actuaries	PwC, consulting actuary, on behalf of National Audit Office
Property, plant and equipment valuation	Montagu Evans and Farms Estate Shared Service	We will use available third-party information to challenge the key valuation assumptions.
Financial instrument disclosures	Arlingclose Treasury Advisors	We will review the expert’s methodology in calculating the fair value disclosures to confirm the reasonableness of assumptions used

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the [Council] that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the [Council] and our planned audit approach.

Items of account	Service organisation	Audit approach
Payroll, non-pay expenditure and other transactional items of account	Cheshire transactional services shared services	We plan to obtain assurance by understanding the process and controls that the Council has in place to assure itself that transactions are processed materially correctly. Our testing will include sample testing of transactions based on evidence available from the Council rather than the Shared Service.



3. Audit scope, approach and timeline

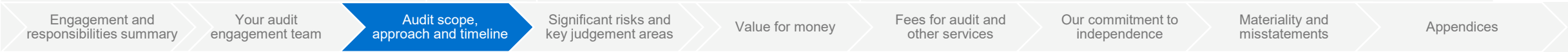
Group audit approach

Cheshire East Council prepares Group accounts and consolidates the following subsidiary companies within its Group accounts:

- Cheshire East Resident First Limited (CERF); 100% owned by Council
- ANSA Environmental Services Limited; 80% owned by CERF and 20% by Council.
- Transport Service Solutions Limited; 80% owned by CERF and 20% by Council
- Orbitas Bereavement Services Limited; 80% owned by CERF and 20% by Council

Our approach will reflect the size and complexity of the transactions and balances within the subsidiary company that are consolidated into the Council's Group financial statements. Based on our planning discussions and review of previous year's accounts, we consider ANSA Environmental Services Limited to be a significant component within the group structure.

Entity	Location	Auditor	Scope
Cheshire East Council	UK	Mazars LLP	Full
Cheshire East Resident First Limited (CERF)	UK	Grant Thornton LLP	CERF is wholly owned by Cheshire East Council and acts as a holding company for the Council owned companies. Analytical procedures supported by a review of the Council's consolidation processes (plus the specific audit procedures detailed below for ANSA Environmental Services Limited).
ANSA Environmental Services Limited	UK	Grant Thornton LLP	Performing specific audit procedures over those balances which are material to the group accounts and undertaking analytical procedures supported by a review of the Council's consolidation.
Transport Service Solutions Limited	UK	Grant Thornton LLP	Analytical procedures supported by a review of the Council's consolidation processes.
Orbitas Bereavement Services Limited	UK	Grant Thornton LLP	Analytical procedures supported by a review of the Council's consolidation processes.



04

Section 04:

Significant risks and other key judgement areas

4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified risks relevant to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Council. We have summarised our audit response to these risks on the next page.



4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Audit and Governance Committee.

Significant risks

	Description	Fraud	Error	Judgement	Planned response
1	<p>Management override of controls</p> <p>This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	<p>Valuation of defined benefit liability</p> <p>The pension liability represents a material element of Cheshire East Council's balance sheet. The Council is an admitted body of the Cheshire Pension Fund (CPF), which had its last triennial valuation completed as at 31 March 2019.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2021/22.</p>	○	●	●	<p>In relation to the valuation of the Council's defined benefit pension liability we will:</p> <ul style="list-style-type: none">critically assess the competency, objectivity and independence of the Cheshire Pension Fund's Actuary, Hyman Robertson;liaise with the auditors of the Cheshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PWC, consulting actuary engaged by the National Audit Office; andagree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements.

4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
3	<p>Valuation of property, plant and equipment (Land & buildings and investment properties)</p> <p>The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five year cycle.</p> <p>The valuation of Property, Plant & Equipment involves the use of a management expert (the valuer), and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process which reflect the significant impact of the valuation judgements and assumptions and the degree of estimation uncertainty.</p> <p>As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued for up to four years are not valued at their materially correct fair value. In addition, as the valuations are undertaken through the year there is a risk that the fair value of the assets is materially different at the year end.</p>	○	●	●	<p>In relation to the assets which have been revalued during 2021/22, including investment properties, we will assess the Council's valuer's qualifications, objectivity and independence to carry out such valuations, and review the valuation methodology used, including testing the underlying data and assumptions.</p> <p>Considering whether the overall revaluation methodologies used by the Council's valuers are in line with industry practice, the CIPFA code of practice and the Council's accounting policies.</p> <p>We will review the approach that the Council has adopted to address the risk that assets not subject to valuation in 2021/22 are materially misstated and consider the robustness of that approach in light of the valuation information reported by the Council's valuers.</p> <p>In addition, we will consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.</p>

05

Section 05:

Value for money

5. Value for money

The framework for Value for Money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

2021/22 will be the second audit year where we are undertaking our value for money (VFM) work under the 2020 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place and to report in the audit report and/or the audit completion certificate where we identify significant weaknesses in arrangements. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

Specified reporting criteria

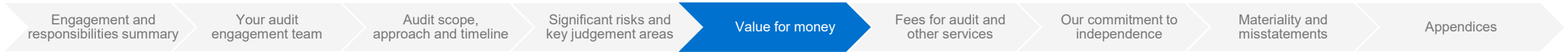
The Code requires us to structure our commentary to report under three specified criteria:

- 1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services
- 2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks
- 3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Planning and risk assessment	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

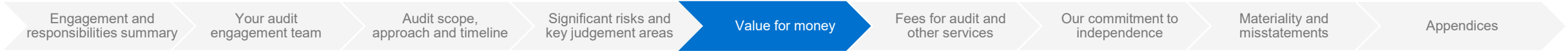


5. Value for money

Identified risks of significant weaknesses in arrangements

The NAO's guidance requires us to carry out work at the planning stage to understand the Council's arrangements and to identify risks that significant weaknesses in arrangements may exist.

At this stage we have not fully completed our planning and risk assessment work. We have not identified any risks of significant weaknesses in arrangements to date. We will report any identified risks to the Audit and Governance Committee on completion of our planning and risk identification work.



06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

Fees for work as the Council’s appointed auditor

Details of the proposed 2020/21 and 2021/22 fees are set out below. Our work in respect of 2020/21’s Value for Money arrangements and the Whole of Government Accounts return remains in progress. We will update the Committee on the final agreed 2020/21 fee in our Auditor’s Annual Report

Area of work	2021/22 Proposed Fees	2020/21 Proposed Fee
Scale audit fee	£119,034	£119,034
Fee variations*:		
Additional Testing on Property, Plant & Equipment and Defined Benefit Pensions Schemes as a result of changes in regulatory expectations	£7,952 ¹	£7,952
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; ISA570 (Revised) Going Concern; and ISA 600 (Revised): Specific considerations – audit of group financial statements	£2,000 ²	£2,000
Additional Value for Money work arising from the change in the Code of Audit Practice	£15,000 ³	£15,000
Other additional costs (2020/21 relates to additional audit work on the Council’s new financial management system implemented in 2020/21 and enquiries from and correspondence with a local elector)	TBC	£15,000
Total	£143,986 ⁴	£158,986

¹ As previously reported to you, the scale fee requires adjusting to take into account the additional work required as a result of increased regulatory expectations in these areas.

² As previously reported to you, new auditing standards were introduced in 2020/21 which lead to additional audit work not reflected in the scale fee.

³ As previously reported to you, the scale fee requires adjustment to take into account the additional work to support our reporting on the Council’s value for money arrangements following the change to the NAO Code of Practice in 2020/21. This fee is based on there being no risks of significant weakness in the Authority’s arrangements. The final fee, taking into account the extent, and complexity of, any significant weaknesses in arrangements, will be discussed with management.

⁴ This is a proposed fee for 2021/22 at the point of the issue of our ASM. This figure is subject to change and any additional costs will be discussed with management.

* Fee variations are subject to approval and confirmation by the Public Sector Audit Appointments Ltd (PSAA).

07

Section 07:

Our commitment to independence

7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

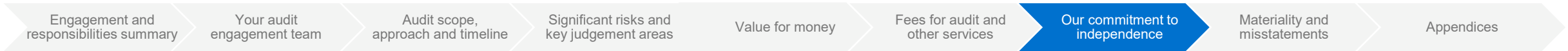
- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- rotation policies covering audit engagement partners and other key members of the audit team; and
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Dalton in the first instance.

Prior to the provision of any non-audit service Mark Dalton will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence have been identified.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.



08

Section 08:

Materiality and misstatements

8. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Group materiality £'000s	Council single entity materiality £'000s
Overall materiality	15,500	15,000
Performance materiality	11,625	11,250
Specific materiality:		
Specifically in relation Senior Officers remuneration (exit packages) and Members allowance	5	5
Related party	_*	_*
Trivial threshold for errors to be reported to the Audit and Governance Committee.	465	450

*The materiality threshold in relation to related party will be determined based on the nature of relationship with the third party.

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

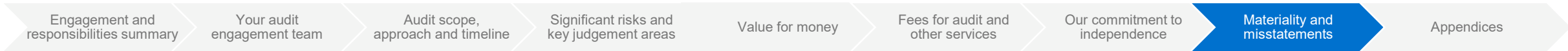
Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of gross expenditure at the surplus/deficit on provision of services level. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to the Audit and Governance Committee.

We consider that the gross expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.



8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 2% of gross expenditure at the surplus/deficit on provision of services. Based on final draft Statement of Accounts 2020/21, we anticipate the overall materiality for the year ending 31 March 2022 to be in the region of £15m (£14m the prior year) for the single entity and £15.5m (£14.1m in the prior year) for the group accounts.

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

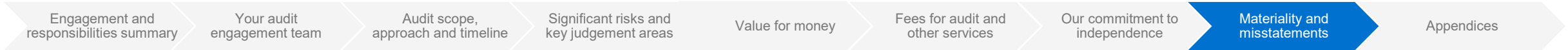
Misstatements

We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Audit and Governance Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £450k for the single entity accounts and £465k for the group accounts based on 3% of overall materiality. If you have any queries about this, please do not hesitate to raise these with Mark Dalton.

Reporting to the Audit and Governance Committee

The following three types of audit differences above the trivial threshold will be presented to the Audit and Governance Committee

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).





Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) ‘Communication with Those Charged with Governance’ and ISA 265 (UK) ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Audit Strategy Memorandum;
- Audit Completion Report; and
- Auditor’s Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

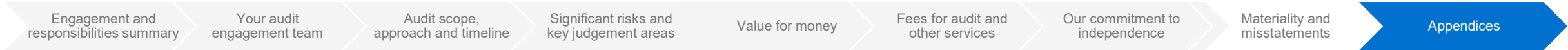
Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;

- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.



Appendix: Key communication points

ISA (UK) 260 ‘Communication with Those Charged with Governance’, ISA (UK) 265 ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none">• uncorrected misstatements and their effect on our audit opinion;• the effect of uncorrected misstatements related to prior periods;• a request that any uncorrected misstatement is corrected; and• in writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none">• enquiries of the Audit and Governance Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity;• any fraud that we have identified or information we have obtained that indicates that fraud may exist; and• a discussion of any other matters related to fraud.	Audit Completion Report and discussion at the Audit and Governance Committee, Audit planning and clearance meetings

Appendix: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> • non-disclosure by management; • inappropriate authorisation and approval of transactions; • disagreement over disclosures; • non-compliance with laws and regulations; and • difficulty in identifying the party that ultimately controls the entity. 	Audit Completion Report
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to the Audit and Governance Committee in the context of fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report

Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of.	Audit Completion Report and the Audit and Governance Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none">• whether the events or conditions constitute a material uncertainty;• whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and• the adequacy of related disclosures in the financial statements.	Audit Completion Report
Reporting on the valuation methods applied to the various items in the consolidated financial statements including any impact of changes of such methods	Audit Completion Report
Explanation of the scope of consolidation and the exclusion criteria applied by the entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the relevant financial reporting framework.	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Where applicable, identification of any audit work performed by component auditors in relation to the audit of the consolidated financial statements other than by Mazars' member firms	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report

Mark Dalton, Director – Public Services

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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Working for a brighter future together

Audit & Governance Committee

Date of Meeting:	28 July 2022
Report Title:	Annual Internal Audit Report 2021/22
Report of:	Jane Burns, Executive Director of Corporate Services
Report Reference No:	AG/23/21-22
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. To provide the Audit and Governance Committee with details of the work undertaken by Internal Audit during 2021/22 and how this contributes to the Annual Opinion on the Council's control environment.

2. Executive Summary

- 2.1. This report provides the Audit and Governance Committee with the Annual Internal Audit opinion on the overall adequacy and effectiveness of the Council's control environment for 2020/21.
- 2.2. All principal local authorities subject to the Accounts and Audit Regulations 2015 must make provision for internal audit in accordance with the proper practices.
- 2.3. The Chief Audit Executive provides a written report to those charged with governance the primary purpose of which is to provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control i.e. the control environment. This is provide at Appendix A..
- 2.4. The report also details work underatken by Internal Audit during 2021/22 and a summary of the performance of the internal audit function against its performance measures and targets.

3. Recommendations

3.1. That the Committee:

- 3.1.1. Notes and considers the contents of the Internal Audit Annual Report 2021/22 (Appendix A); and
- 3.1.2. Notes the Internal Audit opinion on the Council's framework of risk management, control and governance for 2021/22 as "Adequate".

4. Reasons for Recommendations

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

5. Other Options Considered

- 5.1. No other options are available.

6. Background

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

7. Consultation and Engagement

- 7.1. The Annual Internal Audit Report has been considered by Corporate Leadership Team.

8. Implications

8.1. Legal

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

8.2. Finance

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

8.3. Policy

- 8.3.1. There are no direct policy implications.

8.4. Equality

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

8.5. Human Resources

- 8.5.1. There are no direct implications for Human Resources.

8.6. Risk Management

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

8.7. Rural Communities

- 8.7.1. There are no direct implications for rural communities.

8.8. Children & Young People/Cared for Children

- 8.8.1. There are no direct implications for children and young people.

8.9. Public Health

8.9.1. There are no direct implications for public health.

8.10. Climate Change

8.10.1. There are no direct implications for climate change

Access to Information	
Contact Officer	Josie Griffiths Head of Audit and Risk josie.griffiths@cheshireeast.gov.uk
Appendices	Appendix A: Annual Internal Audit Report 2021/22
Background Papers	N/A

Internal Audit Annual Report 2021/22

1. Executive Summary

Internal Audit Opinion on the Council's control environment

The Council's framework of risk management, control and governance is assessed as Adequate for 2021/22.

The Internal Audit work carried out this year provides reasonable assurance that the Council has in place a satisfactory framework of governance and internal control designed to meet the Council's objectives and that key controls are generally being applied consistently.

Where weaknesses in the design and inconsistent application of controls have been identified, it is pleasing to note the positive engagement with Management in agreeing recommendations. Action plans are in place to address all weaknesses identified during the year.

This opinion is based upon:

- the programme of internal audit reviews - including opinion-based work undertaken during the year
- assurance derived from the significant consultancy work undertaken throughout the year
- Management's response to advice and recommendations
- the process of reviewing the Council's annual governance statement
- and periodic reports to Audit and Governance Committee on the Council's Risk Management Arrangements

2. Background to the 2020/21 Annual Audit Opinion

- 2.1. The impact of the Covid-19 pandemic and the associated response has continued to have a significant impact on the public sector as a whole. Local authorities are at the forefront of the response and though to a lesser degree than the previous year, there has been a need for some reassignment of internal audit resources and support to ensure we were response to new and changing demands on the organisation.
- 2.2. Throughout 2021/22, we have carefully monitored and reviewed the impact on the Internal Audit team resource to ensure sufficient assurance work could be undertaken to enable the annual opinion to be formed.
- 2.3. In common with 2020/21 and in response to guidance issued by CIPFA in December 2020, there has been a shift in focus from the traditional assurance report towards an increased consultancy role for Internal Audit. This allows interaction with services at the beginning of new developments and processes and provides the opportunity for Internal Audit to provide

advice and guidance on risks and controls before systems and processes become established.

- 2.4. This 'up front' approach to assurance coupled with a continued focus on high risk areas for assurance reviews has ensured that Internal Audit has targeted its resource at those areas where it can add the most value to the Council.
- 2.5. In common with all other public bodies, the Council continues to face increasing financial and service delivery challenges, the scale of which are illustrated within the Medium Term Financial Strategy, and the impact of the pandemic upon these challenges has continued to be illustrated through regular reporting to Cabinet and the Audit and Governance Committee on the Council's Covid-19 response.
- 2.6. The Council's 2021/22 audit plan, originally approved by Committee in March 2021, reflected the challenges through the areas selected for review and the changes made during the year to ensure resources were focused in the right areas.
- 2.7. In preparing, reviewing, and updating the plan during the year, the following were taken into account:
 - Adequacy and outcomes of the Authority's risk management, performance management and other assurance processes.
 - Internal Audit's own risk assessment.
 - Cheshire East Council's Corporate Plan 2021-2025
 - Consultation with key stakeholders e.g. Corporate Leadership Team (CLT), Senior Management including Strategic Risk Owners/Managers, External Audit, Internal Audit staff, Cheshire West and Chester Internal Audit.
 - The impact of unplanned investigation work undertaken during the year.
- 2.8. Staffing resource for Internal Audit has again been limited during 2021/22 as a result of ongoing vacancies although this has been successfully mitigated through the use of agency staff.
- 2.9. Despite these challenges, the team has delivered sufficient coverage against the plan, and to the appropriate standard, to enable an informed opinion to be provided on the control environment.

3. Context – Legislative Requirements and Standards

- 3.1. Local Government Internal Audit sections must comply with the requirements of the Public Sector Internal Audit Standards (PSIAS) (2017) and the accompanying Local Government Application Note.
- 3.2. As set out in the PSIAS, the Council's Chief Audit Executive (Head of Audit and Risk) must provide an annual report to the Audit and Governance Committee - timed to support the Annual Governance Statement. This must include:
- an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk, and control framework (i.e. the control environment)
 - a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies), and
 - a statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme (QAIP).
- 3.3. It should also include:
- disclosure of any qualifications to that opinion, together with the reasons for the qualification
 - disclosure of any impairments ('in fact or appearance') or restriction in scope
 - a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and target
 - any issues judged particularly relevant to the annual governance statement; and
 - progress against any improvement plans resulting from QAIP external assessment.

4. Opinion on the Control Environment

- 4.1. Internal Audit is required to form an annual opinion on the adequacy and effectiveness of the Council's internal control environment. This includes consideration of any significant risk or governance issues and control failures that have been identified.
- 4.2. In the context of the PSIAS, 'opinion' does not simply mean 'view', 'comment' or 'observation'. It means that internal audit has done sufficient, evidenced work to form a supportable conclusion about the activity that it has examined.
- 4.3. Assurances given by Internal Audit are never absolute. It is impossible to examine every activity and every transaction and, audit reviews are at a

point in time. The most Internal Audit can provide is a reasonable assurance that there are no major weaknesses, or that the weaknesses identified have been highlighted, and improvement plans agreed with a timetable for implementation.

4.4. The opinion has been built around the following sources of assurance:

- Internal Audit Assurance Reports completed in accordance with the risk-based audit plan. This element of the opinion has been reduced in comparison to previous years due to the increased focus on proactive consultancy and assurance work.
- Grant sign off. This includes undertaking testing of expenditure to provide the required assurances to the grant funding body on the appropriate use of funds in line with the grant award criteria. In recognition of the amount of specific grant funding which has been made available to the Council during the last two years, the number of grants which have required sign off by the Head of Internal Audit or testing by the Internal Audit to support the sign off by the Chief Executive has significantly increased.
- Advice, guidance, and consultancy work. This has again formed a greater part of the opinion than in previous years and is based upon the continued support provided to services in designing systems and processes for the delivery of the Council's response to the Covid-19 pandemic and other developing situations. Internal audit has supported various services in developing systems and procedures ensuring that appropriate and proportionate controls are included within the solution.
- Governance arrangements around the response to the pandemic and other emerging issues along with established arrangements for decision making across the whole organisation. Internal Audit has been represented on various groups and boards tasked with ensuring that decisions are taken in accordance with the Constitution, are in the best interests of the Council and are appropriately evidenced.
- Other sources of assurance such as external bodies and confidence in 'first and second lines of defence' arrangements.

4.5. In forming its opinion, Internal Audit considered issues arising from the implementation of the Unit 4 ERP System, the impact on the framework of risk management, control and governance and the actions taken to mitigate these matters. Internal Audit has carried out work in support of the go-live

decisions along with colleagues from Cheshire West and Chester which did not identify any issues that would prevent this. However, issues have emerged during the 2022/23 financial year and audit work is currently ongoing to fully understand the causes of these. Given the proactive response from management in responding to these matters, including the commissioning of a detailed Lessons Learned review, Internal Audit do not consider that a qualification of the annual opinion for 2021/22 is warranted, but will be closely monitoring this area during 2022/23.

- 4.6. Internal Audit will continue to undertake detailed reviews of the Unit 4 ERP System, including joint reviews with Cheshire West and Chester Council to obtain assurance that appropriate controls are in place and operating effectively across all key financial systems.
- 4.7. Although there have been changes to the traditional way in which the annual opinion is arrived at for the 2021/22 year, we are satisfied that there has been appropriate engagement for Internal Audit across the organisation, through assurance work, consultancy and advice, and our understanding of the assurance we can take from other sources to assess the framework of risk management, control, and governance as Adequate for 2021/22.
- 4.8. There are no standard ratings for the annual opinion and the assessment of Adequate reflects the fact that the arrangements in place are deemed to be satisfactory, proportionate, and fit for purpose.
- 4.9. This is supported by the work undertaken by Internal Audit, responses, and engagement with management and that there were no issues arising from the 2021/22 audit plan that will require inclusion in the Annual Governance Statement.

5. Summary of Audit Work 2021/22

- 5.1. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the organisation that these arrangements are in place and operating properly.
- 5.2. The provision of assurance is, therefore, the primary role for Internal Audit. This role requires the Chief Audit Executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 5.3. A risk based Internal Audit plan is produced each year to ensure that:

- the scale and breadth of audit activity is sufficient to allow Internal Audit to provide an independent and objective opinion to the Council on the control environment; and
 - audit activity focuses on areas where assurance is most needed i.e. risk based coverage.
- 5.4. In preparing the risk-based plan for 2021/22 Internal Audit consulted with CLT and the Audit and Governance Committee. They also considered:
- the adequacy and outcomes of the Council's risk management, performance management and other assurance processes.
 - their own risk assessment.
 - the Council's Corporate Plan 2021-25 and
 - discussion with key stakeholders including external audit, the internal audit team and the Cheshire West and Chester internal audit team in relation to shared services.
- 5.5. The plan was broadly split into two main areas:
- those audits that deliver an opinion report on the risks and controls of the area under review and will inform the Annual Internal Audit Opinion; and
 - work that will not deliver an opinion report but will help inform the Annual Internal Audit Opinion.
- 5.6. The plan is reviewed and adjusted, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, and controls. Any significant changes are communicated to both CLT and the Audit and Governance Committee.
- 5.7. In line with the approach outlined in the Internal Audit plan our work focuses on areas of higher risk, or where concerns/issues have previously been identified. The recognition of these issues and management's role in implementing the agreed action plans demonstrates the value added and improvements in the control environment achieved by Internal Audit's role.
- 5.8. A summary comparison of the 2021/22 Audit Plan with actuals for the year is shown in Table 1 and a summary of the assurance work carried out in support of the Annual Internal Audit Opinion is shown in Table 2.
- 5.9. Table 3 provides updates details of audit reviews that commenced during 2021/22 but have been carried forward into 2022/23 along with the status of each piece of work. This demonstrates the fluidity of audit work and how assurance is built year on year.

Table 1: Summary comparison of Audit Plan 2021/22 and actuals

Area of Plan		Original Plan		Actuals (to 31/03/2022)		Comments on coverage
		Days	%	Days	%	
Chargeable Days		1357		1257		
Less: Corporate Work		164	12%	150	12%	Broadly in line with plan
Available Audit Days:		1193	100%	1107	100%	
Corporate Governance and Risk		119	10%	110	10%	Broadly in line with plan
Anti-Fraud and Corruption	Proactive Work	48	4%	41	4%	Broadly in line with plan
	Reactive Investigations	48	4%	14	1%	Low number of investigations in year
Corporate Services		477	40%	489	44%	Increased focus due to Unit 4 implementation and grant sign off requirements
People		179	15%	158	14%	Broadly in line with plan
Place		95	8%	110	10%	Slight increase due to additional work on grants
Assurance to External Organisations		24	2%	21	2%	Broadly in line with plan
Advice & Guidance		84	7%	77	7%	Broadly in line with plan
Other Chargeable Work		119	10%	87	8%	Broadly in line with plan
	Total Audit Days	1193	100%	1107	100%	

Table 2: Summary of Assurance Reports 2021/22

Audit Report	Reason for Review	Audit Assurance Opinion	Report Status	Purpose of Review and Summary of Findings – (Limited /No Assurance Reports Only)
Council Tax Billing Reconciliation 2022/23	Assurance around the accuracy of the Council Tax billing process	Good	Final	
NDR Billing Reconciliation 2022/23	Assurance around the accuracy of the NDR billing process	Good	Final	
Deprivation of Liberty Safeguards	Assurance that CEC action plan addresses matters raised in LGO report	Satisfactory	Final	
B4B Go Live 2 Sign Off (Joint work with CWAC and issued using their assurance levels)	The audit report provided assurance to Programme Board in relation to the Go Live decision	Reasonable* (CWaC IA opinion)	Final	
Deprivation of Liberty Safeguards – detailed follow up	To provide assurance that actions identified to meet LGO findings are being	Satisfactory	Draft	

Audit Report	Reason for Review	Audit Assurance Opinion	Report Status	Purpose of Review and Summary of Findings – (Limited /No Assurance Reports Only)
	progressed and reported on.			
C&WLEP Local Assurance Framework (assurance to s151 Officer)	Assurance to Director of Finance & Customer Services (s151 Officer) and C&WLEP management that the framework and procedures are robust and in accordance with national guidance.	Satisfactory	Final	
B4B Go Live 2 Sign Off – Cutover decision	Identified via Audit Plan	No formal assurance opinion provided	Final	Issues raised in the audit report were included within caveats to be attached to the decision to enter cutover prior to the formal Go Live decision Progress against the issues raised in this report were monitored and reported upon in the Go Live report detailed above.
Schools Consolidated Report 2020/21	The report summarises common issues arising from our school audit programme.	Limited	Final	Areas which require improvement included: <ul style="list-style-type: none"> • Contract management arrangements including Governing Body review of options when contracts end. • Review of procurement thresholds to ensure that they are appropriate to the size of the school. • Review and approval of purchase card transactions.

Audit Report	Reason for Review	Audit Assurance Opinion	Report Status	Purpose of Review and Summary of Findings – (Limited /No Assurance Reports Only)
Occupational Therapy	The review sought assurance that appropriate arrangements were in place to meet both legislative and service requirements.	Limited	Final	It identified several inconsistencies in practice across the two localities including the use of liquid logic and the lack of a dedicated OT lead officer to undertake clinical supervisions.
Purchase Cards	The review sought assurance around compliance with the agreed purchase card scheme	Limited	Final	It identified an unacceptable level of non-compliance but also recognised that the recent launch of updated and comprehensive guidance, workshops and compliance reporting will help to address the identified issues.
People Helping People	To review the governance structure in place to manage the People Helping People scheme introduced in response to the covid-19 pandemic.	Limited	Final	<p>The review identified that overall, the risks associated with the initial deployment of the PHP scheme were effectively managed, however there was room for improvement for the scheme going forward as it moved into a “business as usual” offering in the following areas:</p> <ul style="list-style-type: none"> • Production of detailed procedure documents to ensure consistency of service delivery • Clarification of retention period for documentation to ensure compliance with DPA requirements
Declaration of Interests - Members	To review the processes and controls in place to manage declarations of	Limited	Draft	<p>The review concluded that improvements could be made in relation to:</p> <ul style="list-style-type: none"> • Accessibility of forms • Requirement to submit an annual return including nil returns

Audit Report	Reason for Review	Audit Assurance Opinion	Report Status	Purpose of Review and Summary of Findings – (Limited /No Assurance Reports Only)
	interest from Members.			<ul style="list-style-type: none"> • Consistency in completion of forms e.g. signatures <p>It is acknowledged that a review of the Members Code of Conduct is currently taking place and that many of the points raised in this audit may be in the process of being addressed.</p>
Declarations of Interest - Officers	To review the processes and controls in place to manage declarations of interest from officers.	Limited	Draft	<p>The review concluded that improvements could be made in relation to:</p> <ul style="list-style-type: none"> • Improving the current return rates for declaration forms • Ensuring that Procurement are made aware of any declared interests • Retention periods for previous years forms
Gifts and Hospitality – Members	To review the processes and controls in place to manage the Members register of gifts and hospitality	Limited	Draft	<p>The review concluded that improvements could be made in relation to:</p> <ul style="list-style-type: none"> • The register is not published on the Council website • Access to the register could be improved • No requirement to submit a periodic nil return • Retention periods for submitted forms • The value above which gifts and hospitality should be declared <p>It is acknowledged that a review of the Members Code of Conduct is currently taking place and that many of the points raised in this audit may be in the process of being addressed</p>
Gifts and Hospitality – Officers	To review the processes and controls in place to	Limited	Draft	<p>The review concluded that improvements could be made in relation to:</p>

Audit Report	Reason for Review	Audit Assurance Opinion	Report Status	Purpose of Review and Summary of Findings – (Limited /No Assurance Reports Only)
	manage the officers register of gifts and hospitality			<ul style="list-style-type: none"> • Production of detailed procedures notes to ensure consistency of approach • Inconsistency between officers and members in relation to the value of gifts and hospitality that should be declared • Unclear wording on forms and different values compared to those stated in the Code of Conduct
ANSA – review of gritting arrangements	To seek assurance around the arrangements to manage gritting services	No Assurance	Draft	<p>The review identified the following issues:</p> <ul style="list-style-type: none"> • Additional public highway gritting activities were undertaken without seeking advice or approval from the Council • Potential that this activity was not covered by the Council's insurers • Potential for challenge from Town and Parish Councils who have not received this service • Delays in initiating gritting activity due to not having access to real time information • Gritting records did not contain sufficiently detailed information <p>It was recommended that the additional gritting activities on public highways are not continued.</p>

Table 3: Ongoing Internal Audit Assignments carried forward into 2022/23

Audit	Scope of Review	Status
Community Infrastructure Levy	To review the processes and controls around the requests, collection, management, implementation, and expenditure on CIL schemes.	Draft report for review
Journey First	To review the systems, processes, and controls in place to ensure that the funding received has been utilised and delivered in line with the original grant application and conditions of award.	Draft report for review
ERP Replacement – post implementation reviews	Work is underway on 2 reviews to seek assurance that key system controls are in place and operating effectively	Fieldwork underway and will continue into 2022/23
Fraud Controls – impact of remote working	To assess the impact of remote working on established fraud controls in Council Tax, NDR and Benefits	Reports being drafted for review

Table 4: Summary of reports by assurance level

Assurance Level	Audit Reports 2021/22	Audit Reports 2020/21	Audit Reports 2019/20
Good	2	6	1
Satisfactory	4	4	7
Limited	8	3	11
None	1	0	0
Total	15	13	19

- 5.10. These assurance levels reported include a combination of opinions at a broad level for the Council as a whole and opinions on individual business processes or activities within a single department or location.
- 5.11. Management has responsibility for ensuring that the agreed actions for improvement are implemented. All actions from these audits have been agreed with management and progress on implementation will be monitored through agreed processes.
- 5.12. The issues arising from audit activity and the implementation of associated recommended actions are considered as part of the Annual Governance Statement process; there are no items arising from 2021/22 audit reports which warrant inclusion as new items in the Annual Governance Statement.
- 5.13. In all cases recommendations have been made and agreed with management. These are being progressed and when implemented will address the identified weaknesses and improve the control environment.
- 5.14. All recommendations are subject to follow up in accordance with normal Internal Audit practice and should this identify any concerns relating to the implementation of recommended actions this will be escalated.
- 5.15. Where significant weaknesses are identified detailed follow up audits will be undertaken to ensure that agreed actions have been implemented and that they are effective in mitigating the identified risks and issues.

6. Consultancy and Advice

- 6.1. During the year, Internal Audit has continued to support management with the provision of advice - at the specific request of management. The nature and scope of these engagements are generally aimed at improving governance, risk management and control and contribute to the overall audit opinion as well as building good relationships across the Council.
- 6.2. Advice and guidance was provided on matters such as:

- The response to suspected scams and attempted frauds. This included assisting the services in assessing the effectiveness of their controls in identifying and preventing the frauds and whether additional controls were required.
 - The design and application of controls in new/proposed systems. Examples of this would be the Holiday Activity Fund and the associated issue of meal vouchers, and the Homes for Ukraine Scheme. Internal Audit have been involved in both schemes from the start and have provided advice on risk, controls, and assurance that all decisions have been subject to the appropriate approval.
 - Interpretation of Finance and Contract Procedure Rules across various services to ensure compliance.
 - A detailed piece of work was undertaken to produce an ICT Assurance Map to identify existing sources of assurance in relation to ICT including cyber security. This will be utilised to identify areas for review during 2022/23 and ensure that duplication of work undertaken by other assurance providers is avoided.
- 6.3. By providing this service, internal audit can ensure that processes are supported by appropriate controls to mitigate identified risks associated with the particular activity at the outset of change or development, providing far more valuable input to the service and wider control environment overall.

7. Schools

- 7.1. The Department for Education requires the Council's Section 151 Officer to sign off an Annual Assurance Statement. That statement confirms:
- the number of School's Financial Value Standard (SFVS) self-assessment returns received; and
 - that an appropriate audit programme is in place to provide adequate assurance over the standard of financial management, and the regularity and propriety of spending in schools.
- 7.2. The School's Audit Programme for 2021/22 has been agreed by both the Director of Finance and Customer Services (Section 151 Officer) and the Director of Education & 14-19 Skills.
- 7.3. In recent years, thematic reviews have been undertaken at schools targeting specific areas of the SFVS. For the 2021/22, it was agreed that Internal Audit would undertake a review of the completed SFVS returns at

a sample of schools, supported by testing to provide assurance as to the accuracy and validity of the school's self-assessment.

- 7.4. The work was completed during quarter 4 of the year and into quarter 1 of 2022/23 to enable the review to consider the latest SFVS returns. This also provided assurance to the Section 151 Officer and facilitated the signing of the Annual Assurance Statement in May 2022.
- 7.5. The audit work was undertaken in two phases; an initial review of documentation to allow the auditor to assess the school against the SFVS, and a comparison against the self-assessments undertaken by the schools. The initial phase was completed by the end of February 2022 and phase 2 took place during April to June 2022.
- 7.6. Individual reports are produced and issued to schools detailing any areas of weakness identified and any actions required to address these weaknesses and improve the control environment. School reports include an assurance opinion on the arrangements, in line with other audit reports.
- 7.7. Consolidated findings and recommended actions and improvements are shared with all maintained schools through the "Schools Bulletin" and the "Director's Report".
- 7.8. Findings from all areas inform a consolidated schools report which provides assurance to the Director of Finance and Customer Services (Section 151 Officer) and the Director of Education & 14-19 Skills.

Table 5: Summary of reports by assurance level

Assurance Level	School Audit Reports 2020/21
Good	2
Satisfactory	4
Limited	10
None	0
Total	16

- 7.9. The new arrangements have resulted in a delay in the production of the consolidated report which draws together the common findings from the audit work. This will be produced and issued during 2022/23.
- 7.10. Common issues identified include a lack of evidence to demonstrate that Governing Boards approve and have sufficient oversight of key documents such as manual of internal financial procedures, school development plan and business continuity plans.

- 7.11. In addition to the completion of the School's Audit Programme as detailed above, Internal Audit provide input to the Vulnerable Schools Group which is responsible for categorising all Cheshire East schools at the start of each academic year to identify the type and level of support required from the Council during the forthcoming year; the group meets regularly to review progress and address any emerging issues.
- 7.12. Involvement with this group facilitates the early identification of risks and issues that require input or consideration for inclusion in future years audit programmes.

8. Other work undertaken by Internal Audit

- 8.1. Since 2013, Cheshire East Council has been the host authority for the PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee and Bus Lane Adjudication Joint Committee, and as part of this, we provide an Internal Audit service.
- 8.2. After providing this service remotely during 2020/21 due to covid-19 restrictions, 2021/22 saw a return to the previous arrangements. The outcome of the internal audit work is reported to the PATROL Committees directly and does not inform the annual internal audit opinion for Cheshire East Council.

9. Supporting Corporate Governance

- 9.1. In accordance with the Accounts and Audit Regulations the Council is required to conduct a review at least once a year of the effectiveness of its governance arrangements and publish an Annual Governance Statement (AGS).
- 9.2. The Statement explains how the Council makes decisions, manages its resources, and promotes its values and high standards of conduct and behaviour. This is an opportunity to reflect clearly and openly on where the Council has, and in some cases, hasn't reached the standards it sets for itself.
- 9.3. Any significant issues that are assessed as falling short of the Council's expected high standards are reported in the AGS. No new areas for inclusion within the AGS have arisen from the work of Internal Audit during 2021/22.
- 9.4. Issues recognised in the Annual Governance Statements are monitored by the appropriate responsible officers and escalated, as necessary, to the

Corporate Leadership Team, Audit and Governance Committee and/or Cabinet. Internal Audit actively supports the monitoring of actions to ensure that effective improvements and mitigating actions are implemented.

- 9.5. Internal Audit has assisted Management in the production of the Council's AGS for 2021/22 by:
- Coordinating assurance exercises to inform the AGS
 - Co-production of the draft AGS
 - Contribution to and production of Audit & Governance Committee reports which inform the AGS
 - Representation on and contribution to the Information Governance Group, to advise on control and governance issues in relation to information governance and data handling.
- 9.6. Audit and Governance Committee approved the Final Annual Governance Statement 2020/21 at their January 2022 meeting. This was delayed due to a national issue around the valuation of infrastructure assets that prevented the external auditors from completing their audit of the 2020/21 financial statements.
- 9.7. The 2020/21 draft Statement will be considered by the Audit and Governance Committee at its September 2022 meeting, with the final AGS scheduled to be presented for approval in November 2022.

10. Risk Management

- 10.1. The Committee received the Annual Risk Management Report 2021/22 at their May meeting and received updates on the Council's Risk Management arrangements through the year.
- 10.2. The Annual Risk Management report advised the Committee on the effectiveness of arrangements during 2021/22 and recognises the exceptional year and the focus on managing the risks presented to the Council by the pandemic.
- 10.3. During 2021/22, the priority for the organisation in terms of risk management and business continuity was to continue to identify and manage Covid related risks to Council objectives and operational service delivery through the various phases of Covid response and restrictions. This was co-ordinated through CEmart, with support being provided by the attendance of the Head of Audit and Risk and Risk Manager.

- 10.4. The current Risk Management Framework covered 2020-2022 and will be updated to reflect the needs of risk management and risk reporting in the context of the Committee system, and to support greater cohesion in reporting risk alongside performance management and financial performance. This will include an assessment of the organisation's risk maturity and risk management guidance and training materials will be updated as part of this.
- 10.5. The completion of risk registers is undertaken as part of preparing service plans for 2022/23. These are being collated and the risk registers will be analysed to identify any trends, potential for compound/concurrent threats to be understood and to share ideas and practices within the organisation in terms of risk management and mitigation activity.
- 10.6. To maintain the independence of the Head of Audit and Risk Management, assurance arrangements for reviewing risk management will have to be undertaken via alternative means. These arrangements have been detailed in the Internal Audit Charter and apply to other areas of business for which the Head of Audit and Risk has operational responsibility.

11. Counter Fraud and Investigations

- 11.1. Internal Audit has continued to keep abreast of the latest fraud threats particularly in relation Covid-19 related scams, and where appropriate coordinated awareness raising via the Council's social media streams.
- 11.2. Over the past year there has been an increase across the country in attempted mandate fraud and executive impersonation fraud.
- 11.3. Mandate fraud occurs when fraudsters submit bogus requests to change the bank details of suppliers so that genuine payments intended for suppliers are instead paid to the fraudsters account. Executive impersonation fraud occurs when employees, usually in finance or payments teams, receive email communication purporting to be from very senior officers such as the Chief Executive or Finance Director of the organisation. These emails usually request that an urgent payment is made and that the usual checks and controls can be applied retrospectively. They rely on the employee feeling pressured to follow the instructions of a senior manager and are a form of social engineering.
- 11.4. In response to these threats, and as previously reported, work was undertaken in conjunction with the Transactional Service Centre to ensure that appropriate controls are in place to identify and prevent these attempts. This was particularly important given the move to remote working and whilst

it is pleasing to note that appropriate controls were in place, awareness raising has taken place to ensure that officers are alert to these potential scams.

- 11.5. Internal Audit has continued to coordinate the investigation of matches identified as part of the 2020/21 National Fraud Initiative (NFI) exercise and ensure that services update the NFI website with the results. Work continues to review the outstanding matches and to date no matters of concern have been identified.
- 11.6. As previously reported, options for the development of a dedicated Counter Fraud resource as part of a wider review of the structure of internal audit had been paused to prioritise other work during the Covid-19 response. It is planned to revisit this during 2022/23 and further updates will be provided to the Audit and Governance Committee in due course.
- 11.7. In November 2021, the Crown Prosecution Service took the decision to take no further action with regard to investigations into historical land transactions in Middlewich and Crewe. This concludes all police investigations into the matters referred by the Council, following Internal Audit work.
- 11.8. At the request of the Chief Executive, a review of land transactions will be undertaken in 2022/23 to ensure that lessons have been learned from these matters and that appropriate controls are now in place to mitigate the risk of similar issues arising in future.
- 11.9. As reported to the Committee in January 2021, the former external auditors, Grant Thornton, would be completing work in relation to the outstanding audit certificate under the Local Audit and Accountability Act 2014. This work commenced during 2021/22 and is being supported by Internal Audit and the Council as a whole. At this moment it is not possible to provide any timescale for completion of this work.

12. Statutory Returns/Grant Claims

- 12.1. Internal Audit is often required to certify statutory returns and grant claims. This may be related to funding provisos or similar. In most cases the work required is either an audit or an assurance statement on a specific programme/project.
- 12.2. During 2021/22 this has included work on the following grants which were signed off and submitted to the appropriate central government department:

Table 6: Grant certifications during 2021/22

Grant Certified	Funding Body	Amount
Family Focus (year to date)	MHCLG	£276,800
CWLEP Growth Hub Grant	BEIS	£287,000
CWLEP EU Transition Grant	BEIS	£136,050
CWLEP Supplementary Grant	BEIS	£175,000
CWLEP Peer Network Grant	BEIS	£165,000
Bus Service Operators Grant	DfT	£347,865
Local Transport Capital Block Funding	DfT	£12,147,000
Transport Infrastructure Investment Fund	DfT	£6,855,000
Traffic Signals Maintenance Funding	DfT	£500,000
Congleton Link Road	LGF	£7,709,543
Compliance and Enforcement (Covid)	MHCLG	£158,572
Restart Grant (Covid)	BEIS	£21,294,675
Cultural Recovery (Covid)	ACE	£180,000
Protect and Vaccinate (Covid)	DLHUC	£81,005
Elena EIB Energy Programme	EIB	EU1,471,321 (£1,261,145)
Disabled Facilities Grant Additional allocation	MHCLG	£2,064,279 £277,962
Total		£53,916,896

12.3. It should be noted that the level of work required to complete the sign-off is not always proportionate to the value of the grant.

12.4. In addition to the grants detailed above, a significant amount of work has been undertaken during the year to meet the sign off requirements of various grants issued to the Council in relation to the response to Covid-19. This required Internal Audit to produce a statement confirming that after undertaking appropriate investigations and checks, the conditions attached to the grants have been met. This support was provided in relation to the following grants:

- Small Business
- Retail and Hospitality
- Discretionary Covid
- Compliance and Enforcement
- Contain Outbreak Management

12.5. Internal Audit has coordinated a grant register that details the nature of each grant and any reporting and sign off details. Lead officers have been identified for each of the grants and work undertaken to ensure that all

returns have been completed within deadlines. Work is continuing in this area to ensure that the Council is aware of all requirements and deadlines associated with the many grants that it receives and administers.

13. Implementation of Audit Recommendations

- 13.1. Throughout 2021/22, Internal Audit has continued to carry out a range of follow up exercises to ensure that agreed recommendations are implemented.
- 13.2. Follow up activity is done in a number of different ways. Major pieces of audit work, such as the AGS have detailed action plans which are monitored and reported separately to the Committee:
- Major pieces of audit work, such as the AGS have detailed action plans which are monitored and reported separately to the Committee
 - Investigations – follow up work is usually dependent on both the nature of the investigation and any recommendations made e.g. a follow up audit may be done at the request of management; and
 - Formal assurance audits – whilst management are responsible for ensuring that their agreed actions are implemented, they are asked to confirm that this is the case for medium level actions and evidence is sought for high level ones. Follow up audits may be completed at the request of management or where the nature of the actions requires additional assurance that they have been implemented.
- 13.3. However, whilst Internal Audit support the implementation of actions by undertaking a follow up process, management are ultimately responsible for implementing the actions assigned to them within the deadlines that they have agreed.

Table 7: Implementation of Agreed Recommendations

On time	After the agreed date	Total implemented	In progress, or overdue	Agreed actions subsequently not implemented
2019/20				
75%	25%	100%	0%	0%
2020/21				
100%	0%	100%	0%	0%
2021/22				
100%	0%	100%	0%	0%

- 13.4. These high implementation figures over several years have been achieved as a result of significant effort by the Internal Audit team in carrying out follow ups with managers along with support from senior managers in raising the profile of audit actions.
- 13.5. In agreeing implementation dates, managers are encouraged to be realistic with regards to when actions can be completed whilst ensuring that issues are addressed in a timely manner.
- 13.6. It is therefore pleasing to report that during 2021/22 senior management have continued to support Internal Audit by challenging their service managers around implementation of actions, particularly during the challenges of the previous years
- 13.7. The timely implementation of audit recommendations is a good indicator of both the effectiveness of Internal Audit in securing action and the Council's commitment and capacity to improve.

14. Reliance placed on the work of other assurance bodies

- 14.1. Internal Audit place assurance on the work of the Council's external auditors, OFSTED, and other external bodies, where appropriate.
- 14.2. Although internal audit has continued to work closely with external audit colleagues, reliance on other external bodies has been limited when forming the annual opinion for 2020/21.

15. Quality Assurance and Improvement Programme (QAIP)

- 15.1. The purpose of Internal Audit's QAIP is to define the practical arrangements in place to provide reasonable assurance to stakeholders that the activity of the Internal Audit section:
 - Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards' (PSIAS) definition of Internal Auditing and Code of Ethics
 - Operates in an effective and efficient manner
 - Is perceived by stakeholders as adding value and improving Internal Audit's operations.
- 15.2. Performance against the QAIP is undertaken through ongoing and periodic reviews and includes a series of performance indicators which are detailed below.

Table 8: Performance Indicators

Performance Indicator	2021/22 Actual	2021/22 Target	2020/21 Actual
Percentage of Audits completed to user satisfaction	95%	92%	100%
Percentage of significant recommendations agreed	100%	90%	100%
Chargeable Time (Assurance Work)	78%	80%	84%
Draft report produced promptly (per Client Satisfaction Questionnaire)	90%	95%	100%

15.3. The periodic review of performance for 2021/22 has confirmed that internal audit continues to operate in compliance with the QAIP.

15.4. In undertaking the review, the following two areas were identified as requiring further work during 2022/23 to ensure continued compliance:

- Audit Manual – although reviewed and updated to ensure compliance with the PSIAS, a further update will be required to recognise the implementation of the upgrade to the audit management system.
- Internal Audit Charter – this was last updated and approved by Audit and Governance Committee in March 2020. A review will be completed to ensure that the Charter continues to ensure compliance with PSIAS, and any changes will be brought back to Committee for approval.

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

16.1. Regulation 6 of the Accounts and Audit Regulations 2015 requires relevant bodies to conduct an annual review of the effectiveness of its internal audit and for a committee of the body to consider the findings. This review is carried out by self-assessing compliance with the Public Sector Internal Audit Standards (PSIAS) The PSIAS require Internal Audit to have in place a quality assurance and improvement programme which must include both internal and external assessments.

16.2. A self-assessment against the Standards is currently underway to ensure that Internal Audit complies fully with the Standards and details of this review will be reported to a future meeting of the Committee as part of the regular Internal Audit update report.

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Working for a brighter future together

Audit and Governance Committee

Date of Meeting: 28 July 2022

Report Title: Monitoring Officer Annual Report 2021/22

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

Report Reference No: AG/41/21- 22

Ward(s) Affected: ALL

1. Purpose of Report

- 1.1. This report seeks to provide assurance to the Audit and Governance Committee on key aspects of the Monitoring Officer's responsibilities over the previous financial year.

2. Executive Summary

- 2.1. The Committee is invited to review the Monitoring Officer's Annual Report attached at Appendix A.
- 2.2. The structure and content of this report is based upon the Committee's preferences as expressed previously, although future reports can be further developed as the current Committee see fit.

3. Recommendations

- 3.1. That the Committee -
- a) Note the Annual Monitoring Officer's Report 2021/22.

4. Reasons for Recommendations

- 4.1. 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 Monitoring Officer 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.

5. Background

- 5.1. 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.
- 5.2. The report (Appendix A) 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
 - Information and Data Protection
 - Complaints including Local Government and Social Care Ombudsmen Referrals
 - Regulation of Investigatory Powers (RIPA) Act
 - Whistleblowing
 - Constitution/Decision Making Process

6. Other Options Considered

Option	Impact	Risk
Do nothing	There is no legal obligation to produce an Annual MO 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.

7. Consultation and Engagement

- 7.1. Not applicable

8. Implications

8.1. Legal

8.1.1. 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.

8.2. Finance

8.2.1. There are no direct financial implications arising from this report.

8.3. Policy

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

8.4. Equality

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

8.5. Human Resources

8.5.1. There are no direct Human Resources Implications arising from this report.

8.6. Risk Management

8.6.1. The Monitoring Officer report provides assurance that the Council has arrangements in place to ensure effective service delivery and manage the risks of non-compliance.

8.7. Rural Communities

8.7.1. There are no direct implications for rural communities.

8.8. Children & Young People/Cared for Children

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

8.9. Public Health

8.9.1. There are no direct implications for public health.

8.10. Climate Change

8.10.1 There are no direct implications for Climate Change

Access to Information	
Contact Officer:	Jamie Hollis, Head of Legal Services jamie.hollis@cheshireeast.gov.uk
Appendices:	Appendix A: Monitoring Officer Annual Report 2021/22
Background Papers:	

Monitoring Officer Report 2020/21

**Audit and Governance Committee
30 September 2021**

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1. Role of the Monitoring Officer

- 1.1 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.
- 1.2 The legal basis for the Monitoring Officer's role is found in Section 5 of the Local Government and Housing Act 1989.
- 1.3 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
- 1.4 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
- 1.5 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.
- 1.6 Additionally, Part III of the Local Government Act 2000 makes the Monitoring Officer responsible for maintaining a Register of Member Interests. The Monitoring Officer also operates the procedures for dealing with Code of Conduct complaints against Cheshire East Borough Council Members, and Members of Town and Parish Councils in its area.
- 1.7 Under the requirements set out above, the Monitoring Officer ultimately assumes responsibility for the lawfulness of decision-making processes and a number of 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.
- 1.8 The Monitoring Officer must be designated by Full Council and cannot be the Chief Executive (Head of Paid Service) or the Director of Finance

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/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.

- 1.9 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.

2. Member's Code of Conduct

- 2.1. Cheshire East Council's current Code of Conduct came into force on 1 January 2018. 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. The Monitoring Officer undertakes a preliminary assessment of each complaint received, consulting one of the Independent Persons where appropriate, before making and notifying the Complainant of his/her decision on 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.
- 2.3. Detail of the complaints received in 2020/21 is shown in the table below.

Part A: General Obligations		
No. received		
	Borough	Town Parish
Selflessness	6	27
Integrity	4	43
Objectivity	6	39
Accountability	1	32
Openness, sub paragraph (a) transparency	4	21
Openness, sub paragraph (b) disclosure	2	19
Honesty, sub paragraph (a) declaring interests	0	8
Honesty, sub paragraph (b) use of resources	1	7
Respect for others, sub paragraph (a) courtesy	4	55
Respect for others, sub paragraph (b) equality	1	15
Respect for others, sub paragraph (c) impartiality	4	22
Respect for others, sub paragraph (d) bullying	4	51
Leadership	5	51

Gifts and hospitality	0	0
Failure to register or declare an interest	1	9

Note: the numbers may not tally with the number of complaints received as a Complainant may identify none or more than one paragraph in their complaint.

- 2.4. The decision of the Monitoring Officer in respect of the complaints received was as follows:

	2020/21		2019/20		2018/19	
Complaint:	Borough	Town Parish	Borough	Town Parish	Borough	Town Parish
Rejected at preliminary assessment stage; failed to meet the assessment criteria	6	37	3	1	11	7
Concluded at Initial Assessment Meeting (breach or no breach)	3	22	7	12	10	2
Referred for formal external investigation	0	11	0	0	*not reported in 18/19	*not reported in 18/19
Referred to Standards hearing Sub Committee	0	11	0	0	*not reported in 18/19	*not reported in 18/19
Complaint ongoing	0	11	0	0	*not reported in 18/19	*not reported in 18/19

- 2.5. Over the course of the last two years, 55 cases progressed beyond the preliminary assessment stage, and of the complaints received in this period, 18 complaints were upheld.

3. Register of Member's Interests

- 3.1. Cheshire East Borough 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. 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 the Code of Conduct and include for all Members, Disclosable Pecuniary Interests. Additionally, there is a requirement to declare personal and 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 are available on, or through, the 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. Other than the Code of Conduct complaints (referred to above) which have involved an allegation of a failure to properly register an interest, there have been no issues arising through the year in respect of the registration of interests.
- 3.6. Training in respect of Member interests is covered below.

4. Register of Gifts and Hospitality

- 4.1. Cheshire East Borough 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.
- 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.
- 4.3. Gifts and hospitality received by Members were declared to the Monitoring Officer in the following numbers;

2020/21	2019/20	2018/19	2017/18
1	2	1	3

- 4.4. Training in respect of gifts and hospitality is covered 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 and

will be repeated on an annual basis, with a date to be confirmed for 2021/22. For any member who is elected as a result of a by election a one-to-one briefing session will be provided.

- 5.2. Following Council elections Code of Conduct training is delivered as part of the Induction programme for newly elected Members, with a wider, all Councillor briefing held in the 28 day period between the date of election and the deadline for completion of Members' Register of Interest Forms. Typically, further sessions would be held at regular intervals during the year, although this has not been possible during the last year due to the Covid pandemic. These sessions will recommence during 2021/22.
- 5.3. Plans are in place in relation to training over the coming year as part of the Council's four-year cycle of training and development. These plans take into account the earlier recommendations of the Committee on Standards in Public Life, as set out in its report on Local Government Ethical Standards published in January 2019. Training content will reflect the Council's recent transition to a committee system form of governance, with a particular focus on the Members Code of Conduct and the arrangements for dealing with Member complaints. Both the Code and the adopted arrangements will be reviewed during the 2021/22 in light of the recently released Local Government Association's Model Code of Conduct 2020, and in the context of the new Constitution, with training tailored and timed to suit.
- 5.4. In respect of Town and Parish Councils, a training programme has been devised in association with the Cheshire Association of Local Councils (CHaLC) and has been delivered by CHaLC since the elections in May 2019, with attendance by the Monitoring Officer when 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. These are set out through in Chapter 4, Part 1 of the Constitution at the end of the Member Code of Conduct.
- 6.3 During the course of 2020/21, general dispensations were granted in relation to remuneration arising from directorships on Council owned companies, and in relation to participation in the current Community

Governance Review.

7. Information and Data Protection**Data Protection Requests**

7.1. The table below outlines the number of requests (individual rights and disclosure requests) received under Data Protection legislation during the financial year 2020/21 compared with 2019/20. It also shows the percentage of requests which were responded to within the statutory timescales (one calendar month).

Table 1 - Data Protection Requests

	2020/21	2019/20
Data Protection Requests	1094	1462
Percentage responded to within statutory timescales	88%	93%

7.2. Data Protection rights requests into the Council typically originate from individuals, including care leavers requesting access to their social care records. Disclosure requests come from a range of third party agencies including the Police, DWP, Home Office, solicitors, other local authorities, and regulatory bodies as well as commercial organisations such as insurance companies requesting CCTV footage.

7.3 Requests have decreased on the previous year and the response rate within statutory timescales has declined. The drop in compliance rate is primarily due to capacity in the team and it should be noted that information gathered in response to subject access requests and requests for disclosure is often complex and voluminous. Every page in every document must be carefully reviewed and redacted before it is released to the requester.

Freedom of Information/Environmental Information Requests

7.3. Tables 2, 3, 4 and 5 below outline the number of requests received under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations (EIR) 2004. They also detail the type, source and number of requests made to the Council, the response times for individual services and the request outcomes.

7.5 Cheshire East Council increased its compliance rate for FOIA and EIRs cases to 97%. This was achieved despite the extra constraints placed upon services by the Covid 19 Pandemic; and compares well to many public authorities who paused all FOIA and EIRs activities in April 2020 due to the pandemic.

- 7.6 There was a noticeable decrease in new requests during the first 2 to 3 months of the pandemic and during the later lockdowns which accounts for the fall in requests. The Information Commissioners Office also took a pragmatic and proportionate approach to their regulatory function during the pandemic. As stated in 7.5, many public authorities paused all FOIA and EIRs activities in the Spring and Summer of 2020. However, they then had a backlog to process in the Autumn. Cheshire East Council did not do this and maintained a compliance rate of 97% for the fiscal year.

Table 2 – Requests Received under FOIA and EIR's

Type of Request	2020/21	2019/20
FOIA/EIR Requests	1,474	1,648
EIR Requests to Land Charges ¹	2,735	2,809
Total FOIA/EIR Requests	4,209	4,457

Table 3 – Source of FOI/EIR Request

Source	2020/21	2019/20
Commercial	32%	27%
Councillor	1%	1%
Individual	40%	45%
MP	1%	<1%
Other	<1%	<1%
Press or media	9%	11%
Pressure Groups	4%	4%
Public Sector	1%	1%
Researchers	2%	2%
What do they know? ²	9%	8%

Table 4 – Percentage of requests handled within 20 working days per Directorate (excluding requests directly made to Land Charges)

Directorate	2020/21	2019/20
Corporate Directorate	97%	97%
People Directorate	98%	97%
Place Directorate	95%	96%
Total	97%	96%

¹ Personal Search Companies make EIR requests directly to the Land Charges Team, who respond directly to the requester. The requests are all completed within the statutory deadline of 20 working days.

² 'What do they know?' is a website used to make FOI and EIR requests

- 7.7 The Council provides full information to the requester in 58% of cases.
- 7.8 In 131 cases (see Table 6) the requests were refused, as the information was already publicly accessible to the applicant without the need to make a request through either FOIA or the EIR's. Ordinarily, links are provided to the location of the published information. Responses are also routinely published in the authority's FOI Disclosure Log. Requesters are advised to look there before making a new request.
- 7.9 Table 5 details the number of cases where the information has not been released or has not been released in full.

Table 5 – FOI/EIR Outcomes – 2019/20

Outcomes	2020/21	2019/20
All information sent	856	888
Information not held	107	192
Ongoing Request at year end (outcome not known)	26	29
Some information sent but not all held	105	137
No information sent - all held but exempt	219	200
Some information sent but part exempt	86	106
Exceeds appropriate limit (18 hours) - refused ³	9	20
Request lapsed – (clarification sought but not provided by requester)	36	46
Some information sent and exceeds appropriate limit	23	23
Neither confirm nor deny information held	6	2
Vexatious request	0	1
Repeated request	0	1
Part exempt and exceeds appropriate limit	1	1
Some information sent, part exempt and exceeds limit	0	2
Total	1,474	1,648

- 7.10 As shown in Table 6 below, 298 FOI Exemptions and EIR Exceptions were applied to refusals issued during 2020/21.

³ The 'appropriate limit' is 18 hours, i.e., if it will take more than 18 hours to fulfil the request, then it can be refused. If a requester wishes to pursue the request and the response, then a fees notice can be issued. In most cases the requester will issue a new revised and reduced request.

Table 6 – FOI/EIR Refusal Notice Reasons

Refusal Notices issued	2020/21	2019/20
EIRs Regulation (12)(5)(f) Information in Confidence	0	3
EIRs Regulation 12(3) Personal Information	2	34
EIRs Regulation 12(4)(a) Information Not Held	4	6
EIRs Regulation 12(4)(b) Manifestly Unreasonable	1	15
EIRs Regulation 12(4)(c) Formed in too general a manner	0	1
EIRs Regulation 12(4)(d) Draft Information	0	2
EIRs Regulation 12(4)(e) Internal Communications	0	2
EIRs Regulation 12(5)(b) Course of Justice	0	9
EIRs Regulation 12(5)(c) Intellectual Property Rights	0	0
EIRs Regulation 12(5)(d) Confidentiality of Proceedings	0	2
EIRs Regulation 12(5)(e) Commercial Interests	0	1
EIRs Regulation 12(5)(g) Protection of Environment	0	1
EIRs Regulation 6(1)(b) Publicly Accessible	52	71
FOIA Section 12(1) Compliance Exceeds 18 Hours	9	20
FOIA Section 21 Publicly Accessible to applicant	79	82
FOIA Section 22 Intended for Future Publication	6	31
FOIA Section 23 Information from or relating to security bodies	0	0
FOIA Section 30 Investigations & Proceedings	15	1
FOIA Section 32 Court Records etc.	0	0
FOIA Section 31 Law Enforcement	68	15
FOIA Section 33 Audit Functions	0	0
FOIA Section 36 Prejudicial to conduct of public affairs	1	0
FOIA Section 38 Health & Safety	0	0
FOIA Section 40 Personal Information	43	33
FOIA Section 41 Information Provided in Confidence	10	5
FOIA Section 42 Legal Professional Privilege	1	1
FOIA Section 43 Commercial Interests	7	20
TOTAL	298	355

- 7.11 It should be noted that the number of exemptions/exceptions does not match with the number of requests refused (Table 4) because more than one exemption/exception may be used in a refusal notice.

Internal reviews and referrals to the Information Commissioner's Office

- 7.12 Should a requester be unhappy with the initial response to their request, they have the right to request an internal review. This is conducted by someone independent of the initial response and usually by a senior officer within the Compliance and Customer Relations Team.

Table 7 - Internal Reviews and Outcomes

Outcome	2020/21	2019/2020
Not upheld (in favour of Council)	40	46
Ongoing review at end of year	0	3
Upheld – full (in favour of requester)	13	11
Upheld – partial (in favour of requester)	19	10
Withdrawn	1	0
Total	73	70

- 7.13 Should a requester remain unhappy following the internal review, he/she may appeal to the Information Commissioner's Office for a decision. Table 8 below outlines the outcomes for those requests which were referred to the ICO.

Table 8 – Referrals to the Information Commissioner's Office (ICO)

Complaints to the ICO	2020/21	2019/20
Late Notification	0	0
Ongoing at year end	6	1
Withdrawn	0	0
Complaint Upheld	0	1
Complaint Not Upheld	1	7
TOTAL	7	9

8. Complaints including Local Government and Social Care Ombudsmen Referrals

- 8.1. Appendices 1, 2(a) and 2(b) outline the number of cases of formal feedback received from customers during 2020/21 and administered under the Council's Corporate Compliments, Suggestions and Complaints Policy, as well as the Council's Adults and Children's Social Care Complaints Policies. A summary of the cases closed during 2020/21 by the Local Government and Social Care Ombudsman is also provided. Figures for 2019/20 are also included for comparison.

- 8.2. During 2020/21 the Council received 2824 instances of customer feedback – 887 were compliments, 184 were suggestions and 1753 were complaints. Details are attached in Appendix 1.
- 8.3. Complaints have decreased by 25% in 2020/21 compared with the previous year, when 2345 were received. This decrease can be partly attributed to the decrease in complaints relating to Waste & Recycling (drop of 41%), Special Educational Needs (drop of 35%) and Highways Operations (drop of 29%). However, it is also worth highlighting that Development Management and Enforcement saw an increase of 34%.
- 8.4. The number of recorded compliments in 2020/21 was 887, compared with 1087 in 2019/20; a large portion of these relate to the Waste and Recycling Service and Business Rates. The Council also recorded 184 suggestions (145 in 2019/20). These are neither complaints nor compliments, but often suggested changes to policy or working practice.

Stage 2 Corporate Complaints

- 8.5. Of the 1631 corporate (i.e., non-social care) complaints received in 2020/21, 113 cases were escalated to a Stage 2 investigation and 24 went straight to Stage 2; for example, in cases where there may have already been lengthy correspondence exchanged between the service and the customer.
- 8.6. This compares with 2019/20, when 127 complaints were escalated to a Stage 2 investigation and 12 were considered directly at Stage 2. The main areas which received requests for Stage 2 investigations were Highway Operations, Development Management & Enforcement and Waste & Recycling.

Children's Social Care Complaints

- 8.7. 32 new complaints were received in 2020/21, compared with 87 in 2019/20. Of the 32 complaints, 7 were dealt with at Stage 2, compared with 9 in 2019/20. Two complaints in 2020/21 were considered at Stage 3 of the Children's social care complaints procedure.

Adult Social Care Complaints

- 8.8. 90 new complaints were received in 2020/21, compared with 109 in 2019/20. Of the 90 complaints, 22 complaints were dealt with at Stage 2, compared with 4 in 2019/20.

Local Government and Social Care Ombudsman (LGSCO) referrals

- 8.9. All customers are offered the opportunity to appeal to the LGSCO if they are unhappy with the way in which the Council has handled their complaint.

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- 8.10. Appendices 2a and 2b show the number of Decision Notices issued to the Council during 2020/21 (64) and 2019/20 (73). For comparison during 2018/19 the Council received 78 Decision Notices and 91 during 2017/18.
- 8.11. During 2020/21, the LGSCO issued Decision Notices on 64 cases. 31 of these cases were closed after the LGSCO conducted their initial enquiry and carried out detailed investigations on 33 cases. In 21 of these cases the detailed investigation found maladministration and upheld the complaint in the complainant's favour. In 12 cases the detailed investigation found no fault with the Council's actions and were not upheld. This gives the authority an uphold rate of 64% of the detailed investigations decided by the LGSCO in 2020/21 which is an increase from the 59% uphold rate in 2019/20. However, this compares to an average of 63% in similar authorities. It is worth noting that the number of cases upheld (21) represents just over 1% of the total number of complaints (1753) the Council received during 2020/21.
- 8.12. However, it is worth highlighting that of the 21 upheld cases, 8 (38%) cases relate to the Special Education Needs Service. The common theme in these cases are delays in issuing Education Health and Care Plans (EHCP). The service has since launched the first phase of the wider SEND training and development programme, which they anticipate will help address the issues identified by the LGSCO investigations.
- 8.13. There are several cases which the Ombudsman received which are rejected on receipt (for example, because they are premature, are recorded as advice calls or because the LGSCO has no jurisdiction over a particular type of complaint). 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.
- 8.14. The LGSCO's Annual Review Letter was received on 21 July 2021. This stated that in 100% of cases they were satisfied that the council had successfully implemented their recommendations. Failure to comply with recommendations from the Ombudsman is rare.

At the end of March 2020, the Ombudsman took the unprecedented step of temporarily stopping their casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. They restarted casework in late June 2020, after a three month pause.

After listening to feedback from local authorities, the Ombudsman decided it was unnecessary to pause their casework again during further waves of the pandemic. Instead, they have encouraged authorities to talk to them on an

individual basis about difficulties responding to any stage of an investigation, including implementing recommendations.

In their formal enquiries, the Ombudsman can request a significant amount of information, and therefore we do make requests on a case by case basis for additional time to provide the amount of detail and documentation that is being requested.

9. Regulation of Investigatory Powers (RIPA) Act

9.1. The Council occasionally needs to use directed surveillance and obtain communications data to carry out its enforcement functions effectively, e.g., planning enforcement, licensing enforcement, trading standards, environmental health, and community enforcement. RIPA provides a regulatory framework to enable public authorities to obtain information using certain covert investigatory techniques.

9.2. It is imperative that, when investigating alleged wrongdoing, certain conditions are met in each case in order that successful prosecutions can be made. It is essential that covert surveillance is only used when it is necessary and proportionate to do so. Therefore, this 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.

9.3. The Council's Authorising Officers/Designated Persons are:

Place Directorate

Andrew Ross, Director of Highways & Infrastructure

Peter Skates, Director of Growth & Enterprise

Paul Bayley, Director of Environment & Neighbourhood Services

Corporate Directorate

Alex Thompson, Director of Finance & Customer Services

People Directorate

Jill Broomhall, Director of Adult Social Care Operations

Nichola Thompson, Director of Commissioning

Kerry Birtles, Director of Children's Social Care

9.4. 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 Services assumes responsibility for

the integrity of the process to ensure that the Council complies with the legislation.

Use of Covert Human Intelligence Source (CHIS)

- 9.5. 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 must be authorised by the Chief Executive before it is approved by a Justice of the Peace/Magistrate.

Applications Authorised

- 9.6. The table below shows the number of applications authorised during 2020/21, compared with previous years.

	Directed surveillance	Communications Data	CHIS
2020/21	0	0	0
2019/20	2	0	0
2018/19	1	1	0

10. Whistleblowing

- 10.1 Cheshire East has an established whistleblowing policy and detailed supporting guidance available on both the Centranet and the Council's website. The current policy was introduced in March 2018 following a review of the Council's arrangements by Public Concern at Work (now known as Protect), the leading advocate for whistleblowing in the UK.
- 10.2 The policy is based on the model policy recommended by Protect but has been adapted to meet Cheshire East's specific requirements such as members of Audit and Governance Committee being designated contacts under the policy. The policy is kept under review and any changes required to ensure that it remains in line with best practice will be brought back to the Committee for approval and adoption.
- 10.3 It can be difficult to determine whether an organisation's whistleblowing arrangements are effective as it is important to take into consideration more than simply the volume of reports received. This is because a single, well founded concern received over a number of years more than justifies maintaining the whistleblowing arrangements.

- 10.4 It is therefore important to ensure that employees, members and external parties working for the Council are aware of the arrangements and provided with assurance that any concerns raised will be taken seriously and that anyone raising concerns will be protected from suffering any detriment as a result of “blowing the whistle”.
- 10.5 To achieve this, the following work has been undertaken since the policy was adopted:
- Publicity and signposting of the policy and supporting information in Team Voice and on Centranet.
 - Development and launch of detailed guidance for officers and members in the event that they are approached with a concern.
 - Training delivered to Audit and Governance Committee
 - Training delivered to Wider Leadership Team, Finance and HR staff.
 - Promotion of the Whistleblowing arrangements under the Brighter Futures Culture Workstream communications and events.
- 10.6 In order to ensure that staff and members are aware of the Whistleblowing Policy and what they should do in the event that someone raises a concern with them, further promotion of the policy and development of the online resource will take place during 2021/22. In addition, an e-learning module is currently being developed which will further improve the knowledge and awareness of whistleblowing throughout the Council.

Referrals Received

- 10.7 The table below shows the number of referrals received during 2020/21 along with a breakdown of the outcome and comparative figures for 2019/20. The figures include all referrals via the online reporting tool and to the dedicated whistleblowing email account.

	2020/21	2019/20
No of Referrals Received	8	7
Met criteria and action taken:		
Unfounded after testing concerns	0	0
Referred for investigation after testing concerns	1	1
Did not meet criteria and action taken:		
Referred to other Council service for resolution	7	2
Referred for disciplinary investigation	0	1
Rejected after testing concerns	0	3

- 10.8 It is pleasing to note that all of the concerns raised were as a result of what appears to be genuine unease on the part of our staff, and that sufficient information was provided to allow for the concerns raised to be tested in each case.
- 10.9 Although only a small number of concerns were raised through the whistleblowing policy in both 2019/20 and 2020/21, there is no evidence that staff failed to report concerns because of fear that it would be detrimental to them.

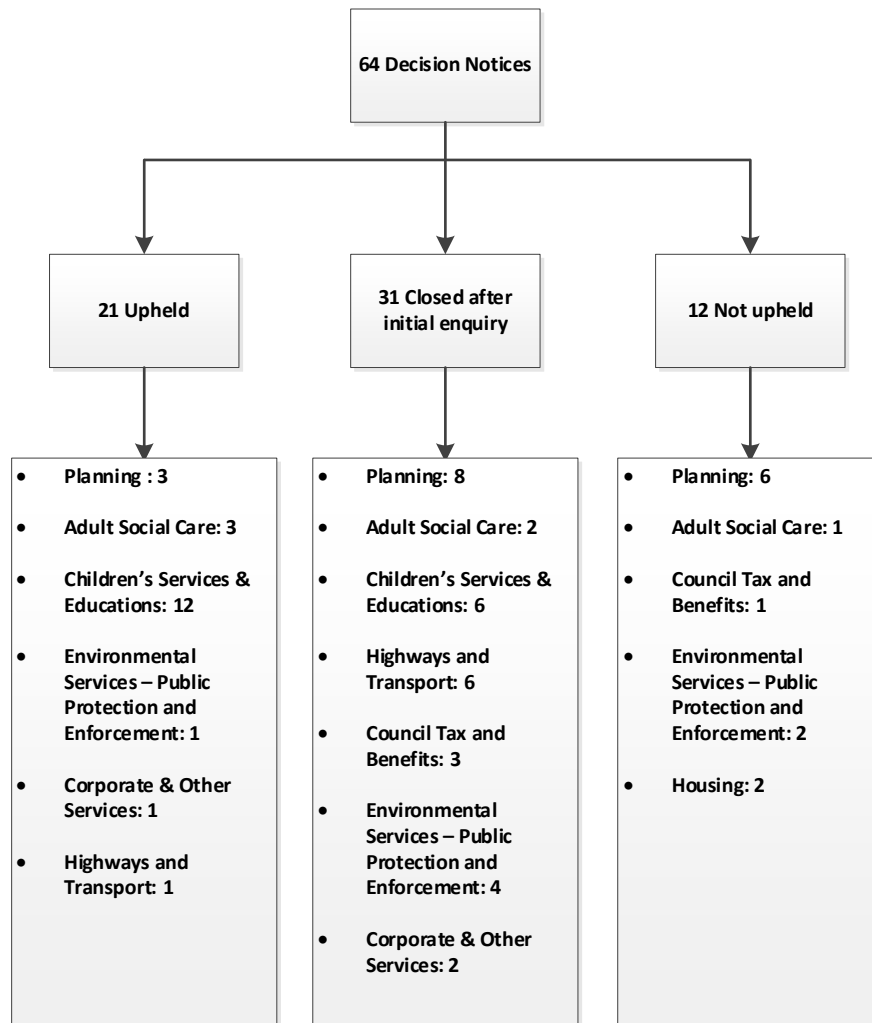
11 Constitution/Decision Making Process in operation

- 11.1 The Constitution is monitored and reviewed at officer level by the Monitoring Officer and at member level by the Constitution Committee. Significant changes are submitted to Council for approval. Minor changes can be made by the Committee or by the Monitoring Officer in consultation with the Chairman and Vice-Chairman of the Committee.
- 11.2 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. A review is currently being carried out to identify any further updates or enhancements that may be necessary now that the new Constitution has been in operation for a period of time.
- 11.3 In terms of formal meetings during 2020/21, of the total number of meetings held, there were approximately 30 closed Committee sessions held under Schedule 12A of the Local Government Act 1972. These included Cabinet, Audit & Governance Committee, Appeals Sub-Committee, Special Staffing and Staffing Appeals Committees, General Licensing Sub- Committee, ASDV Shareholder Committee, LA School Governor Nomination Panel, and the Corporate Parenting Committee.
- 11.4 There was 1 closed Overview and Scrutiny Committee during 2020/21; this was a meeting of the Corporate Overview and Scrutiny Committee.

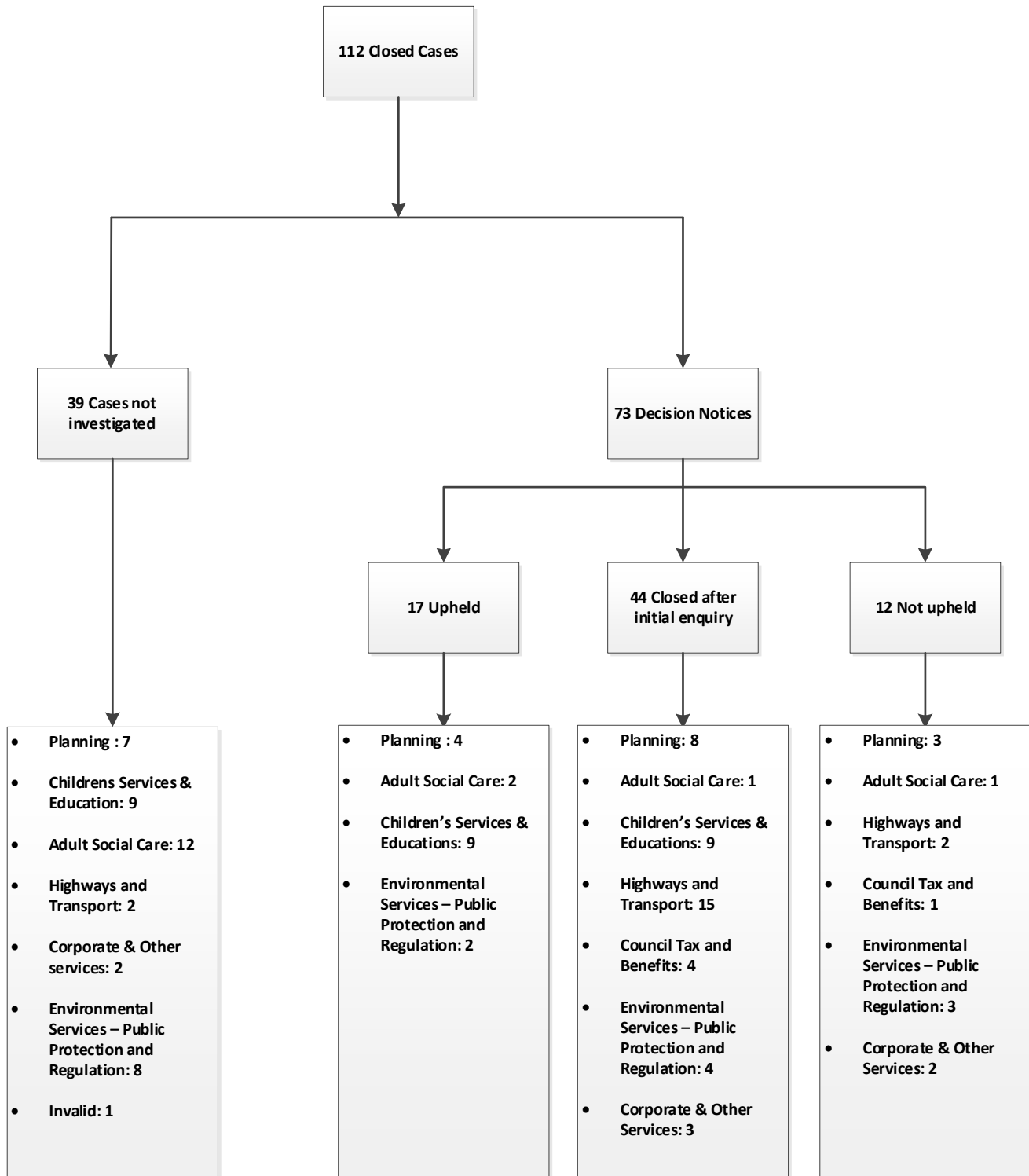
Feedback Received – Appendix 1

Service Area	Complaints Received 2020 / 2021	Complaints Received 2019 / 2020	Compliments Received 2020 / 2021	Compliments Received 2019 / 2020	Suggestions Received 2020 / 2021	Suggestions Received 2019 / 2020
Waste & Recycling	598	1014	110	61	29	24
Highway Operations	251	353	21	27	28	17
Development Management & Enforcement	151	113	0	3	21	2
Children's Services*	127	123	65	23	37	28
Council Tax & Billing	107	137	199	130	4	2
Adult Services*	91	112	105	539	1	14
Parking Services	88	78	2	3	2	5
Special Educational Needs	55	85	0	18	15	0
Transport	24	24	0	0	0	3
Grounds Maintenance	23	29	82	63	2	11
Mixed Service Area	22	29	7	23	2	2
Environmental Protection	22	18	1	0	3	0
Housing	19	4	2	0	1	1
Business Rates & Billing	19	2	132	56	1	0
Customer Services	17	34	56	78	11	9
Benefits	16	29	4	6	1	2
Education	15	9	0	2	0	1
Building Control	12	15	0	0	0	0
Street Cleansing	10	16	29	22	1	2
Community Safety	9	28	13	2	4	0
Electoral Registration	9	19	1	0	0	0
Assets	9	7	4	0	2	1
Licensing	8	8	0	1	1	1
Regeneration & Economic Development	7	0	2	0	1	2
Public Rights of Way	5	2	3	0	2	0
Bereavement	4	5	0	0	0	0
Legal Services	4	3	0	0	0	0
Ranger Service	4	0	1	1	2	1
Commercial Services	3	4	0	0	0	0
Trading Standards	3	3	0	3	0	0
Animal Welfare	3	2	0	0	0	0
Leisure	3	1	0	2	0	0
Democratic Services & Compliance	3	0	2	1	1	2
Gypsies and Traveller Service	2	11	1	0	2	1
Library & Cultural Services	2	10	34	18	4	2
Spatial Planning	2	4	0	0	1	1
Revenue Recovery	2	0	0	0	0	0
Visitor Economy incl. Tatton Park	1	2	0	0	0	0
ICT	1	1	0	0	0	3
Communications & PR	1	0	0	1	1	0
Business Intelligence & Performance	1	0	0	1	0	0
Highways Strategy	0	6	0	0	1	1
Facilities	0	1	0	1	0	0
Markets	0	1	0	0	0	0
Partnerships Business	0	1	0	0	0	0
Registration	0	1	0	1	0	1
Emergency Planning	0	1	0	0	0	0
HR	0	0	0	0	0	1
Public Health	0	0	11	1	3	4
Fleet Management	0	0	0	0	0	1
Total	1753	2345	887	1087	184	145

LGSCO Decision Notices 2020/21 – Appendix 2a



LGSCO Decision Notices 2019/20 – Appendix 2b





Working for a brighter future together

Audit and Governance Committee

Date of Meeting:	28 July 2022
Report Title:	Annual Complaints Report including Decision Notices from the Local Government and Social Care Ombudsman 2021 to 2022
Report of:	David Brown, Director of Governance & Compliance
Report Reference No:	AG/21/21- 22
Ward(s) Affected:	All

1. Purpose of Report

- 1.1.** This report provides a summary of the complaints received and considered by the Council during the period 1 April 2021 to 31 March 2022 (2021-2022). This includes those complaints considered at Stage 1 and Stage 2 of the Council's Corporate Complaints Policy and those cases that were referred to the Local Government and Social Care Ombudsman "the Ombudsman". Where the Ombudsman's investigations have found maladministration (which may also cause injustice to complainants) these are summarised, and the actions of the responsible services to address the cause of the complaints and lessons learned are appended to this report. This latter element forms the key basis of this report.
- 1.2.** The purpose of this report is to provide assurance to the Audit & Governance Committee that matters raised as complaints by customers are being addressed and that action has been taken where these complaints have reached the Ombudsman. Responsibility for service provision rests with the relevant service committee and members of the Audit & Governance Committee may wish to seek additional assurances from those service committees.

2. Executive Summary

- 2.1.** This report deals with what we consider to be the key findings of fault against the Council by the Ombudsman. It should be noted that out of the total number of complaints received by the Council during the period 2021-2022, only a small proportion of those complaints are referred to the Ombudsman. The Council received a total of 2,304 complaints which were accepted as Stage 1 complaints. Of these, 146 were subsequently escalated to Stage 2. Most complaints received related to ANSA Waste, Planning and then Highways.
- 2.2.** A total of 528 complaints were rejected during the year. Most of these were service requests rather than complaints. Some were not for Cheshire East Council, and some were duplicated complaints.
- 2.3.** It should be noted that the number of complaints received represents less than 0.5% of the total contacts received by the Council from members of the public during the period 2021-2022. Appendix 4 provides a breakdown of the number of telephone and digital contacts made to the Council during 2021-2022 which total over 475,000.
- 2.4.** Out of the 2,304 complaints made, only 64 Decision Notices from the Ombudsman were received, of which two found there had been Fault with No Injustice and 12 where there was Fault with Injustice to the complainant. A summary of these cases can be found in Appendix 2. Of the other 50 cases, only four were fully investigated and had the outcome of No Fault Found. All the others were either premature complaints to the Ombudsman and referred back to be put through the Council's complaints procedure or were closed prior to a full investigation, being either out of the jurisdiction of the Ombudsman or where the Ombudsman identified they were unlikely to find any Fault with the Council's actions.

Service	No of LGO Decision Notices	Fault with No Injustice	Fault with Injustice
Highways	17	1	3
SEND	7	0	5
Children's Social Care	6	1	2
Anti-Social Behaviour	1	0	1
Licensing	1	0	1

3. Recommendations

3.1. That the Committee

- 3.1.1.** Notes the content of the report and acknowledges the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman.
- 3.1.2.** Agrees that this report be provided to Chairpersons of the Service Committees.

4. Reasons for Recommendations

- 4.1** To ensure that the Committee is kept informed of the Ombudsman's findings and to provide assurance that the Council is complying with the Corporate Complaints Policy and any recommendations made by the Ombudsman.
- 4.2** To ensure that the Committee is provided with assurance of service departments' improvements to customer service to reduce the number of complaints referred to the Ombudsman.

5. Themes

- 5.1.** In 2020-2021, 64% of complaints against Cheshire East Council that were investigated were upheld (21 upheld decisions out of a total of 33 detailed investigations). This compares to an average of 63% in similar authorities.
- 5.2.** The table below provides for those services who received an Ombudsman decision, a comparison against total interactions and complaints for the service.

Service Area	Total Number of Final Decisions	Total Number of Decisions where Fault was found	Total Number of complaints	Total Number of customer interactions
Adult Social Care (inc Care4CE)	3	0	118	33,767
Education (all SEND)	7	5	116	21,522
Children's Social Care	6	3	126	15,289
ANSA – Grounds Maintenance	1	0	31	844
ASB Team	1	1	10	2,316
Council Tax	2	0	147	168,901 (Finance)
Business Rates	2	0	11	
Benefits	1	0	29	
Electoral Registration	1	0	8	6,110

Growth & Regeneration (Housing)	2	0	44	25,247
Highways	17	4	299	43,911
Legal	5	0	14	1
Licensing & Trading Standard	2	0	11	16,026
Planning	13	1	314	27,117
Registration Office	1	0	12	33,392
Total	64	14	1290	

5.3. SEND

The areas raised as concerns relate to the periods mainly between 2018-2022. Since this time the service has made significant changes to systems and processes. They have clear and robust systems in place at all stages starting from when a needs assessment request is submitted.

There has been an increase in the SEND Team capacity across all levels of staffing to ensure that they are able to continue to sustain and further improve the service. However, increased demand in requests for needs assessment continues to put pressure on the service. This is a national issue and is recognised in the proposed changes in the SEND system, referred to in the recently published green paper.

Following the Ofsted re-inspection in 2021 the SEND service has continued to review and improve systems and processes to ensure there is increased management oversight and regular casework meetings to make sure timely decisions and support is in place.

There is a training programme in place for all staff to access which includes both internal and external training/workshops. This has ensured that all staff have access to the most relevant and up to date knowledge, skills and training required for their role.

The SEND service has developed strong working relationships with wider children's services teams to ensure they are working closely. Regular meetings with the attendance and out of school team take place in relation to those children who have an Education, Health and Care Plan (EHCP) who are educated at home (Electively Home Educated - EHE)/Educated Other Than At School (EOTAS)/or have medical needs so cannot attend school, to ensure multi agency plans of support are in place and that tuition is provided if children are not attending education to minimise the likelihood of injustice. Additional capacity is currently being put in place to support children on a plan that are EHE or EOTAS.

5.4 Highways

The Service is currently reviewing the way that it engages with its customers. As well as an in-depth review of its processes and undertaking regular

customer journey audits to ensure quality and timeliness of responses, it is also investing money into additional customer-focussed resource to complement the improvements to systems and processes. Continual improvements are being driven at a service level through the corporate Customer Experience project and with the benefit of additional oversight and monitoring via performance indicators of that part of the customer journey delivered by the Council's Highways Services provider.

This is in conjunction with forging closer working relationships with the Council's Customer Services team, seeking guidance on a case-by-case basis to avoid similar issues arising in the future wherever practicable.

The service has developed and implemented a robust process for the administration of all remaining open Ombudsman cases, including a tracker, to ensure that any investigations are undertaken, any agreed actions are fulfilled, and responses returned to the Ombudsman all within an agreed timeframe.

In addition, and as part of new governance processes developed, the service now updates its Risks and Issues Register to include details of all Ombudsman investigations where maladministration causing injustice to complainants is identified, providing more visibility within the Highway Service and as a route for escalation where appropriate.

5.5 Other services

The Anti-Social Behaviour Team, Licensing Team and Fostering Team have all had one upheld Ombudsman case. The Crewe Child in Need/Child Protection Team had two upheld complaints against it. However, no themes can be determined from these cases.

6. Background

- 6.1.** The Council has a Corporate Complaints Policy. This covers all complaints about Council services other than Children's Social Care complaints, which have a separate statutory complaints process.
- 6.2.** The Council's Corporate Complaints Policy provides for members of the public to contact the Council in several different ways. Most complaints are received either by email, via the Customer Contact Centre or are self-logged via the Council's website. Appendix 4 shows the volume of telephone and digital contact with the Council. The Council has a two-stage complaints procedure. Most complaints are resolved at Stage 1 where a complaint is investigated and responded to by a manager from the service being complained about. The customer will generally receive a written response within 10 working days, unless the matter has been resolved and the customer has been contacted by the service by telephone or email. This mainly applies to ANSA Waste and

Recycling complaints, which although are the most numerous complaints received, are also usually the easiest to rectify.

- 6.3.** If the customer remains unhappy following the Stage 1 response and outcome, they can request that the complaint is considered at Stage 2. At this Stage a review of the complaint is carried out by a manager who has not previously been involved with the complaint. This may or may not be someone from the same service. However, prior to the complaint automatically being considered at Stage 2, it will be reviewed to assess if it is appropriate for it to proceed to the next stage. For example, where a response to a complaint is purely a legislative issue (and therefore cannot be changed by any Council officer), it would not be appropriate for this to proceed to Stage 2, and the customer will be informed accordingly. Disagreement with a decision is unlikely to change a Stage 1 outcome unless new information is provided.
- 6.4** The Local Government Act 1974 established the Local Government and Social Care Ombudsman. It empowers the Ombudsman to investigate complaints against councils and adult social care providers and to provide advice and guidance on good administrative practice. Once a complainant has exhausted the Council's Complaints procedure, their next recourse, should they remain dissatisfied with the Council's response, is to contact the Ombudsman.
- 6.5** The Ombudsman will assess the merits of each case escalated to them and seek clarification from the Council as necessary before making the decision to investigate a complaint. Once the Ombudsman decides to investigate, they will try to ascertain if maladministration/Fault has occurred and whether there has been any resulting injustice to the complainant because of the maladministration/Fault.
- 6.6** In instances where maladministration/Fault with Injustice is found, the Ombudsman will usually make non-legally binding recommendations which they consider to be appropriate and reasonable. Although not legally binding, refusal to accept the Ombudsman's recommendation(s) will trigger a Public Report.
- 6.7** A Public Report is a detailed account of the complaint, outlining the failures by the Council in the investigation; this can have a significant damaging effect on the Council's reputation.

7. Consultation and Engagement

- 7.1** In preparing this report, key service areas have been consulted and their input is provided in section 5 of this report.

8. Implications

8.1. Legal

8.1.1. There are no legal implications flowing directly from the content of this report.

8.2. Finance

8.2.1. If Fault causing Injustice is found, the Council can be asked to pay compensation to a complainant, the level of which is determined on a case-by-case basis. The cost of such compensation is paid for by the service at fault. In 12 cases where the Ombudsman found Fault during 2021-22, the Council was required to make compensation payments totalling £9050.

8.3. Policy

8.3.1. There are no direct implications to policy from this report, however, whilst the primary purpose of this report is to inform Members of the Ombudsman's findings, and to seek to secure improvements in performance, resource implications arise from high numbers of Ombudsman findings. These primarily relate to the increased demand upon officers in researching the background to, and in administering complaints. However, if a high volume of complaints were received about a specific policy, a review of the relevant policy could be triggered and referred to the relevant service committee.

8.4. Equality

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

8.5. Human Resources

8.5.1. Whilst the primary purpose of this report is to inform Members of the Ombudsman's findings, and to seek to secure improvements in performance, resource implications arise from the high numbers of complaints. These relate to the increased demand upon officers in researching the background to complaints and responding appropriately. Where complaints relate to specific staff members, for example because of behaviour or attitude, these are escalated to the appropriate manager.

8.6. Risk Management

8.6.1. If recommendations made by the Ombudsman are not followed, this could trigger a public report, as detailed in paragraph 6.5 and 6.6 of the report.

8.7. Rural Communities

8.7.1. There are no direct implications for rural communities.

8.8. Children and Young People/Cared for Children

8.8.1. Children and young people are affected by complaints to SEND, particularly in cases where their needs are not being met. Reference to children's issues is made earlier in the report.

8.9. Public Health

8.9.1. There are no direct implications for Public Health.

8.10. Climate Change

8.10.1. There are no direct implications for climate change.

Access to Information	
Contact Officer:	Alan Ward, Complaints Officer Alan.ward@cheshireeast.gov.uk 01270 686200
Appendices:	Appendix 1, 2 and 3 – see below
Background Papers:	None

Appendix 1 – Total Number of Complaints received by Service

Service Area	Total Number of Complaints	Total Number of Complaints Upheld or Partly Upheld	Total Number of Complaints responded to within 20 working days	Comments	
Adult Social Care (inc Care4CE)	118	41	110		
Education	116	77	83		
Children's Social Care	126	35	89		
Children's – Other	1	0	0		
ANSA – Waste & Recycling	694	573	668		
ANSA – Grounds Maintenance	31	16	27		
ANSA – Street Cleansing	17	13	14		
ANSA – Markets	1	1	1		
Environmental Services (Waste Strategy)	89	48	81		
Everybody Leisure	1	1	1		
Orbitas	4	3	3		
ANSA – Transport (formerly TSS)	30				
Communications & Media Relations	3	0	3		
Communities & Partnerships	4	1	2		

Council Tax	147	72	72		
Business Rates	11	1	11		
Benefits	29	10	10		
Customer Service Centres	38	14	28		
Libraries	4	4	4		
Finance & Performance	2	0	2		
Growth & Regeneration	44	21	31		
Highways	299	151	290		
Legal & Democratic Services	62	24	41	A large proportion of the complaints concerning Legal and Democratic Services relate to School Admissions Appeals and Monitoring Officer issues which are generally not upheld.	
Multi-Departmental	13	8	9		
Neighbourhood Services	10	3	4		
Parking	65	24	62		
Planning	314	149	273		
Professional Services (Payments)	5	3	3		
Public Health	5	1	4		
Rural & Green Infrastructure	4	1	1		
Strategic Infrastructure	3	1	3		
Total	2304	1296 (56%)	1930 (84%)		

Appendix 2 – Total Number of Ombudsman Decision Notices

Service Area	Total Number of Final Decisions	Total Number of Decisions where Fault with No Injustice was found	Total Number of Decisions where Fault and Injustice were found	Total Compensation Payments	Total Number of Decisions where no Fault was found
Adult Social Care (inc Care4CE)	3	0	0	0	3
Education (all SEND)	7	0	5	£5950	2
Children's Social Care	6	1	2	£350	3
ANSA – Grounds Maintenance	1	0	0	0	1
ASB Team	1	0	1	£500	0
Council Tax	2	0	0	0	2
Business Rates	2	0	0	0	2
Benefits	1	0	0	0	1
Electoral Registration	1	0	0	0	1
Growth & Regeneration (Housing)	2	0	0	0	2
Highways	17	1	3	£1800	13
Legal	5	0	0	0	5
Licensing	1	0	1	£450	0
Planning	13	0	0	0	13
Registration Office	1	0	0	0	1
Trading Standards	1	0	0	0	1
Total	64	2	12	£9050	50

Percentage of total cases where Fault was found = 22%

OFFICIAL

Appendix 3 – Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found

Service	Summary of Complaint	Fault Found	Agreed Actions
Anti-Social Behaviour (ASB) Team	Complaint about the level of service provided by the ASB team. Customer complains that she has experienced problems with both private landlords and tenants next to her home over the past two years, including persistent noise, verbal abuse and threats, threatening and intimidating behaviour, damage to her property and as a result she does not feel safe in her own home.	<p>Decision Date 14 Jul 2021</p> <p>Summary: The Council is at fault in how it dealt with Mr X and Ms Y's third complaint about a different neighbour.</p> <p>The Council has agreed to apologise and pay Mr X and Ms Y £500. The Council has already taken action to improve its service.</p>	<p>The Council has already taken action to improve its services. This includes:</p> <ul style="list-style-type: none"> • Improved its officers' access to IT systems to support good case management and record keeping. • Produced new policies which will <i>"outline the standards that members of the public...will expect from the Team"</i>. • Provided training to relevant staff about the new policies and what is expected in terms of prevention, investigation, and record keeping. • Provided training to relevant staff on unconscious bias. The Council says staff have requested further training about mental health and best practice, which it will provide. • Set up a monthly meeting between the ASB and Environmental Protection teams to share information on joint cases and share good practice. <p>£500 compensation Paid.</p>
SEND	Mrs X complained the Council failed to secure the provision of the Speech and Language Therapy (SaLT) assessment specified in her son, Mr S's, Education, Health and Care Plan and delayed putting into place transport arrangements to college which then proved to be unsuitable.	<p>Decision Date 5 Aug 2021</p> <p>The Council was at fault when it delayed in ensuring the SaLT assessment took place. This caused Mrs X and Mr S an injustice. The Council should make a financial payment to recognise this.</p>	<p>Regular (weekly) meetings are scheduled to include representatives from the LA's SEND service, the Designated Clinical Officer (DCO) from the NHS and colleagues from Social Care to enable informed decisions to be made, focussing on the needs of the child/young person. Therefore, should a similar circumstance occur again, we are able to identify the need to commission alternative services sooner within this process.</p> <p>£1650 Compensation Paid (£1,500 to remedy the speech and language therapy he missed out on and £150 to remedy the distress and frustration Mrs X experienced by the Council's faults)</p>

Children's Social Care	Mr X complains about the treatment he received from children's services and the Council's decision to remove his child from his care.	<p>Decision Date: 20 Aug 2021</p> <p>There was some fault by the Council which caused injustice to Mr X, however the Council has apologised and put in place the recommendations from the children's social care statutory complaints procedure which is a suitable remedy.</p>	<p>Following the Stage 2 investigation the council distributed guidance to social care staff about:</p> <ul style="list-style-type: none"> a. The need to ensure reviews of written agreements are recorded on file. b. Clarifying who is responsible for notifying a parent they are excluded from Child Protection Conferences and meetings. c. The need to ensure any decision to exclude a parent from conferences and meetings is clearly recorded, communicated to the parent and reviewed. In addition, the Council should make arrangements for excluded parents to have their views heard and these meetings. <p>No compensation Paid.</p>
Licensing	Complaint concerned the significant failure to investigate noise nuisance, failure to take action to prevent the continuation of noise nuisance coupled with serious procedural errors and poor communication.	<p>Decision Date: 27 Aug 2021</p> <p>The Ombudsman found fault on Mrs H's complaint against the Council about it failing to: make representations to a review committee; object to Temporary Events Notices (TENs); communicate with her properly; issue a valid Noise Abatement Notice; ensure there were no delays; consider evidence.</p>	<p>The Service has reviewed its practices following this complaint and as recommended by the Ombudsman. These include - EPT will make objections to future TENs from the venue where appropriate; proper checks are made about the relevant party to be named on the Noise Abatement Notice; officers act on accepted breaches of licence and progress them without delay; ensure reports received by EPT are acknowledged and actioned.</p> <p>£450 Compensation Paid.</p>
SEND	Mrs X complains about how the Council dealt with a Education, Health and Care Plan for her son.	<p>Decision Date: 25 Oct 2021</p> <p>The Council is at fault as it delayed in assessing and issuing an Education and Health Care plan for Y, failed to ensure his school made the provision set out in his</p>	<ul style="list-style-type: none"> • a permanent appointment has been made to the role of SEND Tribunals Officer with effect from mid-July 2021 and this is having a positive impact on parent/carers and the SEND Service. • the outcome of the OFSTED re-inspection that was conducted in May 2021 evidences the improvements that have been made. The inspection letter refers to services having been transformed. This reflects the significant improvement in timeliness and quality of new plans and improvements in the quality of existing plans. We know that by early 2020, 'almost every needs assessment was completed within 20 weeks,

		Education, Health and Care Plan and delayed in complying with a consent order. This disadvantaged Y as he did not receive support for his special educational needs. Mrs X was also caused significant distress and put to avoidable time and trouble.	<p>compared to less than one in six in 2018' which was also highlighted in the inspection letter.</p> <ul style="list-style-type: none"> In our parent carer survey from January 2021, 70% were satisfied with how their education health and care plan described their child's needs and how they should be met, compared with a 56% satisfaction rate in 2020. Importantly, Ofsted and CQC 's report states that 'the local area is not resting on its laurels' and is very clear that 'addressing this significant weakness has been, and still is, a journey'. <p>£1300 Compensation Paid</p>
SEND	We upheld Miss X's complaint about the Council's handling of her son's education, health and care plan.	<p>Decision Date 18 Nov 2021</p> <p>Her son, Mr Y, lost out on provision he was entitled to. Miss X and Mr Y also experienced frustration and uncertainty due to faults by the Council. The Council agreed to apologise to Mr Y and Miss X and make a payment to recognise their distress and time and trouble.</p>	A reminder has been issued to all SEND staff about the timescales to be adhered to for issuing an amended plan following a decision from a SEND Tribunal.
Highways	Mr D complained the Council failed to take preventive action when he reported a blocked drain. He says the Council's failure to act in a timely manner led to the flooding of his grounds and septic tank.	<p>Decision Date: 9 Dec 2021</p> <p>We find the Council was at fault for its communication with Mr D. The Council apologised for this when it responded to Mr D's complaint. It has also agreed to carry out service improvements to prevent a reoccurrence of the fault.</p>	<p>We have created a Teams group where spreadsheets for each weather event are stored. The contents of the spreadsheets have been standardised, which means all data for each incident is now collected and maintained in the same way. The spreadsheet is shared with key Highways staff to allow them to update the contents and viewing access has been given to senior managers and our colleagues in the Customer Centre and the out of hours team so that they can monitor the events 24 hours a day.</p> <p>Instructions have been given to the Customer Centre and out of hours about how to use the information provided in the spreadsheet, which explains when they should call through different enquiries and how to update customers at first point about any known issues. Guidance has</p>

			<p>also been provided for the commonest enquiries received during adverse weather, including where to signpost customers to third parties.</p> <p>We have explored developing a dedicated web page for Highways incidents with our Web team, who have suggested that we may wish to consider liaising with other services to consider creating a hub for all council services impacted by poor weather and other major events.</p> <p>In the meantime, we have ensured our winter maintenance and flooding pages are up to date with the latest general information - as these are the most useful pages during periods of poor weather - and we will continue to issue specific updates about storms via our social media channels until a web page format can be agreed.</p> <p>No Compensation Paid</p>
SEND	<p>Mrs X complains the Council failed to ensure her daughter, B, received certain special educational provision set out in her Education, Health and Care Plan. She complains the Council failed to complete the annual review of the Plan within the statutory timescales.</p>	<p>Decision Date: 17 Dec 2021</p> <p>Because of fault, Mrs X was caused distress and uncertainty, and B missed out on certain provision. To remedy the injustice, the Council has agreed to apologise, make Mrs X and B a payment, and take action to prevent similar failings in the future.</p>	<p>The Council has confirmed that it has already made the following service improvements because of Mrs X's complaint: reminded relevant staff about adhering to statutory guidance on the EHC Plan process, and shared learning about the case with relevant staff members involved in the complaint and at managers meetings.</p> <p>However, within three months of my decision, the Council has also agreed to make the following service improvements:</p> <p>a) remind relevant staff members about the specific statutory timeframes for completing the annual review process. This should include information on the timeframes for completing the process when the Council intends to amend an EHC Plan (see paragraphs 16 to 19 above)</p> <p>b) develop a procedure to ensure that, where it appears a child or young person is not receiving the provision set out in their EHC Plan, robust action is taken without delay</p> <p>c) review its complaints handling process to ensure clear information is given to staff on assessing injustice when fault is found and awarding appropriate remedies for this. The Council should consider including a reference to the Ombudsman's published guidance on remedies in the guidance; and,</p>

			<p>d) share this decision with relevant staff.</p> <p>£2500 Compensation Paid</p>
Children's Social Care	<p>Miss X complained the Council wrongly refused to allow her to escalate her complaints to stage 2 of the children's statutory complaints procedures.</p>	<p>Decision Date: 19 Jan 2022</p> <p>The Council was at fault when it refused to go to stage 2 of the procedures. This caused Miss X avoidable frustration and time and trouble coming to the Ombudsman. It has agreed to apologise, pay Miss X £100 and move without further delay to stage 2. It has also agreed to carry out service improvements.</p>	<p>Arrange staff training or guidance: Within three months of the date of the final decision the Council has agreed to remind relevant staff of its legal obligations under the statutory children's complaints procedures, in particular its obligations to carry out a stage two investigation and the limited circumstances in which early referrals to the Ombudsman can be requested.</p> <p>Email sent to Heads of Service & Children's Complaints Officer reminding them about the requirement to complete the children's statutory complaints process if a complainant wishes to escalate to Stage 2 and Stage 3.</p> <p>£100 Compensation Paid.</p>
Highways	<p>Mr X complained the Council failed to accept responsibility for maintaining a blocked culvert on land near his home. Mr X also complained the Council failed to acknowledge his disability or his need for reasonable adjustments under the Equality Act.</p>	<p>Decision Date: 20 Jan 2022</p> <p>The Ombudsman found there was fault causing injustice when the Council failed to properly investigate the blocked culvert, when it gave inconsistent information about special contact measures, and when it failed to properly engage with Mr X about his disability.</p>	<p>An apology letter was issued to the complainant on 17 February 2022. This apologised for the issue over who was responsible for the culvert; our failure to engage with him with regards to his disability and the confusing and inconsistent information he received about whether or not he was subject to any special contact measures.</p> <p>Our claims handlers have also been in contact with the complainant with regards to progressing his claim and a payment of £600 has been made to him.</p> <p>The complainant has provided a list of what reasonable adjustments he expects the council to make when communicating with him but these are actually standards that we would apply to how we communicate with any customer, rather than specific reasonable adjustments.</p> <p>£600 Compensation Paid</p>

Highways	Mr X complained about the way the Council dealt with access to his land in order to effect highway repairs.	<p>Decision Date: 20 Jan 2022</p> <p>The Council was at fault for not providing notice prior to entering Mr X's land to carry out works. This led to injustice to Mr X that warrants a remedy.</p>	<p>The Council should review its procedures to ensure that staff adhere to the requirement to give notice before entering land, as required by the Highways Act 1980. It should provide evidence to us that it has done this.</p> <p>£500 Compensation Paid.</p>
SEND	Ms X complained about fault and delay in the way the Council provided support for her child's special educational needs and care needs.	<p>Decision Date: 8 Feb 2022</p> <p>Summary: We cannot say that on the balance of probabilities her child missed out on education, but the fault did cause uncertainty and distress as to whether the outcome might have been different, which is in itself an injustice. Recommendations for an apology, financial payment and service improvements are made.</p>	<p>The Council has issued a reminder to officers:</p> <ul style="list-style-type: none"> • To discuss, record and action requests for professional advice made by parents during EHC needs assessments. If the Council decides a parent request for advice is not a 'reasonable request' under Special Educational Needs and Disability Regulations 2014, Regulation 6, it should provide a decision in writing giving reasons. • That parents can withdraw from home education at any time and officers should discuss this fully with parents and consider whether the case should be referred to colleagues, for example school admissions or officers responsible for children missing from education or who have medical needs. • That advice about the criteria for EHC assessments or EOTAS should not depart from the legal tests set out in legislation and statutory guidance.
Highways	Miss X complained the Council did not take proper action in response to her complaint about a flooding problem on the carriageway outside her property.	<p>Decision Date: 14 Feb 2022</p> <p>The Council was at fault because it delayed completing an investigation. This caused Miss X uncertainty, frustration and time and trouble. The Council has agreed it will apologise to Miss X and pay her £100 for the frustration, time and</p>	<p>The Flooding investigation has been completed. Since the closure of the case by the Ombudsman, we have made further contact with the customer following on from a recent site visit and provided a comprehensive update.</p> <p>£100 Compensation Paid</p>

		trouble the matter has caused her. The Council will also complete its investigation and inform Miss X of the outcome and the action it proposes to take.	
Fostering	Original complaint related to decisions made by professionals in relation to the child being fostering by Mr & Mrs X.	<p>Decision Date: 9 Mar 2022</p> <p>We did not investigate Mrs X's complaints about decisions the Council made about a child she fostered. This is because we did not find fault with the Council's stage two and three statutory complaint investigations. However, we did find fault with delays in the Council's complaint handling and in complying with the recommendations from those investigations. The Council has offered a suitable remedy for the delay. It will also complete the recommendations, apologise to Mrs X and remind officers of the timescales for carrying out investigations.</p>	<p>The Council has already offered to pay Mrs X £250 to recognise the delay in the statutory complaint process. In addition, the Council has agreed to the following:</p> <ul style="list-style-type: none"> • Within one week of this decision, it will send Mrs X a copy of her reference and apologise that this was not done sooner. Completed • Within one month of this decision, it will remind staff dealing with complaints the timescale for completing a stage two investigation begins once a complainant requests it in writing. Completed • Within one month of the final decision, it will review its systems for monitoring compliance with recommendations from stage two investigations and stage three review panels to ensure these are completed in a timely way. Completed <p>£250 Compensation Paid.</p>

Appendix 4 – Summary of customer contacts with Cheshire East Council during 2021-2022

Includes recorded contacts only. May exclude emails or telephone calls direct to officers or individual services

Social Care & Health

Tel: 29,287

Digital: 4,480

Waste & Recycling

Tel: 36,735

Digital: 45,399

Children & Families

Tel: 7,487

Digital: 7,802

Finance

Tel: 103,764

Digital: 65,130

Planning & Building Control

Tel: 17,792

Digital: 9,325

Environmental Health, Trading Standards & Licensing

Tel: 14,729

Digital: 1,297

Electoral Services

Tel: 6,110

Digital: 0

Housing

Tel: 20,580

Digital: 4,667

Births, Deaths & Marriages

Tel: 23,750

Digital: 9,642

Highways

Tel: 20,078

Digital: 23,833

Community Safety

Tel: 2,074

Digital: 242

Schools

Tel: 13,708

Digital: 7,814

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Work Programme – > Committee – 2021/22

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/14/21-22	28 Jul 2022	Member Code of Conduct	To approve and adopt a new Member Code of Conduct and Code of Conduct Process.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/20/21-22	28 Jul 2022	Covid-19 Report	To consider the most recent report on the Council's response to Covid-19 as prepared and presented to the Council's Corporate Policy Committee.	Executive Director Corporate Services				An open and enabling organisation	
AG/38/21-22	28 Jul 2022	Draft Statement of Accounts 2021/22	To consider the Draft Statement of Accounts.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/34/21-22	28 Jul 2022	Draft Annual Governance Statement 2021/22	Update on actions to improve governance arrangements and respond to emerging issues identified in the 2020/21 Annual Governance Statement. Proposed process for the production of the 2021/22 Annual Governance Statement.	Executive Director Corporate Services				An open and enabling organisation	
AG/42/21-22	28 Jul 2022	Information Governance Report	To consider an Information Governance Report.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/23/21-22	28 Jul 2022	Internal Audit Annual Report 2021/22	To receive the Annual Internal Audit Report for 2021/22.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/41/21-22	28 Jul 2022	Monitoring Officer Report	To consider a report by the Monitoring Officer.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/21/21-22	28 Jul 2022	Standing Item: Upheld Complaints to the Local Government Ombudsman	To consider the decision notices issued by the Local Government Ombudsman.	Director of Governance and Compliance (Monitoring Officer)		No	yes	An open and enabling organisation	No
AG/24/21-22	28 Jul 2022	Standing Item: Work Programme 2021/22 and 2022/23	To consider the Committees Work Programme.	Executive Director Corporate Services				An open and enabling organisation	
AG/25/21-22	28 Jul 2022	Standing Item: Compliance with Contract Procedure Rules	To update the Committee on Waivers and Non-Adherences (WARNs)	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/26/21-22	28 Jul 2022	Standing Item: Compliance with Contract Procedure Rules: PART TWO	To update the Committee on Waivers and Non-Adherences (WARNs): PART TWO	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/32/21-22	28 Jul 2022	Annual Audit Letter 2020/21	Summary of the External Audit findings from the 2020/21 audit. The letter will also confirm the final audit fee	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/17/21-22	28 Jul 2022	External Audit 2021/22 Progress Report	To receive an update from the Council's External Auditors in relation to the 2021/22 external audit report to minimise risk and time slippage.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/16/21-22	28 Jul 2022	VFM report from External Auditors	To receive the Value for Money report from the External Auditors in relation to the 2020/21 Statement of Accounts.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/44/21-22	29 Sep 2022	Audit & Governance Committee Annual Report	To consider the Committees Annual Report.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/43/21-22	29 Sep 2022	Audit & Governance Committee Self-Assessment	To approve the adoption of the new CIPFA Code and the annual self-assessment.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/28/21-22	29 Sep 2022	Conflict of Interest Policy	To consider the Conflict of Interest Policy following the adoption of the Code of Conduct.	Director of Governance and Compliance (Monitoring Officer)		TBC	TBC	An open and enabling organisation	No
AG/37/21-22	29 Sep 2022	Internal Audit Plan 2022/23	To receive a progress update on the Internal Audit Plan 2022/23	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/25/21-22	29 Sep 2022	Standing Item: Compliance with Contract Procedure Rules	To update the Committee on Waivers and Non-Adherences (WARNs)	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/26/21-22	29 Sep 2022	Standing Item: Compliance with Contract Procedure Rules: PART TWO	To update the Committee on Waivers and Non Adherences (WARNs) PART TWO.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/21/21-22	29 Sep 2022	Standing Item: Upheld Complaints to the Local Government Ombudsman	To consider the decision notices issued by the Local Government Ombudsman.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/24/21-22	29 Sep 2022	Standing Item: Work Programme 2022/23	To consider the Committees Work Programme.	Executive Director Corporate Services				An open and enabling organisation	
AG/24/21-22	29 Sep 2022	Standing Item: Work Programme 2022/23	To consider the Committees Work Programme.	Executive Director Corporate Services				An open and enabling organisation	
AG/15/21-22	29 Sep 2022	Whistleblowing Policy	To consider the Whistleblowing Policy and recommend to Council for approval.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/17/21-22	24 Nov 2022	External Audit 2021/22 Progress Report	To receive an update from the Council's External Auditors in relation to the 2021/22 external audit report to minimise risk and time slippage	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/35/21-22	24 Nov 2022	Final Annual Governance Statement	To review the final version of the Audit and Governance Annual Governance Statement 2021/22 for approval.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/39/21-22	24 Nov 2022	Final Statement of Accounts	To consider the Final Statement of Accounts.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/37/21-22	24 Nov 2022	Internal Audit Plan 2022/23	To receive a progress update on the Internal Audit Plan 2022/23.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/22/21-22	24 Nov 2022	Risk Management Update	To update the Committee on Risk Management and Business Continuity activity in the Council.	Executive Director Corporate Services				An open and enabling organisation	
AG/22/21-22	24 Nov 2022	Risk Management Update	To update the Committee on Risk Management and Business Continuity activity in the Council.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/25/21-22	24 Nov 2022	Standing Item: Compliance with Contract Procedure Rules	To update the Committee on Waivers and Non-Adherences (WARNs)	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/26/21-22	24 Nov 2022	Standing Item: Compliance with Contract Procedure Rules: PART TWO	To update the Committee on Waivers and Non-Adherences (WARNs): PART TWO	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/21/21-22	24 Nov 2022	Standing Item: Upheld Complaints to the Local Government Ombudsman	To consider the decision notices issued by the Local Government Ombudsman	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/24/21-22	24 Nov 2022	Standing Item: Work Programme 2022/23	To consider the Committees Work Programme.	Executive Director Corporate Services				An open and enabling organisation	
AG/1/21-22	9 Mar 2023	Annual Audit Letter 2021/22	Summary of the External Audit findings from the 2021/22 audit. The letter will also confirm the final audit fee.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/36/21-22	9 Mar 2023	Annual Governance Statement Progress Update	Update on actions to improve governance arrangements and respond to emerging issues identified in the 2021/22 Annual Governance Statement. Proposed process for the production of the 2022/23 Annual Governance Statement.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	
AG/45/21-22	9 Mar 2023	Certification of Claims and Returns 2021/22	To review the Certification of Claims and Returns 2021/22.	Director of Finance and Customer Services (s151 Officer)		N/A	N/A	An open and enabling organisation	N/A
AG/17/21-22	9 Mar 2023	External Audit 2021/22 Progress Report	To receive an update from the Council's External Auditors in relation to the 2021/22 external audit report to minimise risk and time slippage	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/22/21-22	9 Mar 2023	Risk Management Update	To update the Committee on Risk Management and Business Continuity activity in the Council.	Executive Director Corporate Services				An open and enabling organisation	
AG/25/21-22	9 Mar 2023	Standing Item: Compliance with Contract Procedure Rules	To update the Committee on Waivers and Non-Adherences (WARNs).	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/26/21-22	9 Mar 2023	Standing Item: Compliance with Contract Procedure Rules: PART TWO	To update the Committee on Waivers and Non-Adherences (WARNs): PART TWO	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	
AG/21/21-22	9 Mar 2023	Standing Item: Upheld Complaints to the Local Government Ombudsman	To consider the decision notices issued by the Local Government Ombudsman.	Director of Governance and Compliance (Monitoring Officer)				An open and enabling organisation	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
AG/24/21-22	9 Mar 2023	Standing Item: Work Plan 2022/23 & 2023/24	To consider the Committees Work Programme.	Executive Director Corporate Services				An open and enabling organisation	
AG/16/21-22	9 Mar 2023	Value For Money Report from External Auditors	To receive the Value for Money report from the External Auditors in relation to the Statement of Accounts.	Director of Finance and Customer Services (s151 Officer)				An open and enabling organisation	

Audit & Governance Committee

Date of Meeting: 28 July 2022

Report Title: Waivers and Non-Adherences (WARNs)

Report Reference: AG/25/21-22

Senior Officer: Alex Thompson – Director of Finance and Customer Services - S151 Officer

1. Report Summary

- 1.1. The purpose of this report is to provide an update to the Audit and Governance Committee on the number of cases where, and reasons why, procurement activity has required the use of waivers and/or non-adherences (WARNs). The report covers cases from 1st May 2022 to the 31th May 2022, plus two Waiver which were missed from the figures in the May Committee.
- 1.2. The approved WARNs are published retrospectively for information to the next appropriate Audit and Governance Committee. The total number of WARNs to be presented to the July Audit and Governance Committee is 5 (consisting of 5 waivers, 0 non-adherences).
- 1.3. All WARNs will be presented to the Audit and Governance Committee without any information redacted. However, they will be presented in Part 2 of the Committee as they may contain commercially sensitive information and/or Officer Details.

2. Recommendation/s

That the Audit and Governance Committee:

- 2.1. Notes the reason for 5 waivers approved between 1st May 2022 and 31st May 2022 (6 in total in 2022/23).
- 2.2. Notes that the Finance Sub-Committee, on the 6th July 2022, has reviewed the Waivers for this period as part of their responsibility for the pipeline of procurement activity.

3. Reasons for Recommendation/s

- 3.1. The Audit and Governance Committee has an assurance role in overseeing governance arrangements within the Council. The Committee exercises this role in relation to the Council's Contract Procedure Rules (CPRs) by having

oversight of the WARN process. The CPRs promote good procurement and commissioning practice, transparency, and clear public accountability.

- 3.2. In introducing the Committee system of governance, from May 2021, Council has allocated responsibility for the procurement pipeline to the Finance Sub-Committee. As such that sub-committee will receive reports on procurement activity, such as contracts awarded, contracts to be advertised, waivers and processes for significant procurement decisions.
- 3.3. WARNs cover Waivers which are pre-approved variations from the Contract Procedure Rules, and these form part of the procurement process. Non-Adherence recognises instances where CPRs have not been followed. As such the Audit & Governance Committee can seek assurance from the Finance Sub-Committee that procurement process has followed an appropriate approval process.

4. Other Options Considered

- 4.1. N/A

5. Background

- 5.1. All WARNs approved in the period between Audit and Governance Committees will be presented to the next Committee meeting. This report contains all WARNs approved from the 1st May 2022 to the 31st May 2022, plus two waivers which were missed from the figures in the May Committee (5 waivers and 0 non adherences).

The WARN process records the following:

- Waivers to the Contract Procedure Rules – These are agreed waivers in accordance with the Contract Procedure Rules, Chapter 3, Part 5. Section 7.1-7.4.
- Non-Adherence to the Contract Procedure Rules – This is a breach of the Contract Procedure Rules in accordance with Chapter 3, Part 5. Section 7.5 - 7.12.

Waivers are a compliant part of the Contract Procedure Rules and are used where there is a genuine business case to direct award without the need for competition.

Table 1: Waiver's

Waivers	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	April – May 2022
	40	20	16	17	25	37	6

- 5.2 The number of waivers has increased in the past two years because of COVID and the impacts it has had on the care market.

Table 2: Non-Adherences

Non-Adherence	2016-2017	2017-2018	2018-2019	2019 - 2020	2020-2021	2021-2022	April - May 2022
	33	10	5	1	3	3	1

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. All employees must ensure that they use any Council or other public funds entrusted to them through their job role in a responsible and lawful manner.

6.1.2. Employees must also seek to ensure value for money and take care to avoid the risk of legal challenge to the Council in relation to the use of its financial resources. The Council's Officer Delegations, Finance and Contract Procedure Rules and Operating Procedures must, therefore, be followed at all times. Waivers are a compliant procurement route within the Rules and oversight of their use forms part of the Finance Sub Committee's oversight and management functions.

6.1.3. The Audit & Governance Committee will receive reports on all WARNs as part of their assurance role.

6.1.4. The continued reporting of Waivers to the Audit & Governance Committee will provide assurance on both the operation of the Rules and the oversight and management of a compliant process which seeks value for money but does mean that contracts are awarded without competition.

6.2. Finance Implications

6.2.1. The Council's Constitution Finance Procedure Rule 2.11; Chapter 3 - Part 4: Section 2 explains that the Corporate Leadership Team (CLT) are responsible for working within their respective budget limits and to utilise resources allocated to them in the most efficient, effective and economic way. This is supported by effective commissioning, procurement processes and appropriate contract management.

6.2.2. Along with comments from Procurement and Legal Officers, Finance Officers are invited to make comments in respect of each WARN, to help ensure Finance Procedure Rules are adhered to in this regard. The comments of Finance Officers focus on whether the Service: has identified sufficient existing budget to cover the proposal; and has also considered how to achieve best value for money via the particular recommended course of action.

6.3. Policy Implications

6.3.1. N/A

6.4. Equality Implications

6.4.1. N/A

6.5. Human Resources Implications

6.5.1. There are no direct implications for human resources.

6.6. Risk Management Implications

6.6.1. The focus is the risk that processes are not complied with, which increases the likelihood of legal challenge causing financial and reputational risk to the Council. This includes procurement processes.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

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

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct implications for climate change.

7. Ward Members Affected

7.1. N/A

8. Consultation & Engagement

8.1. N/A

9. Access to Information

- 9.1. The background papers relating to this report can be inspected by contacting the report writer.

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

Name: Lianne Halliday

Job Title: Senior Manager - Procurement

Email: lianne.halliday@cheshireeast.gov.uk

Appendix 1

CPR WAIVERS – CATEGORIES FOR INTERNAL REPORTING

Category Ref	Ref Description
A	Genuine Emergency - which warrant an exception to the requirements of competition
B	Specialist Education or Social Care Requirements
C	Genuine Unique Provider - e.g. from one source or contractor, where no reasonably satisfactory alternative is available.
F	No valid tender bids received; therefore, direct award can be substantiated
G	Lack of Planning
H	Any other valid general circumstances up to the EU threshold
I	No time to undertake a tendering exercise, therefore extension necessary to avoid non-provision of deliverables
J	Procurement from any other source would be uneconomic at this time
K	Added value being offered by the Provider(s)
L	Extension is best option as highlighted in request form
D	Compatibility with an existing installation and procurement from any other source would be uneconomic given the investment in previous infrastructure
V	Covid-19 Exemption
E	In-depth Knowledge, skills and capability of project/services already in existence with consultants/providers carrying out related activity – therefore procuring new consultants/skills would be uneconomic given the investment in previous, related work.

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