

Audit and Governance Committee

Agenda

Date: Thursday, 27th July, 2023
Time: 2.00 pm
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 in the report.

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

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

1. **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.

4. **Minutes of Previous Meeting** (Pages 5 - 12)

For requests for further information

Contact: Jennifer Ashley

Tel: 01270 685705

E-Mail: jennifer.ashley@cheshireeast.gov.uk with any apologies

To approve as a correct record the minutes of the meeting held on 8 June 2023.

5. **Action Log** (Pages 13 - 16)

To consider the action log.

6. **External Audit - Value for Money Report** (Pages 17 - 36)

To consider the attached report.

7. **Annual Complaints Report 2022/23** (Pages 37 - 78)

To consider the attached report.

8. **Information Governance Update 22/23** (Pages 79 - 92)

To consider the attached report.

9. **Annual Internal Audit Opinion 2022/23**

Report to follow.

10. **RIPA Policy and Inspection Plan Update** (Pages 93 - 138)

To consider the attached report.

11. **Annual Risk Management Report 2022/23** (Pages 139 - 188)

To consider the attached report.

12. **Draft Annual Governance Statement 2022/23** (Pages 189 - 230)

To consider the attached report.

13. **Review of Audit and Governance Committee Terms of Reference** (Pages 231 - 238)

To consider the attached report.

14. **Recruitment of Co-opted Independent Member for the Audit and Governance Committee** (Pages 239 - 258)

To consider the attached report.

15. **Work Programme** (Pages 259 - 264)

To consider the committee's work programme.

16. **Annual Procurement Update** (Pages 265 - 272)

To consider the attached report.

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 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. **Waivers and Non Adherences** (Pages 273 - 422)

To consider the WARNs.

Membership: Councillors Adams, Beanland (Chair), K Edwards (Vice Chair), Heler, Hilliard, Houston, Marshall, Redstone, Snowball and Mr R Jones.

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 8th June, 2023 in the Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Beanland (Chair)

Councillors A Heler, C Hilliard, M Houston, G Marshall, P Redstone,
J Snowball, A Kolker (substitute for S Adams) and L Braithwaite (substitute for
K Edwards)

Mr R Jones, Independent Co-opted Member

OFFICERS IN ATTENDANCE

David Brown, Director of Governance and Compliance and Monitoring Officer
Alex Thompson, Director of Finance and Customer Services and S151 Officer
Josie Griffiths, Head of Audit and Risk Management
Michael Todd, Acting Internal Audit Manager
Paul Goodwin, Head of Finance
Jennifer Ashley, Democratic Services Officer

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Sue Adams and
Councillor Ken Edwards.

2 DECLARATIONS OF INTEREST

There were no declarations of interest received.

3 PUBLIC SPEAKING TIME/OPEN SESSION

Member of the public, Ms Debbie Jamison attended the meeting and spoke in relation item 10 of the agenda. Ms Jamison challenged the reason for part of the report being considered under Part 2 as the investigations had concluded. In addition, Ms Jamison raised concerns around land transactions at another site within the borough and requested it be brought to the attention of the Audit and Governance Committee for investigation.

The Director of Governance and Compliance advised that details contained in the part 2 report, should remain part 2 due to the potential commercial impact on the sites involved with investigations. The Head of Audit and Risk confirmed she would contact Ms Jamison outside of the meeting to gather more information about her concerns.

Councillor Janet Clowes attended the meeting and spoke in relation to item 10 on the agenda. Councillor Clowes welcomed the report and thanked Officers for their work on this area, which had been ongoing for some time. In addition, it was stated that procedures and processes had matured over time which now recognise a change in culture, governance and legislation.

Councillor Janet Clowes attended the meeting and spoke in relation to item 11 on the agenda. Councillor Clowes stated that she understood the reasons for the Public Interest Report being undertaken but questioned the value for money of the report and the way in which it was conducted, specifically the length of time for the report to be produced and that it was undertaken by the same External Auditors who were appointed at the time the issues were being investigated.

The Director of Finance and Customer Service confirmed that the fee proposals would be independently assessed by the Public Sector Audit Appointments Ltd and as the Section 151 Officer, he would have the opportunity to seek clarification on how the fee has been calculated and to ensure the process has been completed proportionately. In addition it was confirmed that the External Auditors (Grant Thornton) commissioned the report as they felt it was in the public interest to be completed, it was not an action of the local authority.

4 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 9 March 2023 be approved as a correct record.

5 AUDIT & GOVERNANCE ACTION LOG

The committee reviewed the progress of the action log.

1. Monitoring Officer Annual Report – Details of Complaints

Information detailing the areas of complaints had been circulated to committee members on 27 February 2023.

2. Monitoring Officer Annual Report – Number of Cancelled Meetings

Information detailing the reasons for cancelled meetings was detailed in the minutes of the 9 March 2023 Audit and Governance Committee meeting.

3. Draft Annual Governance Statement

A detailed response had been circulated to committee members on 21 February 2023.

4. Work Programme – S106 Funding

It was confirmed that this report is an item on the work programme, scheduled to be presented to the Audit and Governance Committee on 27 July 2023.

5. Work Programme – Disability Monitoring

The Head of Audit and Risk would invite Independent Member, Mr Jones to be part of discussions during the setting of the next Internal Audit Plan.

6. Work Programme – Customer Service Review

As part of the induction programme, all members will be invited to a briefing session on the new Customer Service Strategy. Following this, if any gaps are identified that would fall under the remit of the Audit and Governance Committee terms of reference, further discussions may be undertaken with committee members. The briefing session is due to take place in July.

7. Internal Audit Plan 2022/23 – Progress Update

A draft letter would be shared with the current Chairman to decide if this action was still required and appropriate to undertake.

8. Work Programme – Audio Recordings

Information detailing the use of audio recording equipment had been circulated to committee members on 27 February 2023.

6 EXTERNAL AUDIT UPDATE

The committee received a verbal update from External Auditors, Mazars, that detailed the following;

- There are currently 2 audits open, 2021/22 and 2022/23. Due to national issues on infrastructure assets, which will impact on final statements, sign off on the 2021/22 audit is due to take place in July.
- For the 2022/23 draft statement, there are technical details regarding pension fund valuations that need to be resolved which will result in material changes. CIPFA guidance has been issued and will be followed. Further updates on this will be provided at the next meeting.

RESOLVED;

That the update from External Auditors be noted.

7 CIPFA REVIEW OF THE AUDIT AND GOVERNANCE COMMITTEE

The committee received a report from the Director of Governance and Compliance and the Director of Finance and Customer Services that provided details of the CIPFA review of the Audit and Governance Committee and actions agreed at a workshop of officers and members of the committee in April 2023. The review was endorsed by the Committee in July 2022 and is part of the Council's "Open" aim in the Corporate Plan 2021-2025; ensuring there is transparency in all aspects of council decision making.

CIPFA's Consultant, Elizabeth Humphrey, attended the meeting and provided a summary of the review findings and action plan. General findings included a sense of curiosity and challenge from committee members with lots of positive aspects that members could build on. However, relationships within the committee and between members and officers had suffered therefore focus needed to be redirected back to the terms of reference for the committee.

The aim of the review was to ensure the terms of reference were appropriate and future work included actions rather than reviews. It was highlighted to the committee that items for their consideration should require their input, with evidence based assurance that the organisation is working as it should, with no duplication to ensure the resources of service areas are working most effectively.

Members were provided with the opportunity to ask questions of the review findings and discussed the proposed action plan.

RESOLVED;

That the committee;

1. Agreed the planned actions, including responsibilities and timescales, set out in the response to the report's action plan, as detailed in Appendix 2 of the report;
2. Agreed to review progress against the implementation of the recommendations, with an update on these being included as part of the Audit and Governance Committee's Annual Report to Council;
3. Agreed to invite CIPFA to return to review the Committee and progress made.

8 DRAFT PRE AUDITED STATEMENT OF ACCOUNTS 2022/2023 AND OUTTURN UPDATE 2022/23

The committee received a report from the Director of Finance and Customer Services that referred to the Draft Pre-audited Statement of Accounts 2022/23 and Outturn Update 2022/23.

The report set out the approval process for the Statement of Accounts, and provided summarised details of the pre audited overview of Cheshire East Council Outturn for the financial year 2022/23. It was confirmed that the pre audited Statement of Accounts are now published on the council's website, with the final audited Statement of Accounts due to be presented to the committee on 28 September 2023 in time for publication by the deadline of 30 September 2023.

RESOLVED;

That the committee;

1. Noted the summarised position of the accounts for year ended 31st March 2023 based on the presentation provided at the meeting and as set out in Appendix 1 of the report.
2. Noted the dates in relation to the approval process for the Statement of Accounts.
3. Approved the setting up of an informal session with the Council's Officers to allow Members of the committee the opportunity to discuss in more detail the Statement of Accounts and to report such discussions back to the Committee.
4. Noted the overall financial performance of the Council in the 2022/23 financial year, as contained within the report, as follows:
 - (a) A Net Revenue Overspend of £6.0m against a revised budget of £318.7m (1.9% variance) funded by the drawdown of £5.2m from the MTFS Earmarked Reserve and a reduction in the planned contribution of General Reserves by £0.8m
 - (b) General Reserves closing balance of £14.1m
 - (c) Capital Spending of £116.4m against an approved programme of £125.2m (7.0%variance)

9 DRAFT PRE AUDITED FINANCIAL STATEMENTS - WHOLLY OWNED COMPANIES 2022/23 AND OUT TURN UPDATE 2022/23

The committee received a report from the Director of Finance and Customer Services that referred to the Draft Pre-audited Financial Statements for Wholly Owned Companies 2022/23 and Outturn Update 2022/23.

The report set out the timelines and process for the pre audited WOC's Financial Statements for 2022/23. It was confirmed the Council's Wholly Owned Companies (WOC's) will publish, on their websites, their pre audit Summary Financial Statements for year ended 31 March 2023.

RESOLVED;

That the committee;

1. Noted the summarised position of the WOC Financial Statements for year ended 31st March 2023 based on the presentation provided at this meeting and included in this report at Appendix 1;
2. Noted the dates in relation to the approval process for the Financial Statements;
3. Agreed to the setting up of informal session with the Council's Officers to allow Members of the committee the opportunity to discuss in more detail the Financial Statements;
4. Noted the overall financial performance of the WOC's in the 2022/23 financial year, as contained within the Appendix 1, as follows:
 - (a) ASDV Reserves increased by £0.462m less £0.291m dividend from TSS to CEC, leaving retained reserves at £1.949m.
 - (b) A further final dividend of £0.106m is due to CEC from TSS in 2023/24.
 - (c) Wholly Owned Companies Net Core Contract Spending was £37.94m

10 LAND TRANSACTIONS - INTERNAL AUDIT REVIEW

The committee received a report from the Head of Audit and Risk that detailed the findings and actions from the review of Land Transactions undertaken by Internal Audit.

The public interest report provided three recommendations and a historical narrative related to procurement events in 2014/15. Council agreed the three recommendations of the report and agreed that Audit and Governance Committee would receive a further internal audit report to conclude the recommendation at 3.3(ii) in the Council report.

The internal audit review was complete, and a "Good Assurance" opinion has been provided. A copy of the internal audit report was provided to committee members, along with a Part 2 summary of site specific reviews originally undertaken by internal audit, and details of the current uses of these sites.

RESOLVED;

That the committee;

1. Received the findings of the internal audit review on Land Transactions as detailed in Appendix 1 of the report and noted the “Good Assurance” opinion;
2. Determined that, based on the findings of the review, no further actions are required.

11 PUBLIC INTEREST REPORT UPDATE - EXTERNAL AUDITOR FEE VARIATION PROPOSAL

The committee received a report from the Director of Finance and Customer Service that provided details of the proposed fee variation from Grant Thornton UK LLP in respect of their work to produce a Public Interest Report and the next steps in the process that are required before a final invoice can be issued.

The committee were informed that Grant Thornton UK LLP had proposed a fee variation of £319,370 for work on the Cheshire East Council Report in the Public Interest on the impact of the Council’s culture and governance arrangements during 2014 – 2018, dated 17 January 2023. Full Council debated the report at their meeting of 1 February 2023.

The process for fee variations in these circumstances is set by Public Sector Audit Appointments Ltd (PSAA) (guidance dated April 2021, updated January 2023). To date the proposal has been issued and acknowledged by the Council.

The committee were advised that the next steps in the process required Grant Thornton UK LLP to submit the proposal to PSAA for review. The review will include analysis of the detail of the proposal and may require further engagement with the Chief Finance Officer. Following the review PSAA will notify the audited body (Cheshire East Council) of their determinations.

RESOLVED;

That the Audit and Governance Committee

1. Noted the proposed audit fee variation of £319,370 from Grant Thornton UK LLP for work on the Cheshire East Council Report in the Public Interest on the impact of the Council’s culture and governance arrangements during 2014 – 2018;
2. Noted the process to review fee variations set by Public Sector Audit Appointments Ltd (Appendix 1).

12 WORK PROGRAMME

The committee considered the work programme for 2023/2024.

The following items were requested by the committee to be added;

1. Audit and Governance Committee Terms of Reference Review

In addition, the committee requested a training / briefing session to discuss;

- Why / how a council finds itself in financial difficulties
- What can the Audit and Governance Committee do to mitigate and prevent financial difficulties
- How is debt monitored / structured in local government and Cheshire East Council.

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 as amended on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972 and public interest would not be served in publishing the information.

14 LAND TRANSACTIONS INTERNAL AUDIT REVIEW

RESOLVED;

That the Land Transactions Internal Audit Review Report be noted.

The meeting commenced at 2.00 pm and concluded at 4.30 pm

Councillor M Beanland (Chair)

Audit and Governance Committee - Action Log

Committee Date	Item No	Report Title	Action	Who
8 June 2023	8 & 9	Statement of Accounts (Cheshire East & Wholly Owned Companies)	Informal briefing session to discuss the Statement of Accounts for both Cheshire East and Cheshire East Wholly Owned Companies	Director of Finance & Customer Service / Head of Finance / Democratic Services Arranged for Friday 28 July
8 June 2023	8	Draft Pre Audited Financial Statements	Page 65 – Evaluation of Assets The committee asked why there was a difference of £2million Written response to be provided	Head of Finance Written response circulated to committee members 10.07.23
8 June 2023	9	Draft Pre Audited Financial Statements – Wholly Owned Companies	The committee asked why there had been a reduction on the Cost of Sales? Written response to be provided Why does CE have Wholly Owned Companies Written response to be provided	Head of Finance Written response circulated to committee members 10.07.23

8 June 2023	12	Work Programme	<p>Training / briefing session to discuss;</p> <ul style="list-style-type: none"> - Why / how a council finds itself in financial difficulties - What can the Audit and Governance Committee do to mitigate and prevent financial difficulties - How is debt monitored / structured in local government 	<p>Director of Finance & Customer Service</p> <p>Democratic Services Officer</p> <p>Written response circulated to committee members on 10.07.23 and invited to attend CIPFA seminars on 13.07.23</p>
8 June 2023	12	Work Programme	<p>Terms of Reference Review</p> <ul style="list-style-type: none"> - Item to be added to the work programme - Informal workshop session to be arranged for all committee members to discuss amendments 	<p>Director of Governance and Compliance / Head of Audit & Risk / Democratic Services Officer</p> <p>Report to establish working group to be presented at 27 July 2023 committee</p>
24 November 2022	7	Internal Audit Plan 2022/23: Progress Update	<p>The committee noted that Internal Audit had undertaken a specific audit in ANSA relating to gritting arrangements and during discussion the Committee's raised concerns the weight was not given to the fact that some roads were 'rural road' used by rural communities and felt that the type of road should be considered when assessed for winter gritting policy and also ward councillor's local knowledge not sought on local roads.</p>	<p>A draft letter would be shared with the current Chairman to decide if this action was still required and appropriate to undertake</p> <p>Democratic Services Officer</p> <p>Letter sent to Chair of Highways & Transport 05.07.23</p>

29 September 2022	11	Work Programme	Mr Ron Jones noted there was nothing in respect of disability or minority concerns on the Audit & Governance Work Programme. The Head of Audit and Risk agreed to speak to Ron Jones outside of the meeting.	The Head of Audit and Risk to invite Ron Jones to meetings in relation to setting of next year's Internal Audit Plan
29 September 2022	11	Work Programme	The Committee requested a briefing on the Customer Services Review be added to the Committee Work Programme.	All Members of CE to be invited to a briefing session on the new Customer Service Strategy in July 2023. Following this, if any gaps are identified that would fall under the remit of the Audit and Governance Committee terms of reference, further discussions may be undertaken with committee members.
29 September 2022	11	Work Programme	The Chair agreed to share an email received by a few Members on Section 106 funding with officers to advise if it was suitable for sharing with the wider Audit & Governance Committee to draw in wider governance.	Working Group from the Environment and Communities Committee to undertake relevant work, key findings to be appraised by the Finance Sub Committee. Details will also be shared with Audit and Governance Committee when available.

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OPEN

Audit and Governance Committee

27th July 2023

Audit Progress Report - July 2023

Report of: Alex Thompson, Director of Finance and Customer Services – S.151 Officer

Report Reference No: AG/16/21-22

Ward(s) Affected: All

Purpose of Report

- 1 The Audit Progress Report summarises the progress to date on the 2020/21, 2021/22 Audits as well as the forthcoming audit of the 2022/23 Statement of Accounts. The report will be presented to the Committee by Mazars, the Council's external auditors.

Executive Summary

- 2 The Audit Progress Report summarises the progress to date on the key areas of the 2020/21 and 2021/22 audit work and the areas of work that is still outstanding at the time of this meeting and the timelines as to when the accounts for those years will be complete.
- 3 The Audit Progress Report also provides an update on the 2022/23 Audit, the reasons for the delay in commencing the audit and when the final report will be reported to Committee.

RECOMMENDATIONS

The Audit and Governance Committee is recommended:

1. To consider the Audit Progress Report of Mazars dated July 2023, including an update on the audit of accounts for the years ending 31st March 2021 and 31st March 2022, and the plan for the audit of the accounts for the year ending 31st March 2023

Background

- 4 The auditors are responsible for giving an opinion on:
- Whether the accounts give a true and fair view of the financial position of the the Council and the Group and of the Council's and the Group's expenditure and income for each financial year ending 31st March;
 - Whether they have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Consultation and Engagement

- 5 In accordance with the Accounts and Audit (amendment) Regulations 2022 (SI 2021/263) the accounts were made available for public inspection between 1st June to 12th July 2023.

Reasons for Recommendations

- 6 The appointed auditors are required to report to those charged with governance. The Audit Progress Report presents the current position on the audit work to date for both 2020/21 and 2021/22 financial years. The report also details the plans for the forthcoming audit of the 2022/23 accounts.

Implications and Comments

Monitoring Officer/Legal

- 7 There are no legal implications identified.

Section 151 Officer/Finance

- 8 As covered in the report.

Policy

- 9 There are no Policy implications identified.

Equality, Diversity and Inclusion

- 10 There are no Equality, Diversity and Inclusion implications identified.

Human Resources

11 There are no Human Resources implications identified.

Risk Management

12 The audit has been conducted in accordance with International Standards of Auditing (UK) and means the auditors focus on audit risks that have been assessed as resulting in a higher risk of material misstatement.

Rural Communities

13 There are no direct implications to rural communities

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

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

Public Health

15 There are no direct implications to public health.

Climate Change

16 There are no direct implications to climate change.

Access to Information	
Contact Officer:	Paul Goodwin - Head of Finance & Deputy Chief Finance Officer paul.goodwin@cheshireeast.gov.uk
Appendices:	Audit Progress Report – July 2023
Background Papers:	Statement of Accounts and Audit Governance Statement

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Audit Progress Report

Cheshire East Council

For the 27 July 2023 Audit and Governance Committee



Introduction

Dear Committee Members

We are pleased to present our latest Audit Progress Report on the audit of the Council's statements of account. We recognise the uncertainty created by having three years of statements subject to audit. In this report we outline the timetable for concluding 2020/21 and 2021/22 and our plan for commencing 2022/23.

This is the first report from your new Engagement Lead, Suresh Patel.

If you would like to discuss any matters in more detail, then please do not hesitate to contact Suresh on 07977 261873.

Yours faithfully



Suresh Patel, Partner - Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.

Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

01

Section 01: **Audit Progress**

Audit progress

2020/21 Audit

The position on the key elements of the 2020/21 audit is summarised below.

Financial Statements audit

Our work is complete. We are carrying out our final checks of the updated financial statements. We are aiming to sign the opinion by the end of July.

Value for Money (VFM) arrangements

We plan to complete and report our VFM arrangements work at the same time that we conclude our annual accounts work

Whole of Government Accounts (WGA)

We remain unable to complete the WGA assurance work as we are waiting for the National Audit Office to select its sample of component local authorities.

Audit progress

2021/22 Audit

Financial Statements

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the June 2023 Committee we referred to a national issue regarding the Council’s reporting of its assets and liabilities associated to its membership of the Pension Fund. The draft Council accounts include values based on actuarial reports which use estimates as at 31 March 2022 based on roll forward of information (e.g. membership data) since the last triennial review at 31 March 2019. However, on 1 April 2023 the Council received the latest triennial review from its actuaries, which provides actuals for 31 March 2022. We have agreed that:

- The Council will obtain an updated IAS19 valuation report and amend the draft financial statements for the new figures; and
- Pension Fund auditors will complete testing on the reliability and accuracy of the updated pension fund membership data.

These two work streams are in progress and are expected to be completed in the summer. The audit opinion will be issued thereafter. We will update the Committee at the next meeting on the current position and report the results of our work in our Follow-up letter which we will issue at the conclusion of the audit.

Value for Money arrangements

We plan to complete and report our VFM arrangements work for 2021/22 alongside our audit opinion on the 2021/22 accounts (noting that the National Audit Office requires us to report our VFM work within three months of the audit report on the financial statements).

Whole of Government Accounts (WGA)

As with 2020/21, we remain unable to complete the WGA assurance work as we are waiting for the National Audit Office to select its sample of component local authorities.

Audit progress

2022/23 Audit

Given the back log of local authority accounts audits nationally and the fact that we have yet to conclude on the Council's 2020/21 and 2021/22 accounts audits we have recently communicated to the Council our intention to defer commencement of the 2022/23 accounts audit until September 2023. We recognise that the Council's finance team have worked hard to publish draft 2022/23 statements of account by the end of May and we acknowledge their disappointment with our decision. Indeed, the Council is in the minority of councils to have met the target date for publishing draft accounts.

We will issue our 2022/23 Audit Strategy Memorandum to the September Audit and Governance Committee and aim to issue our Audit Completion Report to the December meeting.

02

Section 02:

National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy (CIPFA)		
1	CIPFA Bulletins	CIPFA has recently issued two Bulletins to provide further guidance on the financial reporting requirements.
National Audit Office (NAO)		
2	Good practice in annual reporting	The NAO published an interactive guide that provides examples of good practice in annual reporting.
3	Tackling Fraud and Corruption in Government	This report sets out the recent trends from NAO audits and reports, reviews how well-placed government is to understand and tackle fraud and corruption across government and sets out insights from their work and engagement with experts on what more government can do to better prevent fraud and corruption.
4	Digital Transformation	This report evaluates government’s approach to addressing the underlying issues of why past attempts at digital transformation have run into problems.
Department for Levelling Up, Housing and Communities		
5	Department consultation – public inspection of Category 1 authority accounts 2022/23	The Department for Levelling Up, Housing & Communities (DLUHC) is requesting views on the current deadline for category 1 authorities to make their draft accounts available for public inspection.
6	Levelling up enquiry on Local Audit	The Levelling Up, Housing and Communities Committee has launched an inquiry into financial reporting and audit, examining a range of issues relating to the purpose and understanding of local audit and the impact of local authority accounts and audit findings.
Other		
7	ICAEW Vision for Local Audit	The Institute for Chartered Accountants in England and Wales (ICAEW) has published its vision for local audit to accompany the recent publication of a Memorandum of Understanding (MoU) between the Department of Levelling Up, Housing and Communities (DLUHC) and the Financial Reporting Council (FRC).
8	Fiscal pressure & inflation challenges for the public & social sector	Mazars commissioned a report looking into how the public services are responding to fiscal and inflationary pressures.

NATIONAL PUBLICATIONS

Chartered Institute of Public Finance and Accountancy (CIPFA)

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

CIPFA Bulletin 13 – Local Authority Reserves and Balances (March 2023). This provides guidance to local authority chief finance officers in England, Northern Ireland, Scotland and Wales on the establishment and maintenance of local authority reserves and balances. The bulletin largely updates guidance in previous bulletins.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-13-local-authority-reserves-and-balances>

CIPFA Bulletin 14 – Closure of the 2022/23 Financial Statements (March 2023). The annual year-end accounting bulletin provides updates on key issues and includes sections on:

Grant recognition and presentation

Subsequent measurement of property, plant and equipment and investment properties

Other capital accounting issues – capital financing requirement (CFR) and minimum revenue provision

Reporting impacts of inflation and high interest rates – financial statements

Final triennial valuation statements received by pension fund account preparers – 2021/22 issue

Narrative report and recent economic activity

Accounting standards that have been issued but not yet adopted and IFRS 16 Leases mandatory implementation as of 1 April 2024 (and other IFRS 16 issues)

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-14-closure-of-the-202223-financial-statements>

CIPFA Bulletin 14 – Supplement on The Triennial Valuation and IAS19 Reporting (May 2023). This supplementary guidance covers the impact of the triennial valuation statements received for pension funds on IAS 19 Employee Benefits Reporting. It effects the 2021/22 financial statements.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-14-supplement-the-triennial-valuation-and-ias-19-reporting>

NATIONAL PUBLICATIONS

National Audit Office

2. Good practice in Annual Reporting – February 2023

The NAO has published an [interactive guide](#) that provides examples of good practice in annual reporting, drawing on examples from the public sector and other organisations shortlisted for the Building Public Trust Awards, which recognise trust and transparency in corporate reporting.

The guide draws on examples of good practice for annual reporting from organisations who are leading the way in this area. These examples are grouped by the sections of an annual report:

- Strategy
- Risk
- Operations
- Governance
- Measures of success
- Financial performance
- External factors

It also provides further examples where bodies have made their reports easier to understand with the use of graphics, clear and accessible language and signposting. The list is not definitive, but the NAO hopes it provides ideas for all bodies in both the public and private sector to think about as they plan their annual reporting for 2022-23.

NATIONAL PUBLICATIONS

National Audit Office

3. Tackling Fraud and Corruption against Government – March 2023

Since the start of the COVID-19 pandemic, government has recorded a higher level of fraud in the accounts we audit. This reflects the nature of the government’s response to the pandemic, including the rapid implementation of large new spending and loan programmes that came with an unusually high risk of fraud.

This report sets out the recent trends from NAO audits and reports, reviews how well-placed government is to understand and tackle fraud and corruption across government and sets out insights from their work and engagement with experts on what more government can do to better prevent fraud and corruption.

The report follows NAO previous work which found government did not have a good understanding of fraud before the pandemic. In NAO’s 2016 Fraud landscape review, they found a large disparity between the level of fraud and error that the UK government reports and the level reported in other countries and the private sector. NAO also found there were few incentives for departments to record and report the true scale of potential fraud; a lack of data or metrics to evaluate performance in detecting and preventing fraud; and mixed capability across departments to tackle fraud.

The report can be found at the following link:

<https://www.nao.org.uk/reports/tackling-fraud-and-corruption-against-government/>

4. Digital Transformation in Government – Addressing the Barriers - March 2023

This report evaluates government’s approach to addressing the underlying issues of why past attempts at digital transformation have run into problems. NAO focus on the approach to transforming government, how the Central Digital and Data Office, its Roadmap and departmental leaders will support and promote this, and whether senior business leaders across government have a suitable level of digital capability.

The report can be found at the following link:

<https://www.nao.org.uk/reports/digital-transformation-in-government-addressing-the-barriers/>

NATIONAL PUBLICATIONS

Department for Levelling Up, Housing and Communities

5. Department Consultation on public inspection of Category 1 authority accounts 2022/23 – February 2023

In March 2021 The Accounts and Audit (Amendment) Regulations 2021 amended the requirements about when accounts must be made available for public inspection for the 2020/21 and 2021/22 accounts, and provided that the period for the exercise of public rights needed to commence on or before the first working day in August in the following financial year.

For 2022/23, the statutory requirement for category 1 authorities is to make accounts available for public inspection for a period that includes the first 10 working days of June, effectively requiring them to be published by 31 May at the latest.

The Government is minded for this deadline to remain in place, but is interested in hearing stakeholders views via a short consultation.

<https://consult.levellingup.gov.uk/redmond-response-team/request-for-views-draft-accounts-deadline/>

6. Levelling Up Committee launches inquiry on local audit – March 2023

The Levelling Up, Housing and Communities Committee has launched an inquiry into financial reporting and audit, examining a range of issues relating to the purpose and understanding of local audit and the impact of local authority accounts and audit findings.

The inquiry will scrutinise the role of audit in local accountability and democracy and the extent to which accounts provide a clear picture of the financial sustainability and resilience of a local authority.

The inquiry is also likely to explore how local authority financial reporting could be made more accessible, the role of local audits in acting as ‘red flag’ for action by councils to address financial issues, and how auditors in local government could work together to share best practice.

The Committee welcomes written evidence on the terms of reference, which fall under the following headings:

- Users and uses of local authority accounts and audit
- Understandability and accessibility of local authority accounts and audit
- Making local authority accounts meet the needs of users better
- Addressing findings in audits and sharing best practice

<https://committees.parliament.uk/work/7348/financial-reporting-and-audit-in-local-authorities/news/186485/levelling-up-committee-launches-inquiry-on-local-audit/>

NATIONAL PUBLICATIONS

ICAEW

7. ICAEW Publishes its Vision for Local Audit – March 2023

The Institute for Chartered Accountants in England and Wales (ICAEW) has published its vision for local audit to accompany the recent publication of a Memorandum of Understanding (MoU) between the Department of Levelling Up, Housing and Communities (DLUHC) and the Financial Reporting Council (FRC).

The ICAEW welcomes the MoU, which covers the role of the ‘shadow’ system leader for local audit pending the establishment of the Audit, Reporting and Governance Authority (ARGA). The ICAEW also believes more needs to be done urgently if the local financial reporting and audit crisis is to be resolved.

The ICAEW's vision for local audit is designed to prompt discussion, identifying a series of challenges the ICAEW believes need to be overcome, and actions it supports to address those challenges. These are grouped into the following areas:

- Improve financial reporting to enhance transparency and accountability
- Deliver high-quality local audits on a timely basis
- Strengthen financial management and governance
- Reform finances to ensure value for money and protect the public interest
- Build a thriving profession that is highly valued

<https://www.icaew.com/insights/viewpoints-on-the-news/2023/mar-2023/ICAEW-publishes-its-vision-for-local-audit>

NATIONAL PUBLICATIONS

Mazars

8. Fiscal pressure and inflation challenges for the Public and Social Sector – June 2023

Mazars has published a report specifically looking at how public services are responding to fiscal pressures and inflation. This includes whether public and social sector organisations are able to deliver support where it is most needed and how they are redefining essential services against the backdrop of the significant inflationary pressures the UK faces and the current cost of living crisis.

Key findings:

- Supporting vulnerable communities is a public & social sector imperative – The public & social sector is taking proactive steps to strengthen support an service delivery to deprived communities but more could, and should, be done to safeguard vulnerable citizens.
- Innovation and collaboration are key enablers in the fight against financial constraints – As the public & social sector moves to meet rising demand with renewed vigour, innovation and collaboration will play a bigger role in helping those in poverty.
- The public & social sector must redefine its place in an evolving economic landscape – Many service providers are still thinking short-term. Providers need to ensure that public services are future fit and remain relevant to emerging priorities over the next 12-24 months.

<https://www.mazars.co.uk/Home/Industries/Public-Social-Sector/Public-and-Social-Sector-insights/Fiscal-pressure-and-inflation-challenges>

Contact

Mazars

Partner: Suresh Patel

Email: suresh.patel@mazars.co.uk

Manager: Muhammad Uzair khan

Email: muhammad-uzair.khan@mazars.co.uk

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.

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OPEN

Audit and Governance Committee

27 July 2023

Annual Complaints Report 2022/23

Report of: Alex Thompson, Director of Finance and Customer Services

Report Reference No: AG/15/23/24

Ward(s) Affected: All

Purpose of Report

1. This report provides a summary and analysis of complaints and compliments received by the Council during the period 1st April 2022 to 31st March 2023.
2. The report highlights any areas of concern and examples of good practice. It provides assurance that matters raised as complaints by customers are being addressed; that action has been taken to rectify issues and that information arising from complaints has informed service improvements. Responsibility for service provision rests with the relevant service committee and members may wish to seek additional assurances from those service committees.
3. The report supports the strategic aims and objectives in the Council's Corporate Plan 2021-25 to become an open and enabling Council and specifically supports the objectives of the Council's Customer Experience Strategy.

Executive Summary

4. The Council provides the facility for customers to report compliments and complaints in relation to Council services in an accessible and consistent way. Improvements have been made to the processes for these customer engagements following the approval of the Customer

Experience Strategy by the Corporate Policy Committee. As part of this approval the Committee continues to receive updated performance information on progress.

5. The Council provides in the region of 500 different services across a population of almost 400,000 residents. These range from place-based services, such as waste collection and highways management which are universal, to individual services such as social care and housing.
6. The Council received 2,637 complaints and 964 compliments in 2022/23 (see Appendix 8 for examples of compliments received). This is a decrease of 13% on the previous year for complaints and a decrease of 12% on the previous year for compliments. Of the 2,637 complaints received, 499 were rejected, withdrawn or not pursued; and the remaining 2,138 were processed as official complaints.
7. Customer feedback is very important in the future development of services and this report provides data and activities related to feedback in the period 1st April 2022 to 31st March 2023. The Customer Services Team has increased engagement with service leads throughout this period in line with the strategy. This has led to process changes, increased awareness and insight as well as additional training.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the annual Committee complaints and compliments data, and the briefing material in this report relating to the 2022/23 financial year.
2. Note the issues raised and improvements made in respect to the management of complaints across the Council contained within the briefing material in this report
3. Note the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman.

Background

8. The Council has a Corporate Complaints Policy covering all complaints about Council services other than Children's Social Care complaints, which have a separate statutory complaints process.

9. The Policy provides for members of the public to contact the Council in several different ways. Most complaints are received either by email, via the Customer Contact Centre or are self-logged via the Council's website. Appendix 7 shows the combined volume of telephone and digital contact with the Council for each directorate, as well as the specific contact count for customer feedback.
10. 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 directly by the service by telephone or email. It should be noted that the statutory complaints process for Children's Social Care has the option to go to Stage 3 if required.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.

16. All complaints are a useful indicator of performance and provide the Council with an opportunity to review the quality of service provided and to make improvements. The Customer Relations Team within Customer Services reports the volume, outcome and time taken to resolve complaints to each Directorate on a quarterly basis. The volume of compliments, overall customer contact and, where appropriate, areas of concern and potential for service improvements are also reported.

Briefing:

Adults, Health and Integration Directorate

17. The Adults, Health and Integration directorate has seen an overall increase in the volume of complaints received between 2021/2022 and 2022/2023 from 160 to 170 (6%). Of the 170 complaints received, 144 were processed. The Social Care Business Support and Finance Team received the most complaints (24%), followed by the Adults Commissioning Team (11%).
18. 54% of complaints about the Social Care Business Support and Finance Team were relating to a disagreement with the charge received. Although the Social Care Business Support and Finance Team received the most complaints, they were able to respond to 73% of the complaints on time (whilst the average across all teams within the directorate is 55%).
19. Out of the 37 complaints processed for Social Care Business Support and Finance, 15 of these were upheld or partly upheld, which indicates that errors were made which resulted in the complaints being raised.
20. The Adults Commissioning Team received the second highest number of complaints (19), these complaints are relating to different causes and there is not a trend in the complaints received. 63% of the team's responses were made on time.
21. The Complaints Team have recommended increased attention to replying to complaints within the agreed timeframe to reduce the number of further dissatisfied complainants. This will continue to be monitored and reported as a performance indicator.

Children and Families Directorate

22. The Children's and Families directorate received a total of 388 complaints. This compares to 307 complaints received in 2021/2022, an increase of 26%. Of the 388 received, 325 were processed. The majority of complaints for Children's Social Care were relating to the Crewe CIN/CP Team, Macclesfield CIN/CP Team and the Cared for

Children Team. Complaints received were about the quality of the service delivered; or the failure to deliver a service; or issues relating to staff conduct. Out of the 85 complaints for these teams, 41 were upheld. During the 2022-2023 period Children's Social Care staff have continued to deal with increasing demand which impacts on caseloads which combined with staff turnover and absence has affected the ability to respond to complaints in a timely manner. The Complaints Team have been proactive in trying to help teams respond to complaints.

23. There is a noticeable increase in the number of complaints assigned to the SEND service starting in February of 2022 and remaining at a constant higher rate throughout the next year. During the 2022-2023 period SEND Keyworkers have been carrying caseloads of over 200 cases each which combined with staff turnover and absence has affected the ability to manage the amount of communication received and the ability to respond in a timely manner. This is backed up by the primary causes given for customers making complaints which are 'failure to do something' (29%); 'not to the quality or standard expected' (20%); 'delays in doing something' (18%); 'delay in communication' (8%) or 'no communication received (7%)'. Compounding this is the complex nature of SEND complaints and the rigidity of the legislation within SEND law, as well as staff lacking the time to carry out recommended actions for complaint resolution – which often results in complaint escalations.
24. Due to developments within case law, there are elements of the SEND Team's process which require amendment and it is recognised that there is a training need within the service to remain compliant.
25. There are a number of complaints across various services which relate to staff attitude. A customer experience e-learning package has been available for some time however attendance from the Children's Directorate is particularly low. The Complaints Team have recommended that all staff are encouraged to attend this.
26. The Customer Relations Team have also raised several areas for improvement in relation to SEND procedures and areas of training needed to prevent key themes of complaints repeating. These should be monitored to ensure they are delivered. Customer Experience training for managers has also been developed which will help managers to further improve services. The Customer Service Team are currently working with Children's Directorate to tailor this to their specific service.

Corporate Directorate

27. The Corporate Directorate received 319 complaints, compared to 375 complaints received in 2021/2022, a decrease of 15%. Of the 319 complaints received, 264 were processed. Council Tax Billing and Collections processed the most complaints, followed by Customer Services Centres (Macclesfield and Crewe).
28. The Council Tax Billing and Collection Team, saw an increase of 21% in complaints in 2022/2023 compared with the previous year (150 versus 181). Of the 181 complaints received, 160 were processed. In 2022/2023, 44% of their complaints were either upheld or partly upheld, which compares to 39% for 2021-2022. 'Quality or standard have not met the customer's expectations' is the most popular complaint type (20%), followed by 'failure to do something' (18%), and 'no communication received' (8%).
29. The Council Tax Billing and Collections Team's Stage 2 complaints are about the use of enforcement agencies, Direct Debit issues, court summons for council tax, incorrect information and advice given, and lack of communication. The Complaints Team have recommended that the department look at why these complaints have gone to Stage 2 and if, in hindsight, anything could have been done at Stage 1 to prevent this escalation.

Place Directorate – comprises Environment & Communities, Economy & Growth and Highways & Transport Committees

30. The Place Directorate received a total of 1,760 complaints during the year. This compares to 2,193 complaints recorded during the 2021/2022 year – a 20% decrease. Of the 1,760 complaints received, 1,405 were processed. Waste & Recycling received the most complaints (758 complaints received, 673 processed), followed by Highways (388 complaints received, 247 processed) and Development Management (202 complaints received, 183 processed). These services received significantly more complaints than any other service in the Place Directorate. In the case of Waste and Recycling and Highways, this could be attributed to the visible nature of the services provided - for example a bin collection being missed, a pothole in the road, or a streetlight not working.
31. In relation to Development Management, complaints have decreased compared to the previous year – 202 compared to 257 in 2021/2022 (-

21%). The main theme has been the delays and lack of communication in the processing of planning applications. Given that 58% of complaints were either fully or partly upheld, the Complaints Team have recommended that issues raised are addressed by the service. The service is currently in a new complaints process, with a view to improving responses to complainants and prevent complaints going to Stage 2.

32. Waste & Recycling saw an increase in complaints received compared to the previous year – 758 compared to 696 in 2021/2022 (+9%). The service received complaints primarily about frequent, multiple missed bin collections. There was a significant increase in complaints starting in January 2022 until September 2022 with a spike in July 2022 (154 complaints). After September 2022, there was a rapid decrease in complaints (to an average of 33 per month), the lowest in the two-year period. We are aware that the service had staffing issues during this period and had to reduce their service provision, causing an increase in missed collections and prompting more complaints.
33. Highways saw a 24% decrease in complaints received compared to the previous year – 509 in 2021/2022 and 388 in 2022/2023. From October 2022 onwards, complaints have consistently decreased with numbers dropping to an average of 25 per month compared to 39 per month in the six months prior (a 36% decrease). 34% of Highways complaints were around 'failure to do something' and 33% were around problems with the 'quality of the service'. As a large proportion of Highways complaints were not upheld, the Complaints Team have recommended that Highways look at these complaints to identify the cause and any action that would prevent these being reported as complaints. For example, communicating and explaining timescales for reported works; explaining why work will or won't be carried out.

Consultation and Engagement

34. Quarterly reports on complaints and compliments are provided to all Directorates highlighting areas of concern and of good practice specific to their Directorate; and enabling Management Teams to consider opportunities to drive improvements and to share best practice.

Reasons for Recommendations

- (a) To ensure that the Committee is provided with assurances of service departments use of complaints to deliver service improvements in line with the Customer Experience Strategy.

- (b) To ensure that the Committee is kept informed of the Ombudsman's findings and to provide assurance that the Council is complying with the Corporate Complaints Policy and any recommendations made by the Ombudsman.

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

Implications and Comments

Monitoring Officer/Legal

35. There are no legal implications flowing directly from the content of this reports.

Section 151 Officer/Finance

36. 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 11 cases where the Ombudsman found Fault with Injustice during 2022-23, the Council was required to make compensation payments totalling £5,550 – a decrease of 39% on the previous year. In 2021/2022, the Council was required to make compensation payments for 12 cases totalling £9,050.

Policy

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

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

Equality, Diversity and Inclusion

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

Human Resources

39. Whilst the primary purpose of this report is to inform Members of the outcome of complaints and to seek to secure improvements in performance, resource implications arise from the high numbers of complaints. These relate to the increased demand upon officers in researching the background to complaints and responding appropriately. Where complaints relate to specific staff members, for example because of behaviour or attitude, these are escalated to the appropriate manager.

Risk Management

40. If recommendations made by the Ombudsman are not followed, this could trigger a public report, as detailed in paragraphs 11 and 12

Rural Communities

41. There are no direct implications for rural communities

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

42. Implications for Children and Young people are included in paragraph 19 and 20 of this report – particularly relating to lack SEND provision or social care support.

Public Health

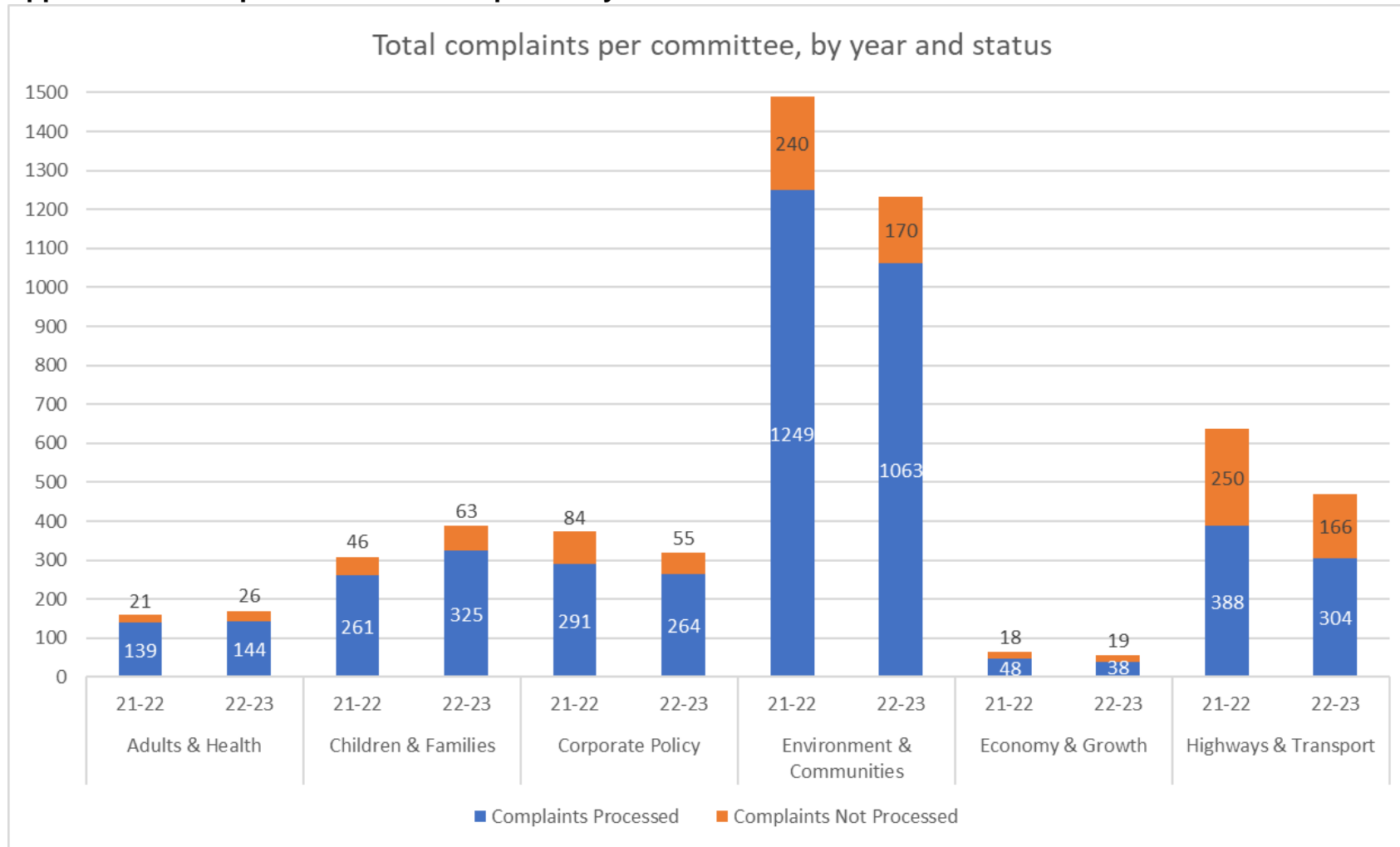
43. There are no direct implications for public health

Climate Change

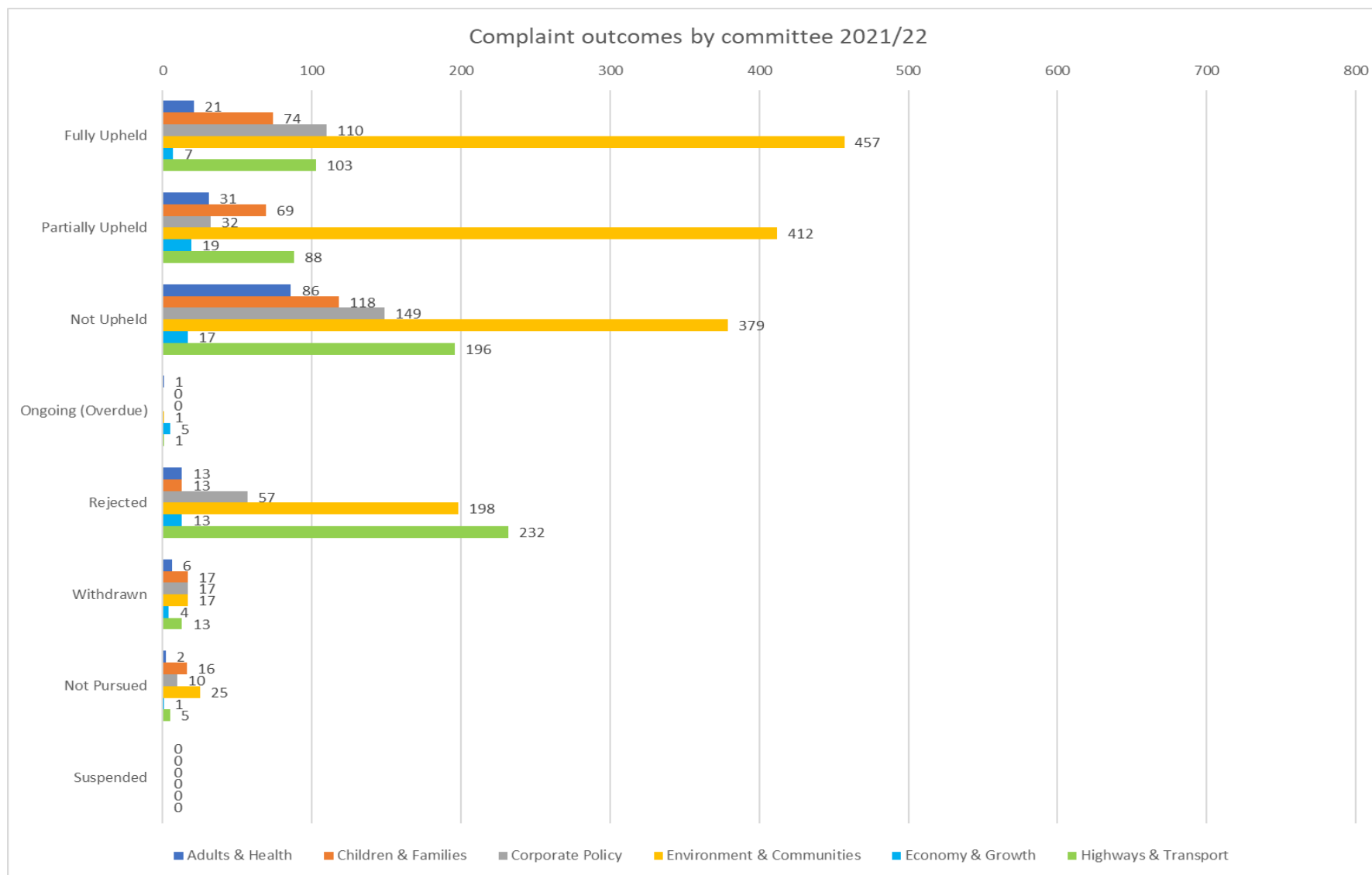
44. There are no direct implications for climate change

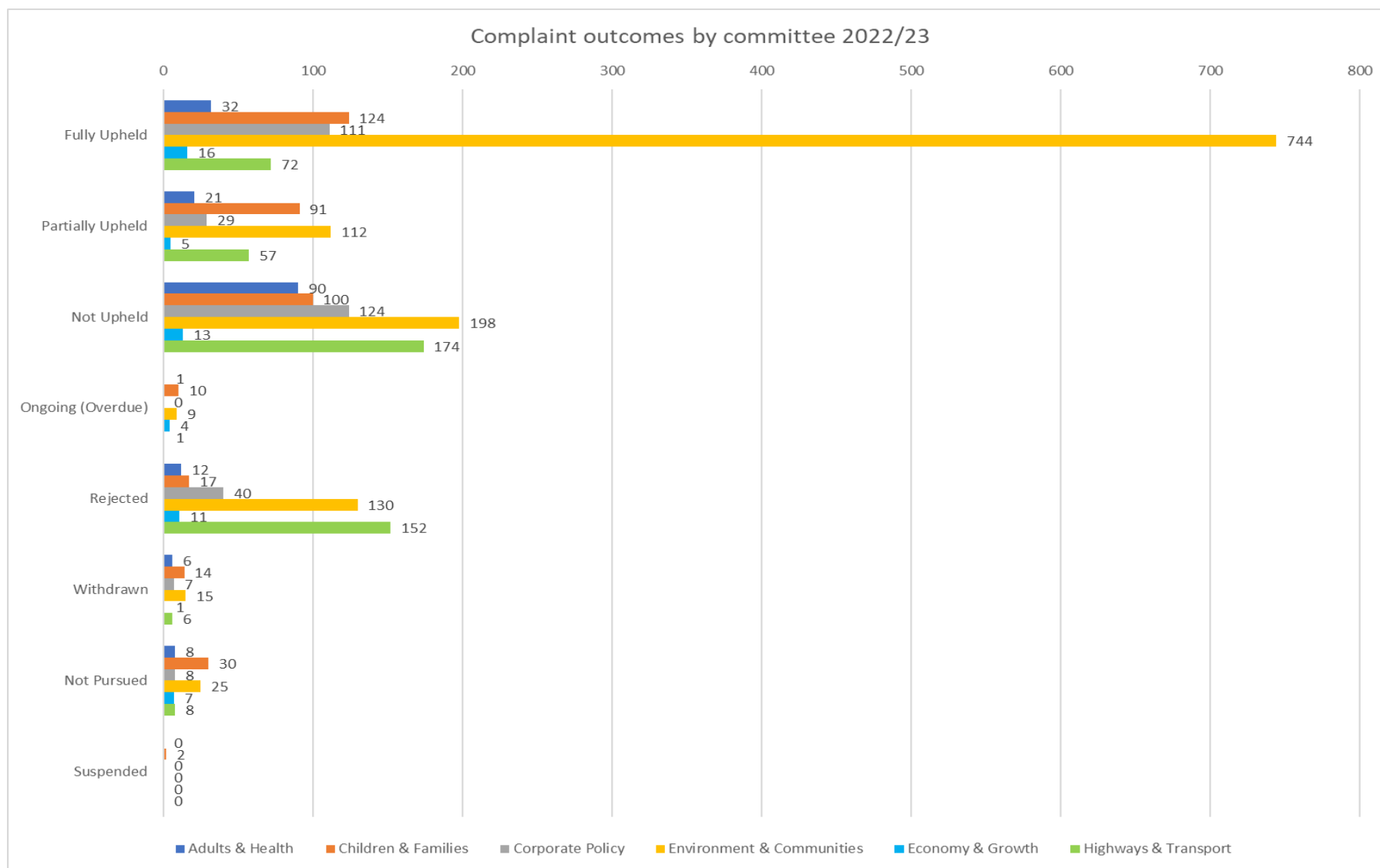
Access to Information	
Contact Officer:	Helen Gerrard Helen.gerrard@cheshireeast.gov.uk
Appendices:	<p>Appendix 1 – Comparison of total complaints by committee 21-22 & 22-23</p> <p>Appendix 2 – Comparison of complaint outcomes by committee 21-22 & 22-23</p> <p>Appendix 3 – Comparison of complaint outcome distribution by committee 21-22 & 22-23</p> <p>Appendix 4 – Processed complaint outcomes by committee, per complaint stage 22-23</p> <p>Appendix 5 – Complaint response timeframe performance by committee 22-23</p> <p>Appendix 6 – Compliments received by committee 22-23</p> <p>Appendix 7 – Contact volumes by committee 22-23</p> <p>Appendix 8 - Examples of compliments received, by Directorate</p> <p>Appendix 9 – Outcome of complaints to the LGSCO by committee 22-23</p> <p>Appendix 10 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 9) 22-23</p>
Background Papers:	Customer feedback, compliments and complaints (cheshireeast.gov.uk)

Appendix 1 – Comparison of total complaints by committee 21-22 & 22-23

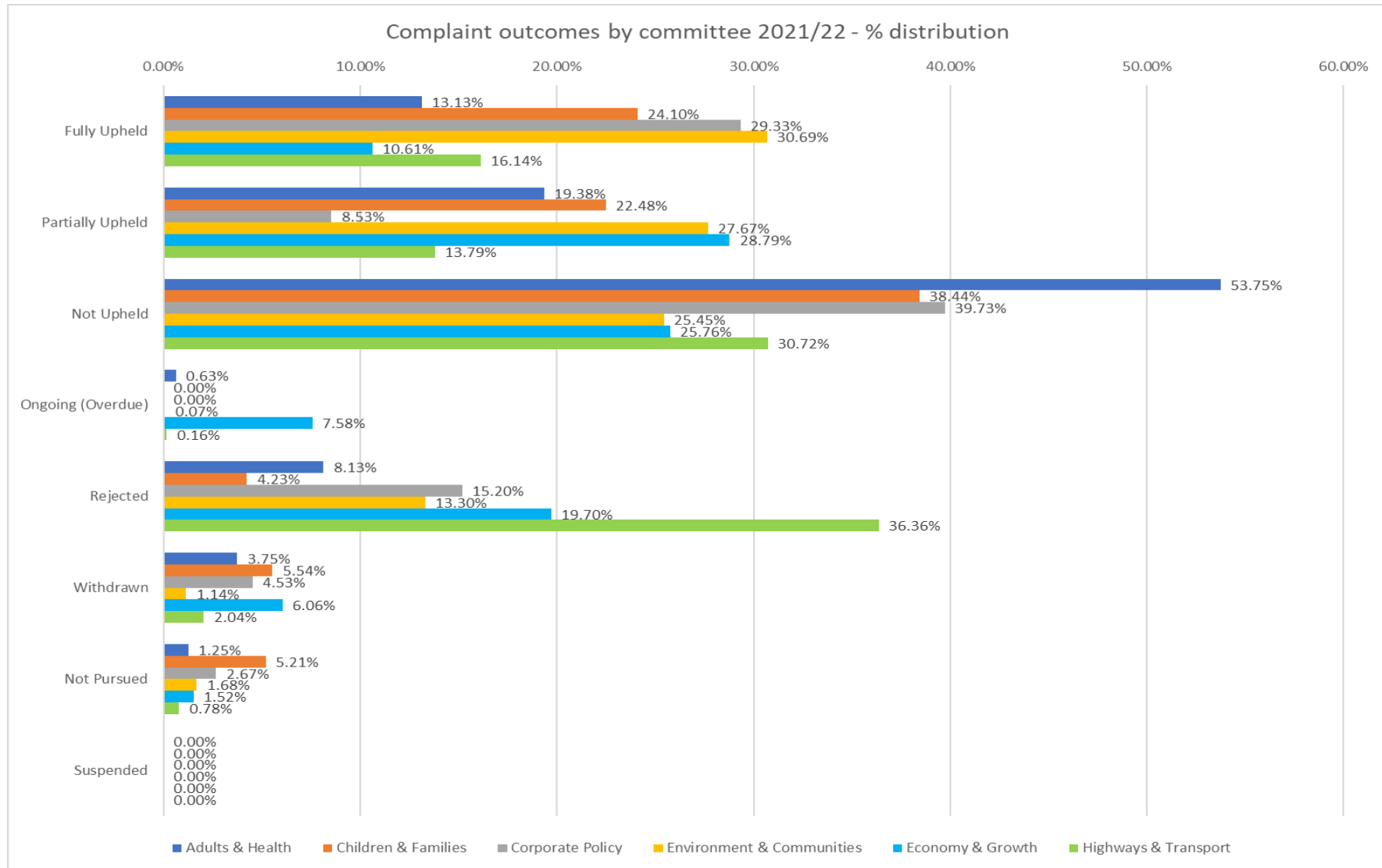


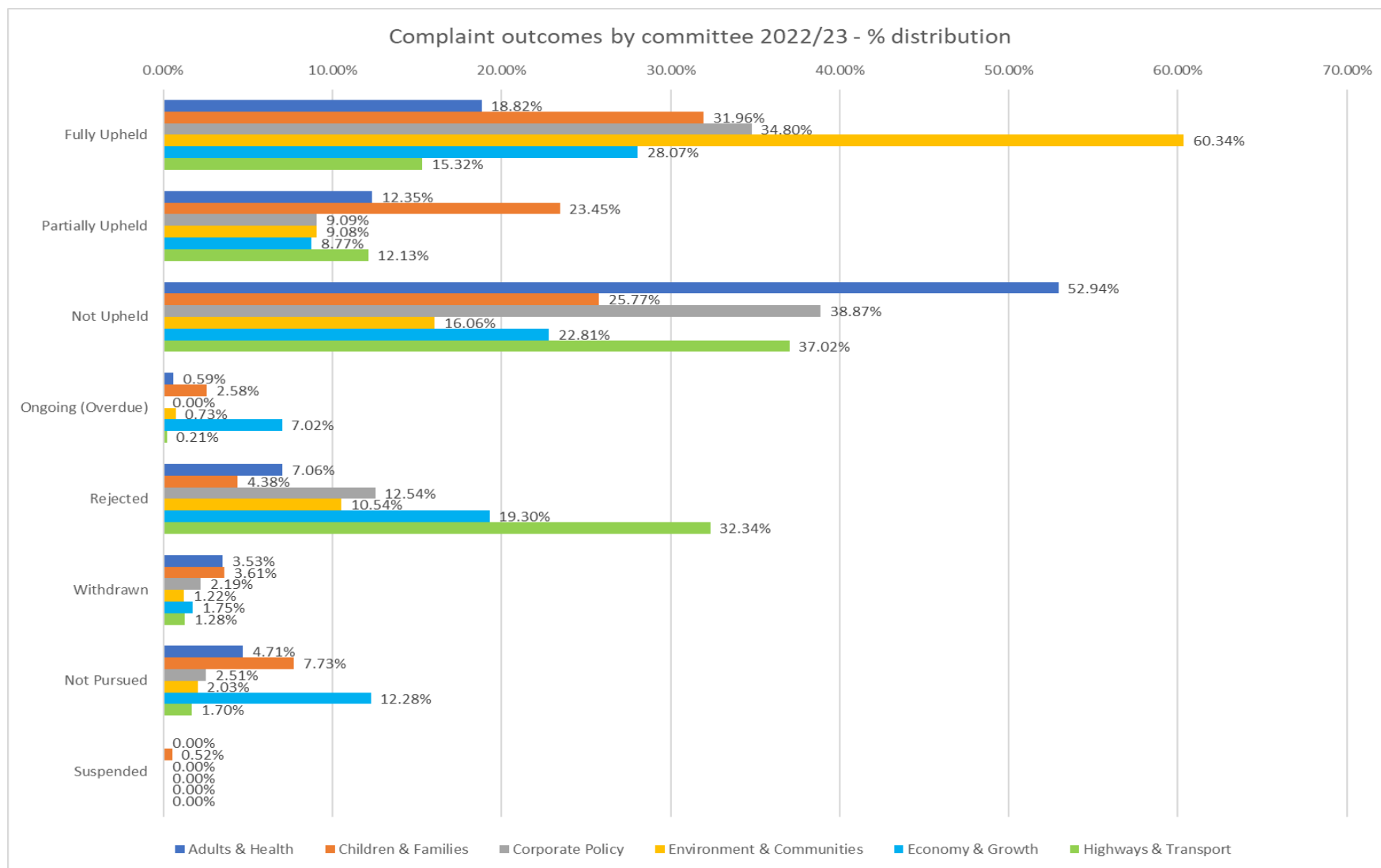
Appendix 2 – Comparison of complaint outcomes by committee 21-22 & 22-23





Appendix 3 – Comparison of complaint outcome distribution by committee 21-22 & 22-23





Appendix 4 – Processed complaint outcomes by committee, per complaint stage 22-23

Stage 1:

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Adults & Health	30	18	79	1
Children & Families	116	80	92	3
Corporate Policy	107	27	118	0
Environment & Communities	728	95	169	7
Economy & Growth	16	5	9	4
Highways & Transport	64	53	158	0

Stage 2:

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Adults & Health	2	3	11	0
Children & Families	8	11	6	7
Corporate Policy	4	2	6	0
Environment & Communities	16	17	29	2
Economy & Growth	0	0	4	0
Highways & Transport	8	4	16	1

Stage 3:

Committee	Fully Upheld	Partially Upheld	Not Upheld	Ongoing (Overdue)
Children & Families	0	0	2	0

Appendix 5 – Complaint response timeframe performance by committee 22-23

Committee	Processed Complaints	Ongoing (Overdue)	On Time Response	Overdue Response	% On Time
Adults & Health	144	1	85	58	59%
Children & Families	325	10	80	235	25%
Corporate Policy	264	0	204	60	77%
Environment & Communities	1,063	9	759	295	71%
Economy & Growth	38	4	20	14	53%
Highways & Transport	304	1	216	87	71%

Appendix 6 – Compliments received by committee 22-23

Committee	Total Compliments
Adults & Health	434
Children & Families	209
Corporate Policy	143
Environment & Communities	134
Economy & Growth	15
Highways & Transport	29

Appendix 7 – Contact volumes by committee 22-23

Committee	Total contacts	Complaints and Compliments
Adults & Health	41,518	604
Children & Families	56,191	597
Corporate Policy	229,553	462
Environment & Communities	123,936	1,367
Economy & Growth	23,269	72
Highways & Transport	23,422	499
Total	497,889	3,601

Appendix 8 – Examples of compliments received, by Directorate

Adults Directorate

“I'd like to thank X (Social Care Assessor) for all the work he did on my Nanna's case recently. He has a very busy job but always answers his phone and listens. My sister and I had been having a very stressful couple of years trying to help my Nanna access the care she needed. We both live far away and it was hard to sort out. Once Will became our case worker, things much improved. He is an asset to the adult social care team. Thank you X.”

“Thank you very much to all those who agreed to help me. I would like to thank my carer X for all the tips, for supporting me in difficult moments and for understanding and patience. X is a woman with a big heart and with this heart she goes to her carers!!!”

“I have found the above department [Dementia Reablement, Care4CE] invaluable at this time in my mother's life. The support worker has been amazing and a mine of information which I didn't realise was available to us from filling in forms to appointment making, everything was delivered in a caring and professional way. This has enabled my mum to stay in her own home which is her and our wish. Thank you again, it's taken a lot of anxiety away from me as a carer.”

“Care4CE is an excellent service helping me in many ways including helping me regain my confidence in all the tasks I do. Extremely patient and I must congratulate two of your amazing staff X and X. they helped me come out of a dark hole, after losing my husband and having to rehome all my beloved animals, and I feel with their assistance I now feel free and able to continue a very happy and joyful life. They couldn't have been more supportive. I would highly recommend them to anyone needing services”.

Children and Families Directorate

"I canny stop saying thank you enough to 'K' for all she is doing and already done, I'm emotional all the time that I'm finally getting someone hearing my screams for help"

"During this exceptionally challenging case, which was so full of emotion, I feel that 'N' approached the case with compassion, but she was also firm in the reality of what the outcome was likely to be from the offset."

Safeguarding: "We wanted to acknowledge the support, professionalism and partnership working demonstrated by yourself and that nothing is too much trouble. We wanted to express our thanks and to let you and your managers know we appreciate all that you do to support us".

"I really wish you were an allocated social worker for some of my children at the moment. I loved how calm your meetings were and how much things had improved".

Corporate Directorate

"I would like to commend you guys for exceptional customer service and especially X for going the extra mile to making sure I was catered to. I was frustrated to begin with as I am a student and the last thing I want in my mail is a summons. X's approach was very empathetic and she was able to calm me down and address my concern with effect so thank you for being patient with me and keep up the good job."

"I phoned today to sort my council tax and X was super helpful and friendly and warm and helped me solve a problem had that been ongoing on for weeks."

"I was struggling with the online renewal of my son's Blue Badge. I rang the council and was put through to a lady called X in the Blue Badge department. She was AMAZING! She was super helpful, patient and I couldn't have asked for a better service. She took the time to help me with the form and answered all my queries."

"I just wanted to drop you a line to tell you how impressed I have been with the service I received. Your telephones were always answered in double quick time, and I was able to speak to a very knowledgeable person every single time to attend to any queries. You obviously have an excellent team working in this department which would be a credit to any local government office, so I am just expressing my appreciation."

Place Directorate

"I would like to compliment your team doing black bins in Ulviet Gate (WA16 6TT) this morning. They 'went the extra mile' to help me (an elderly gent) - the extra effort was done willingly and with a smile. It is a pleasure to recognise and thank a driver and a young man who are excellent ambassadors for the Council. A small service, but much appreciated"

"I would like to thank 'R' and the rest of the crew on the green waste bin round for Ploughmans Way, Tytherington for going above and beyond this morning for me. I have a 4 week old baby and had forgotten to put the bins out in time. 'R' was very helpful and understanding even collected my bin from the garden and returned it for me saving me extra stress and hassle. Thank you to 'R' and the rest of the team."

"I just wanted to say what a great job the Highways Team have done in resurfacing Beam Street, Nantwich. I know that people are quick to complain about potholes across the borough but don't often give compliments, so I just wanted to send one in for a job well done. Please pass my compliments to all the people involved. Thanks."

Appendix 9 - Outcome of complaints to the LGSCO by committee 22-23

Committee	Total number of final decisions	Outcomes of final decisions				Total Compensation Awarded
		Rejected	No Fault	Fault but no Injustice	Fault with Injustice	
Adults & Health	18	13	0	1	4	£1,300
Children & Families	18	12	0	1	5	£2,400
Corporate Policy	6	6	0	0	0	£0
Environment & Communities	7	4	2	1	0	£1,350
Economy & Growth	23	18	1	2	2	£500
Highways & Transport	19	19	0	0	0	£0

Appendix 10 - Summary of Recommended Actions from Ombudsman Decision Notices where Fault was found (as per Appendix 9) 22-23

Adults and Health Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Adults Commissioning	<p>The Ombudsman's Final Decision – 7.11.2022</p> <p>Summary: Mrs X complained about the way a care provider, commissioned by the Council, ended its contract to provide care for her son. There was fault in the care providers actions, for which the Council is responsible. This caused Ms X considerable distress. The Council should apologise, make a symbolic payment to Mrs X to recognise the injustice caused and take appropriate action to prevent recurrence.</p>	<p>When a council commissions another organisation to provide services on its behalf it remains responsible for those services and for the actions of the organisation providing them. So, although I found fault with the actions of the care provider, I have made recommendations to the Council.</p> <p>Within one month of the date of the final decision, the Council will:</p> <ul style="list-style-type: none"> • apologise to Mrs X for the care provider's failure to follow its own process when allegations were made, and for failings in its complaints handling; • pay Mrs X, for the benefit of Y, £100 to acknowledge the anxiety caused by the sudden changes to his routine as a result of the change in his care package at short notice; and • pay Mrs X £400 to acknowledge the considerable distress caused to her by the failings identified. 	<p>Letter of apology issued 14.11.2022.</p> <p>A payment of £500 was made to Mrs X.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
		<p>Within three months of the date of the final decision, the Council will:</p> <ul style="list-style-type: none"> • provide guidance to the care provider about the lessons learned from this complaint. This should include the need to be open about concerns and take reasonable steps to try to resolve them before ending a care contract, and to ensure it reminds staff about the need to follow its own processes, including its complaints process, in line with regulation 16. 	<p>The Adults Commissioning Team have provided feedback to the provider.</p>
Adults Safeguarding	<p>The Ombudsman's Final Decision: 20.12.2022</p> <p>Summary: Mr X complained about the quality of care provided by a Council commissioned care provider, Safe Hands Care and Support</p> <p>Service. Mr X also complained about Safe Hands Care and Support Service's handling of his complaint and accusations that he was racist. We found fault with the Council for failing to ensure the care provider completed a suitable investigation</p>	<p>Within one month of the Ombudsman's final decision the Council should:</p> <ul style="list-style-type: none"> • Apologise to Mr X for failing to ensure Safe Hands Care and Support Service provided a suitable complaint response in line with its policy. • Instruct Safe Hands Care and Support Service to complete a full investigation into Mr X's complaint, in line with its policy, and provide a suitable written response to Mr X's complaint. This written response should include a summary of the issues, details of the evidence relied on, a 	<p>Letter of apology issued 20.1.2023</p> <p>Completed.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
	into Mr X's complaint. The Council agreed to our recommendation to apologise to Mr X and ask the care provider to complete a suitable investigation in line with its policy.	presentation of Safe Hands' findings including an explanation and conclusion.	
Adults Commissioning	<p>The Ombudsman's Final Decision – 28.2.2023</p> <p>Summary: Mrs X complains the Council's care provider, Elm House Residential Care Home (Elm House), failed to look after her late mother, Mrs Y, properly. Elm House failed to take Mrs Y's temperature for five hours on the day she fell ill. It also failed to record what possessions she had with her when she went to hospital and failed to deal properly with Mrs X when she raised her concerns. The care provider has apologised for these failings. The Council now needs to pay financial redress for the distress they have caused.</p>	<p>When a council commissions another organisation to provide services on its behalf it remains responsible for those services and for the actions of the organisation providing them. So, although I found fault with the actions of Elm House, I have made recommendations to the Council.</p> <p>I recommended the Council within four weeks pays Mrs X £300 for the distress caused to her. The Council has agreed to do this and should provide us with evidence it has done so.</p> <p>Under the terms of our Memorandum of Understanding and information sharing protocol with the Care Quality Commission, I will send it a copy of my final decision statement.</p>	Payment made on 28.3.2023

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Social Care Business Support and Finance	<p>The Ombudsman's final decision – 3.4.2023</p> <p>Summary: Mrs L complained about the way the Council handled her mother, Mrs X's direct payments. Mrs L said the Council was misleading and confusing in its communication and demanded payment Mrs X did not owe. The Council failed to provide clear and transparent financial information, incorrectly calculated Mrs X's account three times and delayed in pursuing the debt for 20 months. The Council will write off Mrs X's outstanding charges and pay Mrs X and Mrs L £200 each to recognise the frustration and uncertainty this caused.</p>	<p>Within one month the Council agreed to:</p> <ul style="list-style-type: none"> • write to Mrs X and Mrs L and apologise for the confusion, frustration and uncertainty caused to them and pay them £200 each to recognise the same; and • cancel the outstanding invoice against Mrs X's account. <p>Within three months the Council agreed to remind relevant staff:</p> <ul style="list-style-type: none"> • where discrepancies arise in audits to ensure the reasons for this are clearly explained to the person; and • of the importance of providing clear and transparent information to ensure people understand their responsibilities when accessing direct payments both at the point of arranging them and following any audit. <p>The Council will provide us with evidence it has complied with the above actions.</p>	<p>Apology letters issued on 5.4.2023.</p> <p>Payments made on 28.4.2023</p> <p>Debt confirmed as written off 19.5.2023</p> <p>The minutes from a recent audit meeting have been shared with the team, and these discuss the corrective actions.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
South Learning Disability Team	<p>The Ombudsman's final decision – 14.4.2023</p> <p>Summary: Ms K complained the Council and its social worker failed its social care duties towards her daughter. We did not find enough evidence of fault in the processes the Council followed to reach its view. We cannot therefore criticise the merits of its decision. There was some fault in how it progressed and communicated a charity's grant. The Council agree to make payment to acknowledge the distress and uncertainty this caused Ms K.</p>	<p>To remedy the injustice the Council caused to Ms K, the Council should, within one month of the final decision:</p> <p>a) apologise in writing to Ms K and pay £100 to acknowledge the distress and uncertainty and time and trouble its failure to progress and follow up on the charity's grant and the confusion it caused her; and</p> <p>b) contact the Charity to agree how the approved grant payment can be used to purchase the epilepsy band for Miss X and inform Ms K if no agreement can be reached.</p>	<p>Apology letter issued 17.5.2023</p> <p>Payment made 17.5.2023</p> <p>Ms K to be informed that the Council is unable to support accessing the epilepsy band via the charity.</p>

Children and Families Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
SEND	<p>The Ombudsman's Final Decision – 28.11.2022</p> <p>Summary: Miss X complained that the Council failed to issue her daughter's Education, Health and Care plan within the statutory timeframe. She also complained that the Council failed to deal with her complaint in line with its policy. Miss X said this meant a delay in her daughter getting provision she needed. She also said it caused her unnecessary distress and frustration. We find the Council at fault for delays issuing the plan. This fault caused Miss X injustice. The Council has agreed to apologise and make a payment to reflect the injustice caused. We do not find the Council at fault for its complaint handling.</p>	<p>Within four weeks of this decision, the Council has agreed to apologise to Miss X for the uncertainty, undue significant stress, and frustration caused by failing to issue C's EHC plan within the timeframe set out in the Regulations. The Council has also agreed to apologise to Miss X because the delay issuing the EHC plan denied her right to appeal (which is injustice).</p> <p>Within four weeks of this decision, the Council has agreed to make a payment to Miss X of £100 to remedy the uncertainty, undue significant stress, and frustration caused.</p> <p>In arriving at this figure, I have considered the Ombudsman's published guidance on remedies. I have considered the length of time involved. I have also considered the Council's efforts to chase the educational psychology service and keep Miss X informed regularly about progress, delays, and managing her expectations, which I consider somewhat mitigated the injustice.</p> <p>I therefore consider a payment of £100 is an appropriate and proportionate remedy for the injustice caused.</p>	<p>Letter of apology issued 23.12.2022.</p> <p>A payment of £100 has been made to Miss X.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Children's Social Care	<p>The Ombudsman's Final Decision: 14.12.2022</p> <p>Summary: Mr B complained about the actions of the Council in responding to his complaint about children's services. We found some fault including a failure to appoint an advocate to assist Mr B with his complaint, failing to implement agreed reasonable adjustments for him and a failure to provide a personal remedy to Mr B and C to recognise the impact of the fault on them as part of the complaints process. The Council has agreed to pay £550 to Mr B, including £250 for the benefit of his daughter C, and to improve its procedures for the future.</p>	<p>I recommended the Council within one month of the date of my final decision:</p> <ul style="list-style-type: none"> • pays Mr B £550 (£300 for his distress and time and trouble in pursuing a complaint to us and £250 for the benefit of C, for the distress caused by the danger statement and the failure to holistically explore her case). • explains what progress it has made with guidance for parents about the child protection process; and • explains what steps it has taken to ensure Mr B's reasonable adjustments are met in the future. <p>I also recommended that the Council, within three months:</p> <ul style="list-style-type: none"> • works with Mr B's advocate to consider what steps it could take to improve its response to disabled (particularly neurodivergent) parents interacting with both children's services and the complaints process; and • reviews its guidance for complaints staff in when and how to appoint advocates for complainants. 	<p>Payment made 30 Mar 2023.</p> <p>Letter dated 21 Feb 2023 issued to Mr B.</p> <p>The Corporate, Adults and Children's Complaints Policies are to be reviewed in 2023. The provision of advocates for complainants with communication difficulties will be</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
			included in this review.
SEND	<p>The Ombudsman's Final Decision: 14.12.2022</p> <p>Summary: Miss X complained her son remains on roll at a school he does not attend, and that the Council has failed to provide information about personal budgets. Miss X also complained the Council has delayed in securing the provision set out in her son's EHC plan. There is no evidence of fault in the way the Council has secured Y's educational provision. However, the Council's failure to provide the information Miss X requested and the delay in arranging a meeting to discuss a personal budget is fault. This fault has caused Miss X an injustice.</p>	<p>The Council has agreed to apologise to Miss X and pay her £100 in recognition of the frustration and distress she has experienced and the time and trouble she has been put to by the delay in providing information and in arranging a meeting to discuss a personal budget.</p> <p>The Council should take this action within one month of the final decision on this complaint and provide us with evidence it has complied with the above actions.</p>	<p>Letter of apology issued on 13.1.2023</p> <p>A payment of £100 has been made to Miss X.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
School Admissions	<p>The Ombudsman's Final Decision – 8.2.2023</p> <p>Summary: We uphold Mrs X's complaint about the Council refusing her summer born child (Y) a delayed reception start. We find fault with its decision-making process and delay. The Council has agreed to reconvene a new Panel and ensure it is instructed to make the decision in line with the School Admissions Code and non-statutory Guidance and review its processes to improve decision communications. It will also apologise to Mrs X and pay her £150 for her avoidable frustration and inconvenience.</p>	<p>The Council has agreed within a month of my final decision to:</p> <ul style="list-style-type: none"> • Write to Mrs X and apologise for the faults identified in this statement. • Reconvene a new Panel with different members to consider Mrs X's request for an admission into reception class in September 2023 ensuring the Panel is instructed to decide only on which year group is in Y's best interests and giving full written reasons for its decision. • Review its internal processes to address communication delays and ensure panel outcome letters clearly set out evidence of decision-making with clear reasons in feedback to parents. • Pay Mrs X £150 for her avoidable frustration and time and trouble. 	<p>Apology letter issued 24.3.2023</p> <p>New panel held on 7.3.2023</p> <p>Letter sent to LGSCO 23.3.23:" For the future, we will consider having a template to ensure that each point is addressed and clearly linked to the guidance and reasons are clear."</p> <p>Payment made 8.3.2023</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
SEND	<p>The Ombudsman's Final Decision: 19.1.2023</p> <p>Summary: Mrs X complained about delays and poor communication after she asked the Council for an Education, Health and Care (EHC) Plan for her child Y. The Council was at fault for delay in issuing the EHC Plan, and for poor communication. The Council has agreed to apologise to Mrs X and pay her £300 to acknowledge the frustration caused. It has already recruited more staff to improve its communication. It has also agreed to review how it communicates the timescales involved to parents and carers to help manage expectations.</p>	<p>Within one month of the final decision the Council has agreed to apologise to Mrs X and pay her £300 to acknowledge the frustration caused by the delays and poor communication.</p> <p>Within two months of the final decision, the Council has agreed to review the letter it sends to parents and carers advising them it will carry out an EHC assessment to ensure the letter clearly sets out the expected timescales for the EHC process, to help manage parents' expectations around communication.</p> <p>The Council should provide us with evidence it has complied with the above actions.</p>	<p>Letter of apology issued 6.2.2023.</p> <p>Payment made on 10.2.2023</p> <p>Letter updated & copy received from SEND on 23.3.2023 and supplied to LGSCO.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
SEND	<p>The Ombudsman's Final Decision: 6.3.2023</p> <p>Summary: Mr X complained that the Council failed to provide his daughter, D, with an education during a period when she was unable to attend school. He said this caused an injustice as it affected D's wellbeing, and she missed out on an education. We find the Council at fault. We have made a recommendation of payment to acknowledge that fault and remedy the injustice caused.</p>	<p>Within a month of issuing our final decision, the Council should:</p> <p>a) Apologise to Mr and Mrs X and to D for the fault identified.</p> <p>b) Make a payment of £1200 to D.</p> <p>Within two months of issuing our final decision, the Council should have reviewed its policies and procedures for situations where it is informed a child is missing education. It should ensure that it has systems in place to take decisive action when it becomes aware a child is missing education. It should provide evidence of this review to the Ombudsman.</p>	<p>Apology letter issued 6.4.2023</p> <p>Payment made 4.4.2023</p> <p>This action has been completed. Evidence sent to the LGSCO on 15.5.2023.</p>

Environment and Communities Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Planning – Development Management	<p>The Ombudsman's final decision – 14.11.2022</p> <p>Summary: Mr B complains the Council did not notify him of a planning application or properly consider the impact. He also says the application should have been heard by a committee due to a possible conflict of interest. He says the extension is overbearing and overlooks part of his garden. We find fault in how the Council considered the application. However, this did not cause a significant injustice.</p>	No recommended actions.	N/A
Planning – Development Management	<p>The Ombudsman's final decision – 14.11.2022</p> <p>Summary: Mrs B complains the Council did not notify her of a planning application or properly consider the impact. She also says the application should have been heard by a committee due to a possible conflict of interest. She says the extension is overbearing and causes overshadowing to her garden. We find fault in how the Council considered the application. However, this did not cause a significant injustice.</p>	No recommended actions.	N/A

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Planning – Development Management	<p>The Ombudsman's Final Decision – 22.11.2022</p> <p>Summary: Mr X complains about the Council's handling of the planning application process relating to his home and subsequent enforcement action. There was service failure which meant the correct information was not published on the Council's planning portal. The Council also took too long to respond to Mr X's concerns and complaints. The Council has agreed to apologise and make a payment to Mr X for the delay and uncertainty caused. It will also ensure its ongoing planning enforcement investigation is progressed in a timely way and will keep Mr X regularly updated on its progress.</p>	<p>Within one month of my final decision, the Council has agreed to:</p> <ul style="list-style-type: none"> • apologise to Mr X for the service failure that led to the non-publication of the revised HLMP on its planning portal and for the frustration caused by its delayed responses. • pay Mr X £300 for the uncertainty, time and trouble caused by the faults identified in this decision statement; and, • ensure timely progression of its planning enforcement investigation into the maintenance of the pond in front of Mr X's home and commit to providing Mr X with regular updates on its progress and details of its decision on conclusion. 	<p>Letter of apology was issued 16.12.2022.</p> <p>A payment of £300 was made to Mr X.</p> <p>An update on the planning enforcement investigation was provided in our letter of 16.12.2022.</p>

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Planning Enforcement	<p>The Ombudsman's Final Decision: 31.3.2023</p> <p>Summary: Mrs X complains about a lack of enforcement action by the Council after a developer removed an understory that provided privacy to her property. We have concluded our investigation having made a finding of fault by the Council. We found there were significant delays in the process which have impacted the time taken to find a resolution and restore privacy to Mrs X's property. The Council have accepted our recommendations.</p>	<p>As per our guidance on remedies, where a loss of amenity is temporary, we normally recommend a payment in the range of £75 to £350 a month, until a permanent solution is found and established.</p> <p>I consider there is a total of 14 months of avoidable delay, this considers the 10 months between August 2020 and June 2021, and the 10 months between January 2022 and November 2022. I have reduced the total number of months to account for the Council's targets, and some additional time for the application to have been submitted by the developer. I have also used the bottom range of the recommended payment to suggest an award of £1,050.</p> <p>To resolve matters, the Council have agreed to:</p> <p>a) Apologise to Mrs X for delays throughout the process and failing to negotiate a meaningful resolution with the developer in a timely manner.</p> <p>b) Pay Mrs X an amount of £1,050 for the inconvenience and distress caused by the delays in the process which has subjected her property to an ongoing lack of privacy.</p> <p>c) Inform the Ombudsman of the outcome of the developer's application and confirm whether the planting has taken place by the end of March, or what action it intends to take going forward.</p> <p>Final decision 6</p> <p>41. The Council have agreed to complete action a and b within one month of the Ombudsman's final decision, and action c within two months of the Ombudsman's decision.</p>	<p>Apology letter issued 27 April 2023</p> <p>Payment made on 17 May 2023</p> <p>Due 31 May 2023</p>

Economy and Growth Committee

Service	Summary and Ombudsman's Final Decision	Agreed Action	Action Taken
Strategic Housing	<p>The Ombudsman's Final Decision: 6.1.2023</p> <p>Summary: Ms C complains about the failure of the Council to carry out adaptations properly. The Council is at fault for failing to provide a schedule of works, delayed in starting work and an officer making an unannounced visit. The Council has made a concerted effort to find the cause of an ongoing bad odour, I cannot say on balance, its contractors caused the problem. To remedy the faults identified the Council has agreed to apologise to Ms C and her mother and pay £500 for their time, trouble, and avoidable distress.</p>	<p>I consider there was fault in the actions of the Council which caused Ms C and Mrs D avoidable time, trouble, and distress. The Council has agreed to take the following actions to remedy the complaint: -</p> <ul style="list-style-type: none"> a) apologise to Ms C and Mrs D for the faults identified in this statement. b) pay Ms C and Mrs D £250 each for their avoidable time, trouble, and distress. c) provide evidence the Council has completed the agreed actions. These include: - <ul style="list-style-type: none"> 1. there is now a handover of adaptation cases, so managers are aware of priority cases. 2. people receiving bathroom adaptations will receive a program of works detailing the date, nature of work and people who will attend the home. 3. the Council has introduced a process so officers can discuss issues which may occur from restricted access to the bathroom and if necessary, liaise with occupational therapy and social care staff to ensure the needs are met. 4. a reminder to staff in the Housing Standards and Adaptations Team to prearrange appointments when wanting to visit homes. <p>The Council should complete (a) to (b) within one month of the final decision and c(1) to c(4) within three months of the final decision.</p>	<p>Apology Letter issued 7.2.2023</p> <p>The Ombudsman has advised that Ms C has declined to accept the payment of £500 (£250 x 2).</p> <p>Actions completed 12 Jan 2023</p>

OPEN

Audit and Governance Committee

27th July 2023

Information Governance Update 22/23

Report of: Alex Thompson, Director of Finance and Customer Service

Report Reference No: AG/09/23-24

Ward(s) Affected: All

Purpose of Report

- 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.
- 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.

Executive Summary

- 3 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 2022/2023.
- 4 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.

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

RECOMMENDATIONS

The Audit and Governance Committee is recommended to note:

1. The progress made and the onward direction of the Information Assurance and Data Management programme.

Background

- 6 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 ensuring that the organisation can meet its strategic objectives and ethical responsibilities.

- 7 The Code of Practice issued as part of the Freedom of Information Act (2000) states that

The authority must understand, manage and use its information in a way that enables it to understand its value, in order to make effective decisions for the benefit of society.

The value of information changes over time. Information will have **immediate** value when first created, satisfying its initial purpose. After this, it may continue to have **operational** value as working information. It may then have **evidentiary** value for audit, accountability or regulatory purposes. Information may have **potential** value if it can be used to create new knowledge, improve services, or generate income. Finally, it may have permanent **historic** value.

- 8 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.
- 9 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 the maturity and awareness of information as a strategic asset is increased across the organisation and underpinned by projects which support service delivery.

- 10 The IADM programme is leading key projects which not only underpin the safeguarding of information but 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.

Consultation and Engagement

- 11 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 over seven themes:

- **Vision** – clear definition of business goals with the vision and initiatives in place to deliver against them
- **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

	EIM Programme Balance	EIM Maturity Level	Overall Score	Vision	Strategy	Metrics	Governance	Org/Roles	Lifecycle	Infrastructure
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
2022/23 EOY	Somewhat Balanced	Managed	3.55	3.4	3.88	3.89	3.23	3.35	3.72	3.40

- 12 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.

Table key

Decrease from previous year
Current score

- 13 At the end of the financial year 22/23, using this tool the Council has achieved a maturity rating of “Managed”.
- “Your organization is among the 15% of those that are clear leaders in their industry with respect to managing and leveraging information across more than two programs. These organizations take a decidedly managed approach to information management, comprising enterprise-level coordination throughout the organization, with effective people, processes, and technologies”.*
- 14 For the first time in the programme’s delivery, the assessment shows a tangible increase in maturity level, this lends itself to the programme having worked on resolving legacy issue and having plans in place to continue to do so as well as building on this with innovative new ways of working through Master Data Management and Enterprise Content Management. Over the last year, the programme has increased it’s score across all assessment areas.
- 15 The direction and delivery of IADM is focused 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.
- 16 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.

Vision

- 17 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 service 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
- 18 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 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.

Strategy

- 19 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.

- 20 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.

Metrics

- 21 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.
- 22 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.
- 23 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).
- 24 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.

- 25 IADM will continue to manage a business change plan with communications to 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 maturity through expert knowledge outside of the core programme and Information Governance (IG) teams, and foster ownership of IG and information within business teams.

Governance

- 26 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.
- 27 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.
- 28 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.

Organisation and Roles

- 29 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 implement 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.

- 30 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.
- 31 As part of a comprehensive multiyear training approach, several 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 handle, store, share and protect information responsibly in the changing environment that we work in.
- 32 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.

Lifecycle

- 33 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.
- 34 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.
- 35 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.
- 36 The programme has delivered several key projects across the organisation to align the IAR retention schedules to the storage of information. The Email Retention project sets a principle of retention and storage for officers, this will be expanded to cover those officers who were previously exempt for compliance reasons and to incorporate councillors in the coming months. Communication, workshops, and training material will be produced to ensure a smooth transition to the new guidelines.

Infrastructure

- 37 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.

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).

Reasons for Recommendations

- 38 N/A – report for information only.

Other Options Considered

- 39 N/A – report for information only.

Implications and Comments

Monitoring Officer/Legal

- 40 The Council must comply with the General Data Protection Regulation (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.
- 41 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.
- 42 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.

Section 151 Officer/Finance

- 43 Compliance with GDPR and UK data protection legislation is mandatory; penalties for the Council as a Data Controller under GDPR can be up to €20 million.

- 44 The programme has capital budget provision within the MTFS for 23/24 and 24/25 to support the outcomes of this report. The programme will continue to build the financial and business case to support onward funding if required.

Policy

- 45 There are no implications in this briefing.

Equality, Diversity and Inclusion

- 46 The programme has and continues to maintain an Equality Impact Assessment.

Human Resources

- 47 There are no implications in this briefing.

Risk Management

- 48 Issues on improper use, storage and deletion of information could arise if inappropriate actions by employees or third parties which could affect the level of inefficiency and security or cause reputation damage to the organisation.

Rural Communities

- 49 There are no implications in this briefing.

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

- 50 Management and protection of information is essential to ensure the right levels of care are given to those residents that require it in a timely manner.

Public Health

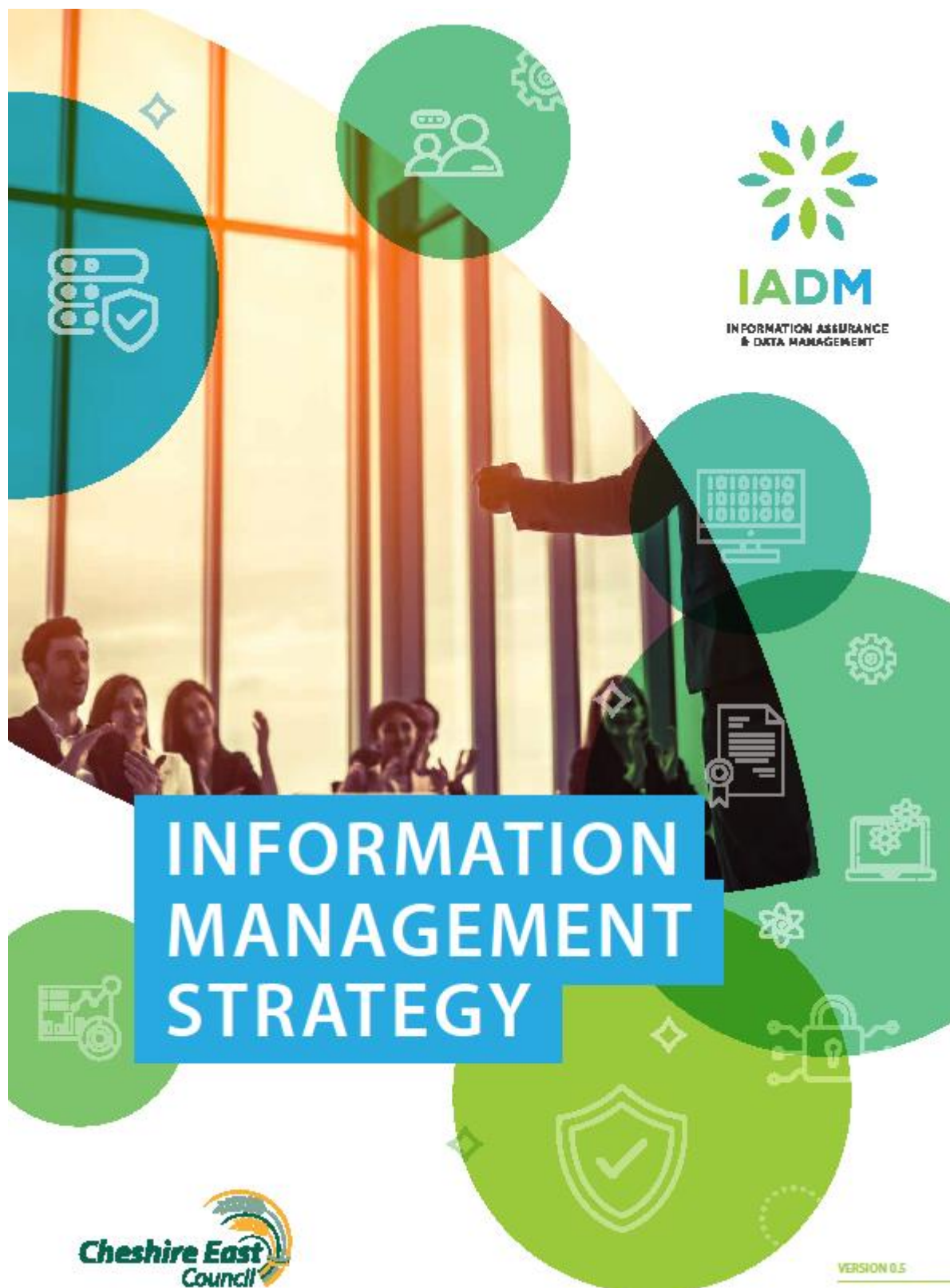
- 51 There are no implications in this briefing.

Climate Change

- 52 There are no implications in this briefing.

Access to Information	
Contact Officer:	Gareth, Pawlett Head of ICT

	gareth.pawlett@cheshireeast.gov.uk
Appendices:	Appendix 1: Information Management Strategy Appendix 2: Infographic
Background Papers:	None



Appendix 2

HARNESSING INFORMATION TO ENHANCE SERVICES

THE AMBITION


IADM

 INFORMATION ASSURANCE
& DATA MANAGEMENT

1

KNOWLEDGE MANAGEMENT

Organising, sharing and analysing knowledge which is readily accessible

a. Knowledge management will enable us to push information to users, so it is easily accessible rather than the traditional ways of users searching for content

b. It will enable improved decision making, increasing service user satisfaction and it will promote an advanced culture of growth and innovation



74% OF ORGANISATIONS ESTIMATE THAT EFFECTIVE KNOWLEDGE MANAGEMENT DISCIPLINES INCREASE PRODUCTIVITY BY

10-40%

THE AVERAGE ORGANISATION

HAS **17** APPLICATIONS

HOUSING
CUSTOMER DATA

2

ADVANCED INFORMATION

Enabling the workforce to work and collaborate dynamically by leveraging information and smart technologies

a. Creating a 360-degree view of Resident, Employee, Property and Business by using disciplines such as Master Data Management (MDM)

b. Joining information together to enable holistic and dynamic service delivery to the resident

c. Artificial Intelligence to classify information and drive processes and security such as access, availability of content and sharing

3

DEVELOP PROFILING

Understanding what we know about our Residents and using this insight to utilise opportunities and deliver enhanced services

a. Enhancing the use of information by bringing together individual elements to help us gain a comprehensive, accurate and detailed view of Residents and business

b. Profiling will enable us to introduce services based on what users may needed based on their interactions with the organisation

c. This will enable us to target access to services for hard-to-reach Residents based on what we know about them

THE AMOUNT OF DATA CREATED
DOUBLES
EVERY TWO YEARS



BUT...

99%
OF
NEW DATA

IS NEVER USED,
ANALYSED OR
TRANSFORMED



LACK OF A SINGLE CUSTOMER VIEW IS THE SINGLE LARGEST CUSTOMER EXPERIENCE CHALLENGE FACING BUSINESS

31%
OF

HIGH PERFORMERS SAID THEY HAVE ACCESSIBLE & UNIFIED CUSTOMER DATA

4

INFORMATION MANAGEMENT FRAMEWORK

The underpinning foundation to all information management, ensuring innovation is enabled whilst safeguarding our information and maintaining robust compliance

a. Ethical and compliant processing being at the heart of all we do

b. Using information as the powerful asset that it is whilst upholding security and compliance standards

c. Leveraging information to improve services for the Resident

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OPEN

BRIEFING REPORT

Audit & Governance Committee

27 July 2023

RIPA Policy and Inspection Plan Update

Report of: David Brown, Director of Governance & Compliance

Report Reference No: AG/12/23-24

Purpose of Report

- 1 This report provides an update to Audit & Governance Committee on the action plan following an inspection by the Investigatory Powers Commissioner's Office (IPCO). Details of the inspection and action plan were considered by the Committee on 9 March 2023. It was recommended that an update on the action plan and the amended policies and procedures be brought to a future Committee.

Executive Summary

- 2 The IPCO carried out a remote inspection of the Council's use of its powers under Part II of the Regulation of Investigatory Powers Act 2000 (RIPA) in November 2022. The inspector made some suggestions for improvements to policies and procedures to ensure they align with the guidance contained within the Covert Surveillance and Property Interference Code of Practice (2018).
- 3 The RIPA Policy and Procedures provide guidance to investigating officers considering covert surveillance under RIPA, the Protection of Freedoms Act 2012, and the Investigatory Powers Act 2016 (IPA). The Online Investigations Policy provides guidance to officers regarding the use of information available online, particularly on social network and social media platforms, to ensure the activity does not cross the boundary of surveillance when an authorised RIPA application may be required.

- 4 An action plan was drawn up to address the suggested improvements, and details of the actions taken are attached at Appendix 1.
- 5 A summary of the changes made to both policies is also attached at Appendix 2. General grammatical changes to wording have been made throughout and reference to Compliance & Customer Relations has been changed to Information Rights Team in line with a change to the name of the team responsible for RIPA. Versions of both policies with full tracked changes have been retained for reference.
- 6 A review of approved Authorising Officers has been undertaken following changes in senior management. RIPA applications can only be authorised by a Director listed in Schedule 1 of the RIPA Policy & Procedure in accordance with the authorisation signed by the Chief Executive on 17 May 2023.
- 7 The retention period of RIPA applications and investigation records has been aligned to six years for both sets of records. Previously, applications were retained by the Information Rights Team for three years and the investigation records retained by the relevant service for six years. An annual review and destruction of all records will take place to perform a single comprehensive review of case material.
- 8 The updated RIPA Policy and Procedure is attached at Appendix 3 and the updated Online Investigations Policy is attached at Appendix 4.

Background

- 9 The IPCO provides independent oversight of the use of investigatory powers by intelligence agencies, police forces and other public authorities. Its purpose is to oversee how these powers are used, taking account of the public interest, and ensuring that investigations are conducted in accordance with the law.
- 10 Since the introduction of the Protection of Freedoms Act 2012, Councils are only able to authorise surveillance under RIPA if it is for the purpose of preventing or detecting crime or preventing disorder subject to the 'serious offence' test, carrying a custodial sentence of six months or more.
- 11 The Council uses directed surveillance to carry out some of its enforcement functions effectively, particularly trading standards, licensing enforcement, environmental protection, and community safety. RIPA provides a regulatory framework to enable public authorities to obtain information using certain covert investigatory techniques. It is imperative that certain conditions are met in each to ensure 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.

- 12 Once authorised, all applications must have the approval of a Justice of the Peace/Magistrate, as required by the Protection of Freedoms Act 2012. The Director of Governance & Compliance/Monitoring Officer is the Council's Senior Responsible officer for the purposes of RIPA and has responsibility for the integrity of the process to ensure the Council complies with the legislation and Codes of Practice. The Council's Information Rights Manager and Data Protection Officer is the RIPA co-ordinator with responsibility for maintaining the central record of authorisations and compliance with the process.
- 13 The volume of authorisations conducted by the Council has reduced since the Department for Work and Pensions took over responsibility for the identification of Benefit fraud. The COVID pandemic also affected the Council's enforcement activity and subsequently reduced the use of RIPA. Only one RIPA application has been authorised since 2019. This concerned a test purchase operation relating to the underage sale of prohibited goods.

Briefing Information

- 14 As reported to the Committee on 9 March 2023, it was recommended that updated policies and procedures would be brought to a future Committee meeting.
- 15 All actions identified in the action plan have been completed, including:
 - (a) Insertion of version control page to policy and procedure.
 - (b) Amend wording of policy and procedure to reflect legal requirement for elected members to undertake formal scrutiny rather than just good practice.
 - (c) Review of retention period to align RIPA applications and investigation case material to ensure single comprehensive review and destruction of records.
 - (d) Review wording of online investigations policy to ensure consistency with Covert Surveillance and Property Interference Code of Practice (2018) and removal of references to Office of Surveillance Commissioners guidance.
 - (e) Include guidance regarding use of non-RIPA surveillance in the RIPA policy and procedure.

- (f) Review and update list of authorising officers and arrange relevant training.

Implications

Monitoring Officer/Legal

- 16 The Council's use of its powers under Part II of RIPA in respect of directed surveillance is subject to annual reporting by the Monitoring Officer to provide assurance to Audit & Governance Committee. Inspection by IPCO is carried out every three years to ensure the lawful use of the Council's powers and that effective policies and procedures are in place.

Section 151 Officer/Finance

- 17 There are no financial implications arising directly from this report.

Policy

- 18 The IPCO made suggested improvements to the RIPA Policy and Procedure as well as the Online Investigations Policy. These policies have been amended to reflect the changes suggested.
- 19 Compliance with RIPA and ensuring effective policies and procedures are in place supports the Council's "Open" aim in the Corporate Plan 2021-2025; support and develop our workforce to be confident, motivated, innovative, resilient and empowered.

An open and enabling organisation

- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered

Equality, Diversity and Inclusion

- 20 There are no equality, diversity and inclusion implications arising directly from this report.

Human Resources

- 21 There are no human resources implications arising directly from this report; however, officers are required to be fully aware of their obligations when conducting surveillance or investigations using online material. Training is provided by the Trading Standards and Community Protection Manager for investigating officers and authorising officers.

Risk Management

- 22 The Monitoring Officer provides assurance that the Council has arrangements in place to ensure lawful use of RIPA powers and manage the risks of non-compliance. The Monitoring Officer has regular oversight of RIPA applications and signs off the central register of authorisations on a quarterly basis.

Rural Communities

- 23 There are no implications for rural communities arising directly from this report.

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

- 24 There are no implications for children and young people arising directly from this report.

Public Health

- 25 There are no implications for public health arising directly from this report.

Climate Change

- 26 There are no implications for climate change arising directly from this report.

Access to Information	
Contact Officer:	Julie Gibbs, Information Rights Manager (DPO) julie.gibbs@cheshireeast.gov.uk
Appendices:	Appendix 1 – Updated action plan Appendix 2 – Summary of changes to RIPA Policy and Procedure and Online Investigations Policy Appendix 3 – Updated RIPA Policy and Procedure Appendix 4 – Updated Online Investigations Policy
Background Papers:	Inspection by Investigatory Powers Commissioner's Office - Report to Audit & Governance Committee 9 March 2023.

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IPCO INSPECTION NOVEMBER 2022
RECOMMENDATIONS AND ACTION PLAN

IDENTIFIED IMPROVEMENT	ACTION	ACTION OWNER	DUE DATE	EVIDENCE
RIPA Policy and Procedure – Version control would be helpful to ensure correct version used with most recent changes	Add version control page to policy and procedure document	Information Rights Manager (DPO)	End February 2023	Completed 1/3/23 Page 1 of final policy v.7
RIPA Policy and Procedure – Para 5.11 – it is not just ‘good practice’ for Council Members to undertake a formal scrutiny role in respect of the use of RIPA powers and corresponding policy, it is a legal requirement, as set out in para 4.47 of the Covert Surveillance and Property Interference Code of Practice (2018)	Review and amend para 5.11 in accordance with CoP	Information Rights Manager (DPO)	End February 2023	Completed 1/3/23 Page 10 of final policy v.7
RIPA Policy and Procedure - The retention period of entries on the Central Record of authorisations set out in paragraph 6.8, differs	Review retention schedule and consult Information Asset Register. Carry out deletion exercise and ensure process in place for	Information Rights Manager (DPO)	End March 2023	Completed 16/3/23 Retention period aligned to six years for central record of applications and investigation case files.

to that relating to investigation records which may include RIPA material, as per paragraph 6.2. It would seem sensible to align these periods in order to perform a single comprehensive review of case material.	review and destruction of all case files. Amend paras 6.2 and 6.8 accordingly.			Page 10, para 6.2 of final policy v.7 Page 12, para 6.8 of final policy v.7 Detailed in Information Asset Register. Review and destruction of records to be completed annually at time of annual MO report to ensure timely destruction.
Online Investigations Policy – Paras 3.6, 3.7 and 6.2 are somewhat contradictory and do not always align with the guidance contained within the Covert Surveillance and Property Interference Code of Practice (2018)	Review wording of paragraphs to ensure message is clear about one look being acceptable but more could be considered monitoring.	Information Rights Manager (DPO) with input from Trading Standards & Community Protection Manager and Acting Audit Manager	End March 2023	Completed 5/4/23 Emails from Trading Standards & Community Protection Manager and Acting Audit Manager Page 4, paras 3.6 and 3.7 and Page 6, para 6.2 of final policy v.2
Online Investigations Policy – Para 6.3 refers to ‘befriending’. Review wording to ensure not straying into CHIS.	Review wording of paragraph to ensure clear message not to stray into CHIS unless individual has relationship.	Information Rights Manager (DPO) with input from Trading Standards & Community Protection Manager and Acting Audit Manager	End March 2023	Completed 6/4/23 Emails from Trading Standards & Community Protection Manager and Acting Audit Manager Page 6, para 6.3 of final policy v.2
Online Investigations Policy – The OSC Guidance (as cited at the end of the social media	Review policy and remove references to OSC Guidance	Information Rights Manager (DPO) with input from Trading	End March 2023	Completed 5/4/23

policy) has been withdrawn in favour of the updated Code and should no longer be referred to.	and amend to updated Code of Practice	Standards & Community Protection Manager and Acting Audit Manager		Annex one replaced with extract from Code of Practice and link to full code - final policy v.2
RIPA Policy and Procedure – surveillance for non-statutory activity, e.g. Family Court Proceedings. Non-RIPA surveillance can be used where no criminal link, e.g. care proceedings. Maintain central record and SRO oversight	Include guidance regarding use of non-RIPA surveillance and bring to attention of other service areas, e.g. Children's Services. Restore central register of approved non-RIPA risk assessments	Information Rights Manager (DPO) Information Rights Manager (DPO)	End March 2023	Completed 17/3/23 Pages 19-20 para 11 of final policy v.7 Completed 17/3/23 Held in shared drive accessible to Information Rights Team
List of nominated Authorising Officers is to be updated in accordance with staffing changes and training requirements.	Review list and update with approved Authorising Officers. Arrange relevant training. Amended application forms to be used in training materials.	Information Rights Manager (DPO) Trading Standards and Community Protection Manager	End March 2023 End March 2023	Completed 31/3/23 Updated schedule signed by Chief Executive 17/5/23 Dates confirmed – Investigating Officers – 22/8/23 Authorising Officers – 31/8/23 & 26/9/23 Completed – email from Trading Standards & Community Protection Manager 3/3/23

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Summary of Changes to RIPA Policy and Procedure

General grammatical changes to wording throughout and reference to Compliance & Customer Relations changed to Information Rights Team in line with change to name of team responsible for RIPA. Version with full tracked changes retained for reference.

Other amendments, including those suggested by Investigatory Powers Commissioner's Office (IPCO)

Page 1

Date of review and version control section. Suggested by IPCO

Page 2, section 1, para 3 - Introduction

Reference to Covert Surveillance and Property Interference Code of Practice (2018) including link.

Page 4, paragraph 3.1 – Directed Surveillance

Addition of 6th bullet - carried out in a manner that is calculated to ensure that the person(s) who is/are subject to surveillance are unaware that it is or may be taking place.

Page 7, paragraph 5.3, last para – Social Networking Sites and other internet sites
Further guidance regarding online investigations policy changed from Internal Audit and Trading Standards to Information Rights Team or internal RIPA trainer.

Page 8, paragraph 5.5 – role of Investigating Officer

Addition of 7th bullet for clarity to include grounds upon which an application can be authorised.

Page 8-9, paragraph 5.6 – role of Authorising Officer

Reference to CHIS Code of Practice (2022) including link, to provide further guidance.

Moved entire section on use of CHIS to paragraph 6.11, more appropriate part of policy.

Page 10, paragraph 5.11 – role of Elected Members

Amended from “good practice” to “legal requirement” for Elected Members to undertake a formal scrutiny role in relation to RIPA/IPA and review the Council's use of it on an annual basis. Suggested by IPCO.

Page 10, paragraph 6.2 – Document Retention

Addition of regular review of documentation to ensure timely destruction of records. Suggested by IPCO.

Page 12, paragraph 6.8 – Central Record of Authorisations

Amended retention period from three to six years in line with retention of investigation records. Suggested by IPCO.

Deletion of reference to retention of RIPA forms such as those from DWP where CEC are involved in surveillance but not lead officers. Since Benefits moved to DWP, this is no longer likely.

Deletion of reference to urgency or oral provisions as no longer available to local authorities.

Page 14-16, paragraph 6.11 – Sources falling outside CHIS definition

Insertion of section relating to CHIS Code of Practice (2022) providing details of human source activity falling outside CHIS definition. Moved from page 9, paragraph 5.6 and amended to reflect correct wording from updated Code of Practice.

Page 19-20, section 11 – Non-RIPA

Insertion of new section on use of surveillance for investigations relating to legislation breaches which do not meet the six month custodial sentence crime threshold. Suggested by IPCO.

Summary of Changes to Online Investigations Policy

General grammatical changes to wording throughout and reference to Compliance & Customer Relations changed to Information Rights Team in line with change to name of team responsible for RIPA and the Online Investigations Policy. Version with full tracked changes retained for reference.

Other amendments, including those suggested by IPCO

Page 1

Added date of review and version control section.

Page 3, para 2.1 – Legal Framework

Addition of Investigatory Powers Act 2016 (IPA) as some investigations may lead to the requirement for comms data requests.

Page 6, paras 3.6 and 3.7 and Page 8, para 6.2

Wording amended to ensure clear message about one look being acceptable, but more could be considered monitoring. Suggested by IPCO.

Page 8, para 6.3

Wording amended to ensure clear message about befriending and not straying into CHIS. Suggested by IPCO.

Annex One

Deletion of outdated guidance issued by the Chief Surveillance Commissioner and replaced with extract from the Covert Surveillance and Property Interference Code of Practice (2018) relevant to online covert activity. Suggested by IPCO.



SURVEILLANCE UNDER THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) AND THE INVESTIGATORY POWERS ACT 2016 (IPA)

POLICY AND PROCEDURES

MARCH 2023

Version Control			
To be reviewed every two years			
Date	Version No	Reason for Change	By whom
September 2010	V1	Review following inspection by OSC in May 2010	Compliance & Customer Relations Officer
October 2012	V2	Regular review	Compliance & Customer Relations Officer
December 2014	V3	Review following inspection by OSC in May 2013 – inclusion of use of SNS	Senior Compliance & Customer Relations Officer
December 2015	V4	Regular review	Senior Compliance & Customer Relations Officer
May 2017	V5	Review following inspection by OSC in May 2016 – further detail on use of SNS and internet	Senior Compliance & Customer Relations Officer
February 2020	V6	Review following inspection and recommendations by IPCO October 2019	Senior Compliance & Customer Relations Officer
March 2023	V7	Review following inspection by IPCO November 2022	Information Rights Manager (DPO) Trading Standards & Community Protection Manager

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1.0 INTRODUCTION

The Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA) provide a regulatory framework which enables public authorities to obtain information using certain covert investigatory techniques. RIPA includes frameworks around the use of directed surveillance and the use of covert human intelligence sources (CHIS).

The Investigatory Powers Act 2016 (IPA) provides the framework in which communications data can be accessed and obtained.

This policy draws on the guidance contained in the [Covert Surveillance and Property Interference Code of Practice \(2018\)](#) (CSPI Code) and summarises how Cheshire East Council can use these frameworks and how applications can be lawfully made. It also provides directions regarding the storage, use and retention of information and data obtained from the use of such actions.

The Protection of Freedoms Act 2012 requires that applications to use directed surveillance and covert human intelligence sources (CHIS) must have prior judicial approval and that the use of these techniques is limited to the investigation of offences which attract a minimal custodial sentence of 6 months.

The Investigatory Powers Act (2016) (IPA) outlines how enforcement agencies can access and obtain communications data, as well as specifying the types of data which can be obtained. Dependent on the type of data being requested, such a request is limited to the investigation of offences which attract a minimal custodial sentence of 6 months (entity data) or 12 months (event data).

The Investigatory Powers Commissioners Office (IPCO) has responsibility for oversight of all investigatory powers since the implementation of IPA 2016.

2.0 BACKGROUND

An individual has rights, freedoms and expectations are guaranteed by the European Convention on Human Rights and the Human Rights Act 1998. Using the powers under RIPA and IPA can conflict with and cause the suspension of an individual's human rights. Therefore, when investigating wrongdoing, it is important that certain conditions are met in each case so that evidence is obtained lawfully, in order to support any enforcement action as deemed necessary in line with the Council's Enforcement Policy.

By following the authorisation procedures set out by RIPA and IPA, officers of the Council are ensuring that they can demonstrate that the surveillance is necessary for a purpose permitted by the Human Rights Act 1998 and that it

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is a proportionate measure to take. Compliance with RIPA and IPA will significantly reduce the likelihood of any surveillance carried out by the Council being unlawful, and therefore subject to legal challenge.

Cheshire East Council will occasionally need to use covert surveillance/CHIS/access communications data in order to carry out its enforcement functions effectively. Examples of such enforcement activities are planning enforcement, licensing enforcement, trading standards, environmental health and community protection investigations. Powers under RIPA/IPA can be used where it is demonstrated that viable alternatives to obtaining evidence to mount a prosecution have been considered but are not appropriate and that any collateral intrusion has been considered.

3.0 USE OF COVERT SURVEILLANCE IN LOCAL AUTHORITIES

Local authorities are not authorised to carry out any form of intrusive surveillance. Intrusive surveillance is defined in Section 26 (3) of RIPA as:

- covert surveillance, which is carried out in relation to anything taking place on any residential premises or in any private vehicle, and involves the presence of an individual on the premises or in the vehicle, or is
- carried out by means of a surveillance device (e.g. a listening or tracking device in a person's home or in his/her private vehicle).

Local authorities are restricted to use of the three techniques mentioned above, i.e.

- using 'directed' surveillance
- deploying a Covert Human Intelligence Source (CHIS)
- acquiring communications data.

The Council is required to obtain the authorisation of a Director listed in Schedule 1 of this policy before using directed surveillance. The use of a CHIS can only be authorised by the Chief Executive. Before acquiring communications data, the Council is required to have a 'made aware' officer within the application process. This is usually at Service Manager level (the 'made aware' officer does not have to be independent) as well as the Information Rights Team.

When using directed surveillance or deploying a CHIS, approval must also be granted by a JP/Magistrate. The independent authorisation for local authorities when accessing communications data is provided by the Office for Communications Data Authorisations (ODCA), which has delegated powers from the Judiciary Commissioner.

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3.1 Directed Surveillance

Directed surveillance is essentially covert surveillance in places open to the public. It is defined as:

- covert
- likely to obtain private information
- carried out in a publicly accessible place (including the internet)
- pre-planned against a specific individual or group
- conducted otherwise than as an immediate response to events
- carried out in a manner that is calculated to ensure that the person(s) who is/are subject to surveillance are unaware that it is or may be taking place

It includes surveillance by person or device to:

- observe someone's movements
- eavesdrop on conversations
- photograph or film people or events
- track vehicles

The Protection of Freedoms Act 2012 introduced a crime threshold, whereby local authorities are only able to use this power when investigating offences which attract a custodial sentence of six months or more, or offences relating to the sale of alcohol or tobacco products to minors.

3.2 Covert Human Intelligence Source (CHIS)

A covert human intelligence source can be either an undercover officer or a member of the public acting as an informant. The CHIS is someone who:

- establishes and maintains a relationship for a covert purpose
- covertly uses the relationship to obtain information or to provide access to information from another person
- covertly discloses the information derived from the relationship to the Council

Where the CHIS is under 18, special risk assessments need to be carried out for each case.

Before authorisation, a trained handler (day to day responsibility for dealing with the source) and controller (general oversight of the use made of the source) must be identified.

3.3 Obtaining Communications Data

The Council is limited to accessing only entity and event data (see 7.2) i.e. the 'who', 'when' and 'where' of a communication – not the actual content.

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Local Authorities must liaise with the National Anti Fraud Network (NAFN) to acquire Communications Data, as supported by the Investigatory Powers Commissioner's Office (IPCO).

- 3.4** The relevant regimes under which to make an application are as follows:
- a) Directed surveillance – RIPA
 - b) Use of a Covert Human Intelligence Source (CHIS) - RIPA
 - c) Obtaining communications data - IPA
- 3.5** If it is anticipated that there is a likelihood of obtaining confidential information as part of a covert action, e.g. legally privileged or medical information, then this must be disclosed during the application process and only authorised by the Chief Executive or, in his or her absence, an Executive Director.

4.0 APPLYING THE RIPA/IPA PRINCIPLES AND CONCEPTS

4.1 The tests of necessity and proportionality

Use of covert techniques should only be authorised if the Authorising Officer/ODCA is satisfied that the action is both **NECESSARY** and **PROPORTIONATE**. The Human Rights Act 1998 defines a measure or action as proportionate if it:

- impairs as little as possible the rights and freedoms of the individual concerned and of innocent third parties, and
- is carefully designed to meet the objectives in question, is not arbitrary, unfair or based on irrational considerations.

4.2 Collateral intrusion

The Authorising Officer/OCDA must also consider the risk of intrusion into the privacy of persons other than those who are directly the subject of the investigation or operation. This is termed “collateral intrusion”. Officers carrying out the covert action should inform the Authorising Officer/ODCA if the investigation or operation unexpectedly interferes with the privacy of individuals who are not covered by the authorisation. Consideration should be given to whether the authorisation should be amended and re-authorised or whether a new authorisation is required.

5.0 PROCEDURES FOR IMPLEMENTING COVERT ACTIVITY

5.1 General

All covert activity 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. The table below outlines the requirements for each activity:

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Covert technique	Legislation and regime	Crime threshold	Approval
Directed surveillance	RIPA 2000	6 MONTHS (with exemptions)	Authorising Officer (Local Authority) and then Judicial
Covert Human Intelligence Source	RIPA 2000	6 MONTHS	Authorising Officer (Local Authority) and then Judicial
Obtaining Communications Data	IPA 2016	6 MONTHS – ENTITY DATA 12 MONTHS – EVENTS DATA (extra definition includes 'if it involves violence, results in substantial financial gain or by a large number of persons in pursuit of a common purpose')	'Made Aware' (Local Authority) Office for Communications Data Authorisations (ODCA) - NO more Designated Officer (Local Authority) and then Judicial

Any officer intending to undertake covert surveillance or use a covert human intelligence source must only do so if other means of obtaining information have been considered but are not viable.

Embarking upon covert surveillance or using a covert human intelligence source without authorisation or conducting covert surveillance outside the scope of the authorisation, will mean not only that the “protective umbrella” of RIPA is unavailable, but it may result in disciplinary action being taken against the officer/officers involved. It may also result in the criminal investigation being compromised, as the evidence will be considered to have been obtained unlawfully. Unlawful acquisition (wilful or reckless) of communications data is a criminal offence.

Directed surveillance may only be carried out on residential premises if a member of the public has requested help or made a complaint to the Council, and if written permission to conduct the surveillance has been obtained from the resident from whose premises the surveillance will be carried out.

All relevant Council contracts issued to contractors/subcontractors must include a term that this policy and associated procedures are to be observed when operating on behalf of the Council.

5.2 Closed Circuit Television (CCTV)

CCTV systems are not normally within the scope of RIPA due to being overt. However, if they are used for a specific operation or investigation, or if automatic facial recognition by means of CCTV is used, RIPA authorisation for the use of directed surveillance by CCTV must be initially obtained by the investigating officer depending on who is leading the investigation.

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Any covert activity utilising the CCTV system must comply with the Procedure Manual for the Operation of Cheshire East Council CCTV System.

5.3 Social Networking Sites (SNS) and other Internet sites

The fact that a digital investigation is easy to conduct does not reduce the need for authorisation when necessary and consideration must be given to whether authorisation under RIPA should be obtained.

Different social network sites (SNS) work in different ways and could be considered “open source” if privacy settings are not applied. It is the responsibility of the individual account holder to apply privacy settings in order to protect against unsolicited access to their private information. There is a reasonable expectation of privacy if access controls are applied. Unprotected data may be deemed published and no longer under the control of the author.

Many officers would never envisage carrying out directed surveillance under RIPA; but they may use SNS for several other reasons, such as HR monitoring the activity of employees; or Children’s Services monitoring the SNS of parents; or chat rooms where they suspect children may be engaged in inappropriate activities. A single view is acceptable (best practice to document the viewing) - but repeat viewing may be considered to be monitoring and is therefore directed surveillance, which may meet the criteria for authorisation as directed surveillance, or even a CHIS. Staff should make a record of any use of SNS or the internet which may assist in their enquiries and document the reasons for the search and the outcome. Officers should always consider other ways of obtaining the information required and document why those options have been discounted in favour of SNS.

If it is necessary and proportionate for the Council to covertly breach access controls, an authorisation for directed surveillance will be required. Consideration may need to be given to authorisation of a CHIS if the Council wishes to establish a relationship with an individual through a SNS or website, i.e. if the activity is more than mere reading of the site’s content.

An officer of the Council must not set up a false identity for covert purposes without authorisation.

An [Online Investigations Policy](#) has been developed to provide guidance to Cheshire East Council staff. Further guidance on this can be obtained from the Information Rights Team or the internal RIPA trainer, the Trading Standards and Community Protection Manager.

5.4 Officers able to make authorisations

The authorisation of applications under the Regulation of Investigatory Powers (Directed Surveillance); or under the Covert Human Intelligence Sources Order 2010 (2010/521) can be authorised by one of the Directors named in Schedule 1.

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Under the IPA 2016 approval for access to and obtaining of communications data is granted only by the Office for Communications Data Authorisations (OCDA).

The Director of Governance and Compliance is not an Authorising Officer. This post assumes responsibility, as the Monitoring Officer, to ensure that the Council complies with the requirements of RIPA and IPA legislation.

Authorising Officers should not be responsible for authorising investigations or operations in which they have had or are likely to have any direct involvement. When such authorisation is required, this should be sought from an alternative Authorising Officer, as appropriate.

5.5 The role of the Investigating Officer

It is the responsibility of the Investigating Officer to present the facts of the application, i.e.

- the crime to be investigated and the offence/sentence it attracts
- the reasons why it is proposed to conduct the investigation covertly
- what covert tactics are requested and why
- on whom the covert surveillance will be focused and who else may be affected by it
- how it is intended to conduct the surveillance
- the 'who, what, when, why and how'
- to state the grounds upon which the application can be authorised;
 - a) in the interests of national security;
 - b) for the purpose of preventing or detecting crime or of preventing disorder;
 - c) in the interests of the economic well-being of the UK;
 - d) in the interests of public safety;
 - e) for the purpose of protecting public health;
 - f) for the purpose of assessing or collecting any tax, duty, levy or other imposition,
 - g) contribution or charge payable to a government department; or
 - h) for any other purpose prescribed by an order made by the Secretary of State

5.6 The role of the Authorising Officer (CHIS and directed surveillance)

It is the role of the Authorising Officer to:

- demonstrate to his/her satisfaction that use of covert surveillance is necessary for the crime being investigated by setting out in their own words why they are satisfied this is so
- demonstrate how he/she has reached the conclusion that the activity is proportionate to what it seeks to achieve and the reasons why the methods are not disproportionate
- ensure the application states explicitly what is being authorised and against which subjects, property or location. It is his/her responsibility to

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ensure those who conduct the surveillance are clear on what has been authorised.

Guidance covering circumstances in which it would be appropriate to authorise the use or conduct of a CHIS can be found in the [CHIS Code of Practice \(2022\)](#).

5.7 The role of JPs/Magistrate (CHIS and directed surveillance)

The Protection of Freedoms Act 2012 amended the 2000 Act to make CHIS and directed surveillance authorisations by local authorities in England and Wales subject to judicial approval. These changes mean that local authorities need to obtain an order approving the grant or renewal of a CHIS authorisation from a Justice of the Peace before it can take effect. If the Justice of the Peace is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate, they will issue an order approving the grant or renewal for the use of the CHIS as described in the application. The amendment means that local authorities are no longer able to orally authorise the use of CHIS.

5.8 The role of the Office for Communications Data Authorisations (OCDA)

The Office for Communications Data Authorisations considers requests for communications data from law enforcement and public authorities. OCDA carries out the important function of safeguarding an individual's right to privacy under the Human Rights Act 1998. It makes independent decisions on whether to grant or refuse communications data requests, ensuring that all requests are lawful, necessary and proportionate.

5.9 Outcomes

The order which the Justice of the Peace/OCDA will complete, reflecting his/her decision, will identify one of the three following potential outcomes:

- Approval granted.
- Approval refused - the Council may not use the covert technique but may re-apply if significant new information comes to light or if technical errors in the initial application have been addressed.
- Refuse and Quash – the Council may not use the covert technique. This decision might be used where the JP/OCDA is of the opinion the application is fundamentally flawed.

5.10 The role of the Director of Governance & Compliance (Monitoring Officer)

The Director of Governance and Compliance (Monitoring Officer) is responsible for the integrity of the process as follows:

- ensuring compliance with all relevant legislation and with the Codes of Practice
- monitoring authorisations and conducting a quarterly review of applications, authorisations, refusals, reviews, renewals and cancellations.

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5.11 The role of Elected Members

It is a legal requirement for Elected Members to undertake a formal scrutiny role in relation to RIPA/IPA and review the Council's use of it on an annual basis. However, they should not be involved in making decisions on specific authorisations.

The Monitoring Officer will ensure that an Annual Report regarding the Council's use of RIPA/IPA is submitted to the Council's Audit & Governance Committee.

6.0 PROCEDURES FOR GAINING APPROVAL (CHIS and Directed Surveillance)

6.1 General

At a departmental level, the application for authorisation must be in writing (electronically typed) and on the appropriate form, which must be completed in full. Officers should ensure that they use the current form available directly from the Home Office website.

Before applications are authorised, they must be forwarded to the Information Rights Team to be checked and recorded in the Central Record of Authorisations. A unique reference number will be allocated at this stage. Officers requesting authorisation for directed surveillance and CHIS should complete a risk assessment, which should be submitted with the authorisation request.

6.2 Document Retention

All relevant documentation, including a copy of the authorisation, a record of the period over which surveillance has taken place, any risk assessment, notebooks, surveillance logs and other ancillary documentation should be retained at departmental level for a period of six years from the date of cancellation of the surveillance, at which point they should be securely destroyed. A regular review of documentation will be carried out at the time of the annual report to Audit & Governance Committee to ensure relevant documentation is destroyed timeously.

6.3 Duration of Authorisations

Authorisation of directed surveillance will cease to have effect (unless renewed) either on specific cancellation (within the period of three months) or at the end of a period of three months (directed surveillance) or twelve months ("CHIS"), beginning with the day on which the authorisation was granted by the Justice of Peace/Magistrate.

Authorisation of communications data will cease to have effect when the requested authorised data is provided by the service provider.

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6.4 Reviews

Regular monthly reviews of authorisations should be undertaken by the Authorising Officer to assess the need for surveillance to continue. All reviews should be completed using the appropriate form. It is important to note that reviews cannot broaden the scope of the original authorisation but can reduce it for minor changes.

6.5 Renewals

If, at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he/she may renew it in writing. All applications for the Renewal of an Authorisation for Directed Surveillance should be on the appropriate form, which must be completed in full.

6.6 Cancellations and handling of surveillance material

It is a statutory requirement that authorisations are cancelled as soon as they are no longer required. The Authorising Officer (or Investigating Officer in the first place) who granted (or last renewed) the authorisation must cancel it, if he is satisfied that the activity no longer meets the criteria for which it was authorised, or that it has fulfilled its objective.

If the Authorising Officer is no longer available, this duty will fall to the person who has taken over the role of the Authorising Officer. On cancellation of an authorisation, the Authorising Officer must be satisfied that the product of any surveillance is properly retained and stored or destroyed. If the surveillance product is of no evidential or intelligence value, it should be destroyed without delay, in accordance with Data Protection requirements. If the surveillance product is of potential evidential or intelligence value, it should be retained on the relevant case file, in accordance with established disclosure requirements, commensurate with any subsequent review.

When cancelling an authorisation, the Authorising Officer should:

- record date and times that surveillance took place and date the order to cease activity was made
- record reason for cancellation
- ensure surveillance equipment is removed and returned
- provide direction for management of product
- record value of surveillance, i.e. whether objectives of activity were met

6.7 Cessation of activity

As soon as the decision is taken that the authorised activity should be discontinued, the instruction must be given to those involved to stop all surveillance of the subject, or to cease using the covert human intelligence source. Documentation detailing the date and time when any cancellation instruction was given by the Authorising Officer should be retained for a period of six years, at which point it should be securely destroyed.

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6.8 Central Record of Authorisations

The Information Rights Team is responsible for ensuring that a Central Record of Authorisations is maintained. This must be updated whenever an authorisation is granted, reviewed, renewed or cancelled. These records should be securely retained for a period of six years from the ending of the authorisation, at which point they must be securely destroyed. It is necessary that the original hand signed (wet signature) authorisation is maintained within the Central Record of Authorisations, to provide a valid audit trail for court purposes. The Monitoring Officer should review and sign this Record on a quarterly basis.

With regard to directed surveillance, the Central Record of Authorisations will contain a copy of the authorisation, together with the following information:

- the type of authorisation
- the date the authorisation was given
- the name of the Authorising Officer
- the departmental reference number of the investigation or operation
- the title of the investigation or operation, including a brief description and names of subjects, if known
- date of approval from Magistrates Court, name of Magistrate and outcome
- in the case of a self authorisation by the Authorising Officer, a statement in writing that he/she expressly authorised the action (only in exceptional circumstances)
- if the authorisation is renewed, the date of renewal and who authorised it, including the name and grade of the Authorising Officer
- whether the investigation or operation is likely to result in obtaining confidential information
- the date of cancellation of the authorisation
- where collateral intrusion may be an issue, a copy of the Privacy Impact Assessment

With regard to a CHIS, the Central Record of Authorisations must contain the following additional information:

- a copy of the authorisation, together with any supplementary documentation and notification of the approval given by the Authorising Officer
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested
- the reason why the person renewing an authorisation considered it necessary to do so
- the risk assessment made in relation to the source ("CHIS")
- a record of the results of any reviews of the authorisation
- the reasons, if any, for not renewing an authorisation
- the reasons for cancelling an authorisation - cancellations are to be completed on the appropriate form

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- the date and time when any instruction was given by the Authorising Officer to cease using a “CHIS”
- where collateral intrusion may be an issue, a copy of the Privacy Impact Assessment

With regard to applications for Communications Data, a separate Central Record of Authorisations will be maintained which will contain:

- a copy of the authorisation together with the following information:
- applicant’s name and job title
- the operation name, including a brief description of the nature of the operation and names of subject(s) if known

6.9 Additional requirements for authorisation of covert human intelligence sources only

6.9.1 Covert human intelligence sources may only be authorised if the following additional arrangements are in place:

- There is an employee of the Council with day to day responsibility for dealing with the source and, for the source’s security and welfare, there is a Senior Officer who has general oversight of the use made of the source.
- An officer who is responsible for maintaining a record of the use made of the source; these records will contain any matters specified by the Secretary of State – The Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI 2000/2725) set out these matters.
- Records disclosing the identity of the source and the information provided by him/her will not be made available to others except on a need to know basis.

6.9.2 Vulnerable individuals (i.e. a person who is in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care or protect himself against significant harm or exploitation) may be authorised to act as a CHIS only in the most exceptional circumstances.

6.9.3 Authorisations for juvenile sources (under 18) should only be granted if the provisions contained in The Regulation of Investigatory Powers (Juveniles) Order 2000 (SI 2000/2793) are satisfied. Any authorisation should be granted by the Chief Executive or (in his/her absence) an Executive Director. The duration of an authorisation for the use or conduct of juvenile sources is four months.

6.9.4 If a juvenile source (under 18) is to be used, the Authorising Officer is responsible for obtaining the written consent of the parent or guardian or the person caring for the juvenile, unless to do so would compromise the juvenile’s welfare or safety. The Authorising Officer is also responsible for ensuring that an appropriate adult is present at any meeting. An appropriate

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adult is a parent or guardian, a person who has assumed responsibility for the wellbeing of the CHIS or, in their absence, a person who is responsible for the wellbeing of the CHIS and who is over 18, who is neither a member of, nor employed by, the Council.

- 6.9.5 On no occasion should the use or conduct of a source under 16 years of age be authorised to give information against his/her parent or any person who has parental responsibility for him/her. The processing of information obtained as a result of surveillance should be restricted to specified employees. Only relevant senior managers should have access to the information collected to enable appropriate action to be taken. They must respect the confidentiality of all information and only disclose the information to other appropriate senior managers where further action is required.
- 6.9.6 When a CHIS is used, a “Handler” (who can be an Officer of the Council), and who must have received appropriate training, should be designated as having the day to day responsibility for dealing with the CHIS. This responsibility should also extend to the security, safety and welfare of the CHIS. In addition, a “Controller” should be designated to have the general oversight of the use made of the CHIS. These requirements also apply in cases in which the CHIS is an officer of the Council. The officer requesting authorisation for the use of a CHIS must also complete a risk assessment and submit it to the Authorising Officer, together with the authorisation request.
- 6.10 Test purchases of sales to juveniles
When a young person (under 16 or under 18) carries out test purchases at a series of premises for age restricted products, it may be necessary to obtain an authorisation for ‘directed’ surveillance dependent on the product and relevant legislation; it is not necessary to prepare authorisations for each premises to be visited, providing each is identified at the outset but, in all cases, it is necessary to prepare a risk assessment in relation to the young person and to have an adult on hand to observe the test purchase.
- 6.11 The [CHIS Code of Practice 2022](#) (paras 2.20 to 2.27) provides details of human source activity falling outside CHIS definition. For example, a source may be a public volunteer or someone who discloses information out of professional or statutory duty, or who has been tasked to obtain information other than by way of a covert relationship. Details of these circumstances is provided below.

Public volunteers

In many cases involving human sources, the source will not have established or maintained a relationship for a covert purpose. Many sources provide information that they have observed or acquired other than through a relationship. This means that the source is not a CHIS for the purposes of the 2000 Act and no authorisation is required.

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Example 1: *A member of the public volunteers a piece of information to a member of a public authority regarding something they have witnessed in their neighbourhood. The member of the public is not a CHIS. They are not passing information obtained as a result of a relationship which has been established or maintained for a covert purpose.*

Example 2: *A caller to a confidential hotline (such as Crimestoppers, the HMRC Fraud Hotline, the Anti-Terrorist Hotline, or the Security Service public telephone number) reveals that they know of criminal or terrorist activity. Even if the caller is involved in the activities on which they are reporting, the caller would not be considered a CHIS as the information is not being disclosed on the basis of a relationship which was established or maintained for that covert purpose. However, should the caller be asked to maintain their relationship with those involved and to continue to supply information (or it is otherwise envisaged that they will do so), an authorisation for the use or conduct of a CHIS may be appropriate.*

Professional or statutory duty

Certain individuals will be required to provide information to public authorities or designated bodies out of professional or statutory duty. For example, employees within organisations regulated by the money laundering provisions of the Proceeds of Crime Act 2002 are required to report suspicious transactions. Similarly, financial officials, accountants or company administrators may have a duty to provide information that they have obtained by virtue of their position to the Serious Fraud Office.

Any such professional or statutory disclosures should not usually result in these individuals meeting the definition of a CHIS, as the business or professional relationships from which the information derives will not have been established or maintained for the covert purpose of obtaining or disclosing such information.

Tasking not involving relationships

Tasking a person to obtain information covertly may result in a CHIS authorisation being appropriate. However, this will not be true in all circumstances. For example, where the tasking given to a person does not require that person to establish or maintain a relationship for the purpose of obtaining, providing access to or disclosing the information sought or where the information is already within the personal knowledge of the individual, that person will not be a CHIS.

Example: *A member of the public is asked by a member of a public authority to maintain a record of all vehicles arriving and leaving a specific location or to record the details of visitors to a neighbouring house. A relationship has not been established or maintained in order to gather the information and a CHIS authorisation is therefore not available. Other authorisations under the 2000 Act, for example, a directed surveillance authorisation, may need to be*

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considered where the activity is likely to result in the public authority obtaining information relating to a person's private or family life.

Identifying when a human source becomes a CHIS

Individuals or members of organisations (e.g. travel agents, housing associations and taxi companies) who, because of their work or role have access to personal information, may voluntarily provide information to public authorities on a repeated basis and need to be managed appropriately. Public authorities must keep such human sources under constant review to ensure that they are managed with an appropriate level of sensitivity and confidentiality, and to establish whether, at any given stage, they should be authorised as a CHIS.

Determining the status of an individual or organisation is a matter of judgement by the public authority. Public authorities should avoid inducing individuals to engage in the conduct of a CHIS, either expressly or implicitly, without obtaining a CHIS authorisation or considering whether it would be appropriate to do so.

Example: *Mr Y volunteers information to a member of a public authority about a work colleague out of civic duty. Mr Y is not a CHIS at this stage as he has not established or maintained (or been asked to establish or maintain) a relationship with his colleague for the covert purpose of obtaining and disclosing information. However, Mr Y is subsequently contacted by the public authority and is asked if he would ascertain certain specific information about his colleague. At this point, it is likely that Mr Y's relationship with his colleague is being maintained and used for the covert purpose of providing that information. A CHIS authorisation would therefore be appropriate.*

It is possible that a person may become engaged in the conduct of a CHIS without a public authority inducing, asking or assisting the person to engage in that conduct. However, a CHIS authorisation should be considered, for example, where a public authority is aware that an individual is independently maintaining a relationship (i.e. "self-tasking") in order to obtain evidence of criminal activity, and the public authority intends to make use of that material for its own investigative purposes.

7.0 AUTHORISATION FOR ACCESS TO COMMUNICATIONS DATA

- 7.1 Local authorities are only able to access the who, what, where and when of communications data – not the content. The legislation requires that a Home Office accredited person, a Single Point of Contact (SPOC), facilitates the acquisition of the communications data requested. It is necessary for all local authorities to use the services of the National Anti-Fraud Network (NAFN) as SPOC to obtain communications data. This is compulsory and is supported by the Investigatory Powers Commissioner's Office (IPCO).

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- 7.2 The Office for Communications Data Authorisations (OCDA) was established to perform functions set out in the Investigatory Powers Act (IPA) 2016. The IPA builds on, and supersedes parts of, the Regulation of Investigatory Powers Act (RIPA) 2000.

The IPA has introduced a ‘made aware’ officer/rank within Local Authorities which should be the service manager as well as the Information Rights Team. There are also offences for officers who obtain data unlawfully. The types of data which can be applied for now include entity and events data.

ENTITY DATA	EVENTS DATA
Subscriber detail Who is using device This data is about entities or links between them and describes or identifies the entity.	Calls or communications between devices (but not the content), known previously as traffic and service use. Numbers, texts Location data (known as cell site data)

8.0 APPLICATION PROCESS FOR ACCESS TO COMMUNICATIONS DATA

- Applicant completes online form on NAFN secure site (must be a registered user with NAFN).
- The application is sent electronically and the ‘made aware’ officer is notified. This is not an approval stage, just a review and confirmation the Local Authority is aware. The ‘made aware’ officer does not have to be independent.
- Once made aware, the application goes through to the NAFN SPOC with the possible outcomes being:
 - a) Rework requested
 - b) Reject - whole new application required
 - c) Authorise
- If authorised, the application is sent electronically to OCDA for review. It follows the same process as above. If it is rejected, seven days are allowed for it to be re-submitted.
- If it is approved, it is returned to the NAFN SPOC.
- The NAFN SPOC obtains data and information from service provider e.g. EE, O2, Vodafone.

8.1 When making an application, the following should be considered:

- Each application must stand alone.
- Acronyms and abbreviations must be avoided.
- The crime/purpose, legislation, offence and penalties must be clearly stated.
- Dates must be specific (e.g. intelligence).

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- The objective of the application and how the data will be used must be clearly stated.
- Standard terms, e.g. suspect, witness, victim must be used.
- It is imperative to be specific about how attribution has been attempted, e.g. has the applicant called the number?

8.2 What Communications Data can Local Authorities request?

Telephony

- Attribution – subscriber details (name and address of subscriber).
- If 'pay as you go' – top up history, customer notes.
- Call data.
- Location data – start location and end location of a call. Triangulation from mobile cell sites that can be mapped via longitude and latitude. Also, with a cell mast location number it is possible to map its coverage via the provider.
- Mobile data event record – shows when data has been used (e.g. logging onto an app) but not the content.
- IMEI/SIM/IMSI – SIM linked to device, shows device capability and numbers linked including network usage.

Internet

- IP addresses – internet protocol address (IPV4 and IPV6) address for a device connecting to the internet – both static and dynamic. Static is usually home internet or often business - dynamic may be shared.
- Social Media and Apps – basic subscriber details, log on history – not the content.
- Email – registration details, log on history, email headers
- Websites – registrant details, preservation of pages, linked services
- Gaming platforms – account details classed as communications data.
- Skype and similar (e.g. Google Talk) – user name and IP address

Others

- Postal/Couriers are covered if there is more than one collection. The Council can obtain sorting, conveyance, distribution and delivery details.

9.0 INSPECTIONS

The oversight for all investigatory powers is now consolidated under one commissioner – the Investigatory Powers Commissioners Office (ICPO). ICPO will carry out direct inspections with the Council for the use of directed surveillance and CHIS. In respect of communications data, the inspection will be made of NAFN, with a potential to request further information from the Council.

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10.0 TRAINING

Regular training sessions for Authorising Officers, 'Made Aware' and Investigating Officers will be arranged internally. No officer who has not attended a training session will be permitted to instigate or authorise any application for the use of RIPA/IPA powers.

11.0 NON-RIPA

11.1 Investigations relating to legislation breaches which do not meet the six month custodial sentence crime threshold to consider a fully authorised RIPA can be considered under an internal 'Non-RIPA' application. This is seen as best practice by the Investigatory Powers Commissioners Office.

This procedure could be used, for example, for anti-social behaviour, statutory noise nuisance or family court proceedings.

A non-RIPA application form covers the same areas and considerations as a full RIPA to ensure necessity and proportionality, as well as privacy risks. Non-RIPA applications can be signed by the relevant Service Manager or Head of Service. This process should only be used in circumstances where all other means of obtaining the information have been considered and exhausted but are not viable.

The activity must meet the same requirements as a full RIPA, i.e. it is

- In an open public place (or part of)
- Covert – carried out in a manner that is calculated to ensure that the person(s) who is/are the subject to surveillance are unaware that it is or may be taking place
- Likely to obtain private information about a person
- Pre-planned
- Conducted otherwise than as an **immediate response** to events where it would not be practical to seek authorisation

11.2 Procedure for undertaking non-RIPA

Investigating officers must carry out a risk assessment using the CEC non-RIPA Risk Assessment Form, to demonstrate they have considered the individual's human rights and document the likelihood of obtaining private information.

A CEC non-RIPA application must be completed with clear details about the offence being investigated, the purpose of the surveillance and the desired information to be obtained. The form should also detail the necessity and proportionality of the operation as well as the potential for any collateral intrusion. The form must be signed by the investigating officer and authorised by the relevant Service Manager or Head of Service. A copy of the signed

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application and accompanying risk assessment should be sent to the Information Rights Team for retaining with the Central Record of Authorisations.

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Schedule 1**Regulation of Investigatory Powers Act 2000****Authorising Officers**

I, Lorraine O'Donnell, Chief Executive of Cheshire East Council, hereby appoint the following officers as authorising officers for the purposes of the Regulation of Investigatory Powers Act 2000, and Regulation of Investigative Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010:

Place Directorate

Tom Moody, Director of Highways and Infrastructure
Peter Skates, Director of Growth & Enterprise
Tom Shuttleworth, Interim Director of Environment and Neighbourhood Services
Jane Gowing, Interim Director - Planning

Corporate Directorate

Alex Thompson, Director of Finance & Customer Services
Sarah Bullock, Director of Policy and Change

Adult's Directorate

Jill Broomhall, Director of Adult Social Care Operations
Shelley Brough, Acting Director of Commissioning

Children's Directorate

Kerry Birtles, Director of Children's Social Care
Claire Williamson, Director of Strong Start, Family Help and Integration

Signed:



Dr Lorraine O'Donnell, Chief Executive

Dated: 17 May 2023

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Online Investigations Policy

(Use of online material for enquiries/investigations)

MARCH 2023

Version Control			
To be reviewed every two years			
<u>Date</u>	Version No	Reason for Change	By whom
September 2019	V1	New policy following inspection by OSC in May 2016	Trading Standards & Community Protection Manager Acting Audit Manager
March 2023	V2	Review to align with guidance contained in the Covert Surveillance and Property Interference Code of Practice (2018) following inspection by IPCO in November 2022	Information Rights Manager (DPO) Trading Standards & Community Protection Manager

1 Introduction

- 1.1 The increase in the use of the internet by residents and businesses in Cheshire East is evident. The advent of social media sites has also created the ability for individuals, businesses and organisations to easily communicate between each other, serving as a useful tool to keep in touch and interact on what can be a real time basis.
- 1.2 People or groups can instantaneously share information, coordinate events and provide updates that are of interest to their friends, family, or customer base.
- 1.3 Social media sites can also serve as a platform for individuals or groups to express their opinions and social, political and religious beliefs to give just a few common examples.
- 1.4 It is also possible to share photographs or videos with others and indeed where privacy settings allow, to share the posts of other people not necessarily connected with the original person.
- 1.5 A wealth of data is available via the internet to members of the public as well as officers of the Council. Online research and investigation has therefore become an extremely useful tool for officers and investigators to prevent, detect and investigate:
 - suspected criminal activity
 - harm to residents and businesses and ensuring safeguarding measures are in place
 - internal investigations (non-criminal investigations)
- 1.6 It also presents challenges as the use of such methods can still interfere with a person's right to respect for their private and family life which is enshrined in Article 8 of the Human Rights Act and the European Convention on Human Rights. The same basic principles, statutory provisions and codes of practice apply to investigative action, and material gathered online, as offline.
- 1.7 Public Authorities must ensure that any interference with this right is:
 - necessary for a specific and legitimate objective – such as preventing or detecting crime
 - proportionate to the objective in question, and
 - in accordance with the law.
- 1.8 Whenever you are using the internet to gather intelligence or evidence you must consider whether you are likely to interfere with a person's private and

family life and, if so, whether you should seek authorisation under the Regulation of Investigatory Powers Act (RIPA) prior to undertaking such activity.

- 1.9 It is also essential to consider the effect of any collateral intrusion on the private and family life of other people not directly connected with the subject of the research or investigation.
- 1.10 As such, it is vital that judgement is exercised on a case by case basis prior to commencing any online research or investigations.
- 1.11 This policy therefore sets out a clear framework for the use of online material, social media and other similar sites during the course of enquiries or investigations.

2 Legal Framework

- 2.1 Online research and investigation techniques may be affected by any or all of the following legislation:
 - Human Rights Act 1998 (HRA)
 - European Convention on Human Rights (ECHR)
 - Regulation of Investigatory Powers Act 2000 (RIPA)
 - Investigatory Powers Act 2016 (IPA)
 - General Data Protection Regulation (GDPR)
 - Data Protection Act 2018 (DPA)
 - Protection of Freedoms Act 2012

Human Rights Act / European Convention on Human Rights

- 2.2 The right most likely to be engaged by staff undertaking online research and investigation is Article 8 which states:
 - 8.1 Everyone has the right to respect for his private and family life, his home and his correspondence.
 - 8.2 There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others.
- 2.3 Ensuring that RIPA authorisations are sought, where necessary, and that the material obtained is retained and processed in accordance with the provisions of the Data Protection Act should provide the lawful authority required by Article

8.2 for any perceived interference with Article 8.1.

Regulation of Investigatory Powers Act 2000 (RIPA)

- 2.4 Under 26(2) of RIPA, surveillance is “directed” if it is covert but is not intrusive and is undertaken:
- for the purposes of a specific investigation or a specific operation
 - is likely to result in the obtaining of private information about a person
 - is otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under RIPA to be sought for the carrying out of the surveillance.
- 2.5 Whether or not there is a likelihood of obtaining private information will be a determining factor when considering if an authorisation as directed surveillance will be appropriate.
- 2.6 Private information is information relating to a person’s private or family life. It can include any aspect of a person’s relationships with others, including professional or business relationships.
- 2.7 A person may have a reduced expectation of privacy when in a public place but covert surveillance of their activities in public may still result in the obtaining of private information.
- 2.8 This principle applies equally to the online world, including social media sites, where access controls set by the owner of the information may be a determining factor in considering whether information posted on the internet is publicly available or whether, by applying the access controls, the owner has removed the information from a wholly public space to a more private space where the information could be considered as private.
- 2.9 Unrestricted open source information is unlikely to fall within the definition of private information.

Protection of Freedoms Act 2012

- 2.10 With effect from 1st November 2012 formal applications to use covert techniques must have prior judicial approval. In addition, restrictions limiting the use of formal approved surveillance to the investigation which attract a custodial sentence of 6 months or more have been introduced for applications for all surveillance techniques.

General Data Protection Regulation (GDPR) & Data Protection Act
2018 (DPA)

- 2.11 The GDPR guiding principles are that personal data must be processed fairly, lawfully and transparently; must not be processed in a manner that is not compatible with the purpose for which it was obtained; must be relevant and adequate but not excessive; be accurate and kept up to date; must not be kept longer than is required; and be processed with integrity and confidentiality.
- 2.12 Much of the information obtained by online research and investigation will meet the definition of personal data. Case law has established that the processing of personal data is capable of interfering with a person's Article 8 right to respect for their private and family life, irrespective of whether the information was obtained under a RIPA authorisation or not.
- 2.13 Where processing is conducted by an officer with a statutory function with a law enforcement purpose, they shall do so within the provisions of Part 3 of the DPA 2018 (Law Enforcement Processing)

3 Open Source Information

- 3.1 Most of the information available on the internet is available to any person with internet access. Such information is widely known as open source information.
- 3.2 Viewing open source information does not amount to obtaining private information because that information is publicly available. This is therefore unlikely to require authorisation under RIPA whether it is done on a one off basis or by repeated viewing.
- 3.3 Recording, storing and using open source information in order to build up a profile of a person or group of people must be both necessary and proportionate and, to ensure that any resultant interference with a person's Article 8 right to respect for their private and family life is lawful, it must be retained and processed in accordance with the principles of the GDPR.
- 3.4 In relation to open source material, the following definitions are provided to assist those involved in online research and investigation:
- Open source research – the collection, evaluation and analysis of materials from sources available to the public, whether on payment or otherwise, to use as intelligence or evidence in investigations.
 - Open source information – publicly available information, i.e. any member of the public could lawfully obtain the information by request or observation.
 - Unrestricted sites which can be located via search engines such as Google. No membership, user profile, registration, login process required

to view the data, e.g. Wikipedia.

- The unrestricted, open, public facing sections of partitioned sites which make certain material available to all, but which have other sections or functionality which are only accessible to those who have registered as members and hold a valid login, e.g. social media and social networking sites (SNS's) like Facebook or Twitter; and online trading sites ('OTS's) such as eBay.
- 3.5 Whilst it is unlikely that the viewing of such information on a repeated basis will amount to surveillance, each site should be assessed on a case by case basis.
- 3.6 It may not, for example, be proportionate to view a Facebook or Twitter profile of a particular individual on numerous repeated occasions within a short space of time. Persistent study of an individual's online presence could be considered covert surveillance and a RIPA authorisation may need to be considered. Viewings must only be undertaken once with any further proposed viewing considered as targeted surveillance and an authorisation under RIPA may be required.
- 3.7 This 'first dip' allows the officer to establish basic facts and ascertain whether the information contained within the page is 'open source' or whether security settings have been applied. Officers must be aware that, depending on the nature of the online source, there may be a reduced expectation of privacy where information about an individual is made openly available in the public domain, but in some circumstances privacy implications still apply. This is because the intention when making it available was not for it to be used for covert investigative activity. This is regardless of whether a user has activated privacy settings. See Annex One for further details from the Covert Surveillance and Property Interference Code of Practice (2018) relevant to online covert activity.
- 3.8 Whenever a social media page is accessed, this should be recorded in a log and the page mirrored. Where mirroring is not possible, screen shots should be taken and retained as evidence and the continuity and storage of such evidence must be recorded.
- 3.9 Investigative techniques must be within the rules:
- Provenance must be clear and demonstrable
 - Continuity must be intact
 - Is there any reason a Court may conclude that techniques used, or material gathered, jeopardises the defendant's right to a fair trial.

4 Restricted Access Information

- 4.1 Access to some of the information on the internet is restricted by the owner, for example a common form of restriction is in social networks where a profile owner may use the privacy settings to restrict the access to online “friends”.
- 4.2 Privacy settings are covered fully in Section 5 below.
- 4.3 Viewing restricted access information covertly will generally constitute covert surveillance and, as the information is not publicly available, it is likely that private information will be obtained.
- 4.4 Under these circumstances an appropriate authorisation under RIPA should be sought prior to undertaking any such surveillance.
- 4.5 It should be noted that the use of a false persona in an attempt to bypass privacy controls and gain access to restricted information, i.e. by sending a false “friend” request, is expressly forbidden unless this has been approved via a RIPA CHIS application.
- 4.6 Whenever investigations are undertaken it must be remembered that any online research or investigation leaves a trace or “footprint” which can be tracked back to the council.
- 4.7 Recording, storing and using restricted access information must be dealt with in accordance with the principles outlined above in section 3.3.

5 Privacy Settings

- 5.1 Most social media sites will have a variety of privacy settings that users can apply to restrict information and protect their accounts from others accessing such information.
- 5.2 Using Facebook as an example, depending on what privacy setting a user chooses, different people can access the account and see some or all of the content.

Public Setting

- 5.3 All Facebook users can see the account and all of its content, including the user’s “friends”, their timeline and photographs. Non-Facebook users can see photographs and posts published on the account, but not who has “liked” a post or the marital status and geographic location of the user.

“Friends” Setting

- 5.4 Only those who the user has accepted as Facebook “friends” are able to see the entire content of the user’s page.

Custom Setting

- 5.5 The user can create lists of specific contacts and Facebook users and

designate them as the audience for, or block them from view of, any posts.

- 5.6 Of the three options outlined above the only resource normally available to investigators is the public profile, although as indicated in Section 6 below there may be limited occasions where the “friend” profile may become available.

6 Utilisation of Social Media Information

Surveillance using an officer’s private account

- 6.1 If an officer views a user’s profile with whom they are not “friends” and where the content is not protected by any privacy settings, then information on this profile can be treated as being in the public domain. Visiting/viewing this profile will accordingly be overt and no authorisation under RIPA will be required.
- 6.2 If the officer frequently or regularly visits/views the same individual’s profile this must be considered as targeted surveillance and an authorisation under RIPA will be required. If the user posts publicly, they may have a reduced expectation of privacy depending on the nature of the online platform. Officers must still consider the privacy implications for using such content as outlined in section 3.7 above.
- 6.3 Officers may not, under any circumstances, send a “friend” request or attempt to contact the user unless that user is already a “friend” and they have a relationship in a personal capacity. Befriending for the purpose of official investigations will require a RIPA authorisation for CHIS.

7 Conclusion

- 7.1 The use of social media as an investigation tool is constantly evolving and it is not therefore intended that this policy will cover all eventualities.
- 7.2 Whilst it is unlikely that any formal RIPA authorisation will be necessary this aspect must be considered by Investigators in accordance with the RIPA Policy and great care must be taken to ensure that there is no interference with a person’s right to respect for their private and family life.
- 7.3 Best practice is to apply the tests of RIPA (proportionality, necessity, reducing collateral intrusion and demonstrating that you have still considered their Human Rights when applying the circumstances) even if formal authorisation is not required, and record the outcome and decision in accordance with the ‘Non RIPA’ procedure as detailed within the RIPA Policy.
- 7.4 Where there is any doubt regarding the use of this policy, advice should be sought from the Information Rights Team.

Annex One

The following is an extract from the Covert Surveillance and Property Interference Code of Practice (2018) relevant to online covert activity. The full code of practice should be read in relation to any consideration of surveillance activity. It is available on the Home Office website at - [CHIS Code \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Online covert activity

- 3.10 The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.
- 3.11 The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).
- 3.12 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.
- 3.13 As set out in paragraph 3.14 below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.
- 3.14 Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable

expectation of privacy in relation to that information.

- 3.15 Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6 of the Code.

Example 1: *A police officer undertakes a simple internet search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.*

Example 2: *A customs officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.)*

Example 3: *A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or 20 operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.*

- 3.16 In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include:
- Whether the investigation or research is directed towards an individual or organisation.
 - Whether it is likely to result in obtaining private information about a person or group of people (taking account of the guidance at paragraph 3.6 of the Code);
 - Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile.
 - Whether the information obtained will be recorded and retained.
 - Whether the information is likely to provide an observer with a pattern of lifestyle.
 - Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life.

- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s).
- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

3.17 Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraph 4.32 of the Code).

Example: *Researchers within a public authority using automated monitoring tools to search for common terminology used online for illegal purposes will not normally require a directed surveillance authorisation. Similarly, general analysis of data by public authorities either directly or through a third party for predictive purposes (e.g. identifying crime hotspots or analysing trends) is not usually directed surveillance. In such cases, the focus on individuals or groups is likely to be sufficiently cursory that it would not meet the definition of surveillance. But officers should be aware of the possibility that the broad thematic research may evolve, and that authorisation may be appropriate at the point where it begins to focus on specific individuals or groups. If specific names or other identifiers of an individual or group are applied to the search or analysis, an authorisation should be considered.*

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Audit and Governance Committee

27 July 2023

Annual Risk Management Report 2022/23

Report of: David Brown, Director of Governance and Compliance

Report Reference No: AG/11/23-24

Ward(s) Affected: All

Purpose of Report

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

Executive Summary

- 2 This report provides the Audit and Governance Committee with an update on the Strategic Risk Register for the period Quarter 4 2022-23, and a reflection on the full year of 2022-23, supported by the detail provided in Appendix A and an update on risk management arrangements across the organisation.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Consider and receive the Annual Risk Management Report 2022/23

Background

Within the Council's Risk Management Framework, risks should be identified and recorded as follows,

Risk Register	Risks relating to the achievement of
Strategic Risk Register	Corporate Plan objectives or Council wide impact
Directorate Risk Register	Directorate plan objectives
Service Risk Register	Service plan objectives
Project Risk Register	Project outcome/delivery

- 3 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals; in this case our objectives in the Corporate Plan 2021-25. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 4 Items on the Strategic Risk Register are "owned" by members of the Corporate Leadership Team (CLT) and are reviewed on a quarterly basis. Co-ordination and administration of the Strategic Risk Register and the Risk Management Framework is undertaken by the Head of Audit and Risk Management.
- 5 Updates on the Strategic Risk Register are provided on a quarterly basis to the Corporate Policy Committee, alongside the updates on the organisation's financial performance and performance against the Corporate Plan objectives, to provide a comprehensive review and understanding of the Council's position through out the year.
- 6 Regular updates are also provided to the Audit and Governance Committee to support the committee in its assurance role on the adequacy of the risk management framework.
- 7 Since the last update to the Audit and Governance Committee in March 2023, the quarterly reviews of the Strategic Risk Register for quarter 3 (ending December 2022) and quarter 4 (ending March 2023) have been undertaken and reported to the Corporate Policy Committee, in March 2023 and July 2023 respectively.
- 8 Table 1 below sets out the Strategic Risk Register content, gross, net and target ratings for Q4 2022/23. Table 2 shows the net ratings for the last year, with a direction of travel from the last quarter to Q4. The heat map below the tables (Chart 1) shows the continuing high concentration of critical and material rated risks.

Table 1 – Strategic Risk Register Position Quarter 4 2022/23

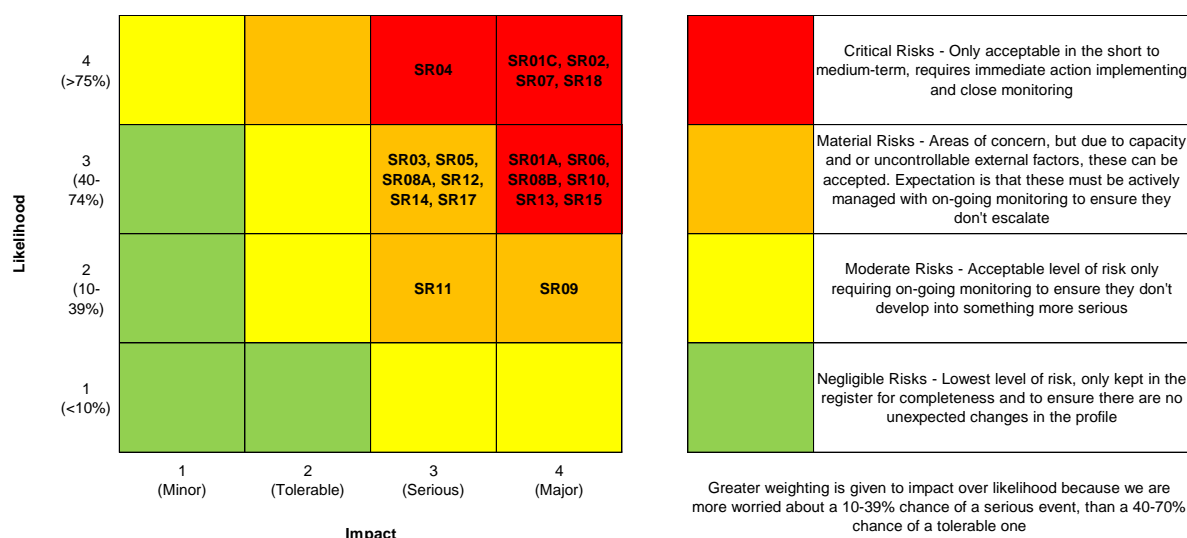
Ref	Risk	Gross Score	Net Score	Target Score
SR01A	Increased Demand for Adult's Services	16	12	9
SR01C	Increased Demand for Children's Services	16	16	12
SR02	NHS Funding	16	16	12
SR03	Failure of Financial Management and Control	16	9	9
SR04	Information Security and Cyber Threat	16	12	12
SR05	Business Continuity	12	9	9
SR06	Organisational Capacity and Demand	16	12	12
SR07	Failure of Council Funding	16	16	12
SR08A	Governance and Decision Making	16	9	4
SR08B	Political Uncertainty	12	12	6
SR09	Capital Projects - Place	16	8	8
SR10	HS2 Infrastructure Investment	16	12	6
SR11	Pandemic Virus	12	6	6
SR12	Fragility and Failure in the Social Care Market	16	9	9
SR13	Reputation	16	12	9
SR14	CEC Carbon Neutral Status	16	9	6
SR15	Failure of the Local Economy	16	12	12
SR17	Local Planning Authority Modernisation Plan	12	9	6
SR18	Delivery of the JTAI Improvement Plan	16	16	6

Table 2 – Strategic Risk Register Net Scores and Direction of Travel

Ref	Risk	Q1 Net	Q2 Net	Q3 Net	Q4 Net	Travel
SR01A	Increased Demand for Adult's Services	16	16	16	12	↓
SR01C	Increased Demand for Children's Services	12	16	16	16	↔
SR02	NHS Funding	16	16	16	16	↔
SR03	Failure of Financial Management and Control	9	6	9	9	↔
SR04	Information Security and Cyber Threat	12	12	12	12	↔
SR05	Business Continuity	9	9	9	9	↔
SR06	Organisational Capacity and Demand	12	12	12	12	↔
SR07	Failure of Council Funding	12	16	16	16	↔

Ref	Risk	Q1 Net	Q2 Net	Q3 Net	Q4 Net	Travel
SR08A	Governance and Decision Making	9	9	9	9	↔
SR08B	Political Uncertainty	12	12	12	12	↔
SR09	Capital Projects - Place	6	6	8	8	↔
SR10	HS2 Infrastructure Investment	16	16	12	12	↔
SR11	Pandemic Virus	9	9	9	6	↓
SR12	Fragility and Failure in the Social Care Market	16	16	12	9	↓
SR13	Reputation	9	9	9	12	↑
SR14	CEC Carbon Neutral Status	9	9	9	9	↔
SR15	Failure of the Local Economy	9	12	12	12	↔
SR17	Local Planning Authority Modernisation Plan	-	6	9	9	↔
SR18	Delivery of the JTAI Improvement Plan	-	16	16	16	↔

Chart 1 – Strategic Risk Heat Map Quarter 4 2022/23



9 The descriptions to the right of the heat map have been developed to help provide better context to the ratings of risks.

10 Appendix A sets out the Strategic Risk Register in further detail, including the commentary provided as part of the 22/23 Quarter 4 review.

Q4 2022/23 Updates

11 Changes to ratings and comments from the Quarter 4 update are described in this section of the report.

SR01A Increased Demand for Adult's Services

- 12 Likelihood score has reduced from 4 to 3 due to a stabilising of referrals into the service, slowing down the rate of demand for the majority of areas. This is due to the work around prevention that is implemented at the 'front door' signposting individuals into community and voluntary services and away from traditional social care services.
- 13 However, we continue to experience higher demand for Mental Health Act Assessments and referrals for safeguarding investigations. We are undertaking work to better understand demand and trends for these complex referrals into the services.

SR01C Increased Demand for Children's Services

- 14 No change to the net rating this quarter, although the target score has been increased from a 9 to 12 due to an increase in the likelihood.
- 15 The service has received growth through the Medium Term Financial Strategy (MTFS) to help address the inflationary and demand pressures but the challenge to deliver to budget will remain present in 2023/24.
- 16 All indications are that demand, complexity and cost will continue to increase and therefore the directorate and the service committee must take action to address the financial challenges for 2023/24 and beyond. The directorate needs to save £3.5m within 2023/24 as part of the MTFS.
- 17 A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy, along with other projects to streamline services and reduce costs, such as a review of commissioned services and the development of family hubs.

SR02 NHS Funding

- 18 No material changes to the risk score or description; Health and Council systems remain under severe financial pressure, staffing shortages within the Health system resulting in additional strain on the wider system and budgets. Jointly shared risks together with additional funding into BCF to fund community beds reducing slightly the risk to the council. Ongoing industrial action within the health system is a cause for some concern.

SR03 Failure of Financial Management and Control

- 19 No change to the risk at this time. Outturn for 2022/23 showed that expenditure exceeded income levels, though to a level anticipated in the Council's in-year reporting and reflected in the latest MTFS approved in February 2023. Whilst balancing the position did require utilisation of

£5.2m from the MTFS Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for.

- 20 This is a helpful position, but the risks to financial management remain. Specifically, exceptional inflation and rising demand for services and levels of funding from or enabled by Government. There is a planned approach to the tracking and reporting of activities relating to delivery of the changes approved in the MTFS; that process has commenced, and further update will be provided at Q1 2023/24.

SR04 Information Security and Cyber Threat

- 21 No material changes to the risk in the quarter. The Council's Data Classification product has been updated to utilise the investment in Microsoft licensing. A number of key systems have been upgraded to use Single Sign-On which will support the principle and strategic direction of zero trust. A report into the global cyber-attacks in 2022 by Check Point Research (CPR) notes a 38% increase compared to 2021. Education, government and healthcare organisations were the most targeted.
- 22 CPR's report says that criminal groups instigating the attacks are now smaller and more agile and are using business collaboration tools and the rapid shift to online working and learning to provide opportunities for exploitation. Several sharing sessions have occurred with the Council, the Wider Leadership team and the Manager Share and Support sessions. Even though there are mitigation activities within the organisation which can limit the exposure of risk and minimise likelihood, with the rise of the sophistication of attacks it is felt that the Net Risk should remain constant.

SR05 Business Continuity

- 23 No change to the risk rating at this time, although there has been material activity during the period. During Q4, all Business Continuity plans were moved from the out-going system and on to an internal SharePoint site. The transfer went smoothly and also served to remind of the importance of BC planning. ICT are working with the Risk and Business Continuity function on developing bespoke SharePoint based solutions to streamline the current manual processes for both areas. The development and successful rollout of a user-friendly, self-service system is the key action identified to bring the net score down to the target rating.

SR06 Organisational Capacity

- 24 No changes to the rating, the labour market nationally remains challenging, and the cost-of-living crisis continues to impact on staff

financially and in terms of their wellbeing and resilience. This has not improved and will be impeded further by ongoing price increases and a reduction in government support. There has been increased uptake/use of the Employee Assistance Programme, following a series of publicity and communications promoting this resource to the workforce and specific sessions with managers. This work will continue and will be key to providing ongoing health and wellbeing support to the CEC workforce.

- 25 Work on recruitment and retention continues to improve the efficiency of the recruitment process and enhance the employee offer to potential recruits. This is supported by a range of initiatives to also support the retention of the workforce. An increase to the value of the Cycle to Work scheme has been implemented to encourage staff to buy cycles which in turn supports CEC's carbon neutral ambitions by encouraging active travel.

SR07 Council Funding

- 26 As with SR03, the outturn position for 2022/23 showed that expenditure exceeded income levels, though to a level anticipated in the Council's in-year reporting and reflected in the latest MTFS approved in February 2023. Whilst balancing the position did require utilisation of £5.2m from the MTFS Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for. Whilst this is a helpful position, the risks to financial management from exceptional inflation and rising demand for services and levels of funding from or enabled by Government remain.
- 27 The budget for 2023/24 and MTFS 2023/24-2026/27 was approved by Council in February, based on the final settlement. It is still considered that grant allocations and 'flexibilities' afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children's services.

SR08A Governance & Decision Making

- 28 No material changes to the risk at this time; actions have been updated. The Public Interest Report on the council's culture and governance arrangements during 2014 – 2018 was presented and discussed by full Council on 1 February. While it was highly critical of the historic events, it did recognise the continuing improvements in governance undertaken. Work to improve consistency and minimum standards, with regards to governance arrangements, continues across all areas of the council.

- 29 As a result of economic pressures, services will be required to deliver reduced expenditure (in real terms), as per the latest MTFS which was approved by full Council 22 February. The scale of these reductions will impact the services that the council currently delivers, to implement changes service areas should undertake a robust decision-making process.
- 30 The Alternative Service Delivery Vehicle (ASDV) governance review, completed by a working group of the Finance Sub Committee, will be reported to that Committee in September 2023.

SR08B Political Uncertainty (local and national)

- 31 No material changes to the risk at this time. The action to review the new committee briefing process will be implemented after the local elections, their induction and on-going support is designed to support member decision making. Changes to the administration of the elections progressed as planned during the Q4 period.
- 32 During the Q4 period, full Council approved the latest iteration of the MTFS, it's focus being delivery of a balanced budget during the current economic pressures. However there remains the potential for political uncertainty to disrupt the realisation and achievement of the budgeted savings.

SR09 Capital Projects - Place

- 33 No material changes to the risk rating this quarter. The existing controls for effective governance and management of major capital investments, both at programme and individual project levels, as documented remain in place, and are subject to regular review. Inflationary effects continue to be monitored, with input from the supply chain where appropriate, with any variances reported via the relevant programme board forum.

SR10 HS2 Infrastructure Investment

- 34 No change to the risk rating at this time, although there has been a lot of activity in the quarter. On 9 March 2023, Government announced that the construction and opening of HS2 Phase 2a, between the West Midlands and Crewe, would be delayed by 2 years to manage the inflation pressures on the Phase 1 and Phase 2a schemes in construction.
- 35 The Council withdrew its petitions against the Phase 2b hybrid bill and AP1 on the 13 March 2023 after securing a package of assurances and commitments from both HS2 Ltd and Government. These included commitments to further investigation and design work on the Crewe Hub and commitment for Government to work more closely with the

Council to unlock the regeneration potential of HS2 to the Town via a Crewe Hub Taskforce. Membership of the Taskforce will be of senior ranking officials to provide the necessary drive and leadership required to bring the Crewe hub vision to reality.

SR11 Pandemic Virus

- 36 As per feedback from the Q4 CLT review of the register, the risk description has been updated to ensure the scope is sufficiently broad and forward looking, not focusing solely on COVID-19, although it should be noted the majority of controls and actions are likely to be mitigation of COVID-19 for a period. Likelihood for this risk has been reduced from a 3 to a 2. The national track and trace programmes have been ceased. A Spring COVID-19 Vaccination Booster programme began implementation in April 2023. It will target Care Home residents, people aged over 75 years and immune-compromised individuals.
- 37 The UK Health Security Agency (UKHSA) is currently monitoring the spread of the XBB and the CH1 variants and the number of cases within the UK as a potential source of a new wave of COVID-19. At present the level of the UK dominant strain (Omicron) is low. New guidance has been issued by the DHSC regarding the testing regimes for the health and social care sector. These have been circulated to provider agencies and appropriate Local Authority staff, though the overall number of cases of COVID-19 are much lower than the peaks of the pandemic.

SR12 Fragility and Failure in the Social Care Market

- 38 The net impact for this risk has been reduced from 4 to 3. While the care market is still fragile, it continues to show signs of recovery and stability particularly in domiciliary care. This is due to the development and publication of our Market Sustainability Plan which includes further investment within the Domiciliary Care Market and Complex Care for April 23 onwards. Further work continues in terms of the Commissioning of Domiciliary Care and Complex Care in partnership with the Market through the developments of Strategic Commissioning Plans.
- 39 However, the number of referrals for all types of care increased from 830 in Q3 to 1,011 in Q4. The number of care at home hand backs remains static at 28 (369.25 hours) in Q4 compared to 29 (362 hours) in Q3.
- 40 Due to the increase in referrals and short-term solutions awaiting placements during March 23 we have seen a 47.5% increase in the number of people awaiting a care home bed. However, we have also seen a reduction in short terms placements of 9.9% during March 23. The Market Sustainability Plan (MPS) was published and submitted to

the DHSC on the 27 March 23, Which includes a fee uplift for Care at Home and Complex Care.

SR13 Reputation

- 41 The likelihood for this risk increased from a 3 to a 4, reflecting an expected increase in resident dissatisfaction due to budget cuts impacting services.
- 42 Communication & Media: A revised media relations protocol was approved by Corporate Policy Committee at the 9 February meeting. During this period (Q4) we saw particular interest and activity in the following topics:
- Crewe regeneration
 - Council funding and financial forecasts
 - Elections 2023 and voter ID
 - Public interest report publication
 - Highways maintenance and winter preparations, inc severe weather alert, March 2023
 - Green spaces for wellbeing initiative
 - Carbon neutral initiatives
 - South Macclesfield Development Area
 - Poynton Pool flood mitigation plans
 - Homes for Ukraine scheme
 - Poynton Relief Road opening
 - Armed Forces Covenant Silver Award
 - GBR HQ announcement
- 43 Consultation: During consultation on the proposed budget a number of concerns were raised. These were considered and ultimately the MTFS was agreed and adopted by Council in February 2023, due to the statutory requirement for the Council to have a balanced budget. Some of the proposals are subject to more detailed consultation and engagement activities. As the initiatives identified in the MTFS are implemented, there still remains the possibility of material public objection to specific changes. If these arise they will be responded to through the relevant democratic processes.
- 44 Customer Experience: Further phases of technology to enhance the management, monitoring and analysis of customer contact progressing and due for implementation Q1 2023/24 including the delivery of live chat functionality and the management of e-mails. A new digital platform to improve online contact and the Cheshire East Account now live with full migration from existing platform progressed in the period. A trial of

revised processes for managing the quality of complaints and formal correspondence was successfully completed and options to widen scope across full council are under development. Customer Experience leadership sessions have now been delivered to all Heads of Service, Directors and Executive Directors and next steps agreed.

SR14 CEC Carbon Neutral Status

- 45 The project is on track but retains significant risks in time to deliver the transition to electric fleet, and in progressing the carbon inset through securing a second solar farm and planting sufficient natural inset in the remaining two planting seasons.
- 46 These actions were taken in this quarter to address these risks:
- Additional capital funding as part of the council's medium term financial strategy for 2023-25 will allow the speed up of transition of our small van fleet with associated additional electric charging over the coming two years. This is cost neutral to the council as the cost of capital will be paid through savings on lease costs through the capital purchase of vehicles and charging for electricity used at new electric vehicle charging stations installed at our depots.
 - Delegated authority granted through the March Economy and Growth Committee now gives all permissions to progress the allocated second solar farm site. The project will now prepare detailed design and seek planning permission over the course of this year.
 - Capacity issues associated with the Mersey Forest have meant that planned tree planting this quarter has been severely reduced. In mitigation the authority is advertising for a temporary post to complete more of the preparation work required in house to give greater certainty in achieving sufficient planting in the next two planting seasons available. The post will be funded as part of the capital allocation for natural inset within existing budgets.
- 47 The project retains sufficient funds to deliver Carbon Neutrality assisted by external grant funding and MTFS allocation.

SR15 Failure of the Local Economy

- 48 No substantive change to the risk. Interest rates and inflation continued to be of concern, both of which are remaining 'sticky' even with the Bank of England and the Government identifying actions to mitigate

inflation. There have also been four bank failures internationally in March/ April 2023, regulators are playing down the potential of a international financial crisis. The Bank of England intervened on one of these (SVB UK) and brokered its sale to the HSBC.

SR17 Local Planning Authority Modernisation plan

- 49 The Modernisation Plan is now in place with regular meetings to monitor progress including monthly updates to the action log. The key priorities remain identified as the new ICT system, reducing the application backlog, staffing/restructure and communications / customer service.
- 50 Escalation of issues with the ICT supplier has resulted in better engagement and resource commitment from them with clearer timeframes for implementation which will help manage future risk. The application backlog is slowly reducing. Detailed work on the restructure is underway, including dialogue with key stakeholders and an indicative timeframe for formal consultation. Various updates to websites / letter templates and a draft Communications Strategy have been completed.
- 51 Resources to deliver the Plan priorities remain stretched as it is the Planning Service, including at management level itself, that is undertaking many of these actions, alongside significant budget pressures causing the risk to stay high.

SR18 Delivery of the JTAI Improvement Plan

- 52 No change to the net risk rating although the target rating has been reduced from a 12 to 6 after reflection in the CLT review session as to what an “acceptable” target should be. Services are making good progress in delivering the improvement plan and there are robust arrangements in place to ensure key members of the partnership are sighted on progress and are held to account. External support and challenge is in place through the Department for Education Children’s Improvement Advisor, who is the independent chair of our partnership Improvement Board. The Improvement Advisor is conducting visits to services to evaluate the impact of changes and is supporting and advising senior leaders.
- 53 The independent scrutineer completed an in-depth review of the partnership’s arrangements, which included the effectiveness of the structure and function, overall approach to quality assurance and learning, listening to and acting on the voice of children and young people, the impact of the three priority sub-groups, communication, and training.
- 54 A significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation

Conference with national key note speaker, and training sessions delivered over a partnership learning week in January 2023. These were positively received by practitioners. We have launched an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation.

- 55 The net risk score has not changed since Q2 as it is still early in our improvement journey and we want to be able to demonstrate sustained impact of changes before reducing the net risk score.

The Strategic Risk Register over 2022/23

- 56 In Q1 2022/23 the Integrated Care System (ICS) Integration risk was added. In Q2 the Local Planning Authority Modernisation Plan and Delivery of the JTAI Improvement Plan risks were added. During Q3 and Q4 no additional risks were added.
- 57 During Q1 and Q2 2022/23, no risks were removed from the Strategic Risk Register. In Q3 the Integrated Care System (ICS) Integration risk was removed. In Q4 no risks were removed.
- 58 The Strategic Risk Register content and updates have been reviewed each quarter by senior managers with the results of that assessment being subject to further review, discussion and challenge by the Corporate Leadership Team, alongside performance and finance. These updates are then reported onto the Corporate Policy Committee and the Audit and Governance Committee.
- 59 There were two main themes identified during the year; the first was the impact of funding not keeping pace with inflation. This was shown by increases in the following risks net scores;
- Increased Demand for Children's Services
 - Failure of Council Funding
 - Reputation
 - Failure of the Local Economy
- 60 However Adult Services has bucked this trend, with reductions in both of its risks, Increased Demand for Adult's Services and Fragility and Failure in the Social Care Market.
- 61 The second more subtle trend has been the recognition of the need to improve in key operational areas, and the risk to the organisation of failure to implement the associated learning and actions needed. This has been demonstrated by the addition of the following risks, Local

Planning Authority Modernisation Plan and Delivery of the JTAI Improvement Plan.

- 62 The content of the Strategic Risk Register is aligned with content of the 2021/22 Annual Governance Statement (AGS) and the draft 2022/23 AGS.

Emerging Issues

- 63 The local elections took place on Thursday 4 May with no single party gaining overall control of Cheshire East Council, and almost half of councillors (38 out of 82) being newly elected. Risks around political uncertainty (locally and nationally) on the organisation's achievement of corporate objectives have been recognised with the inclusion of SR08a & b on the register during 2022/23.
- 64 A Labour and Independent Group joint administration is now in place, and elsewhere on this committee's agenda is a report on the development of a new corporate plan. Identification and recognition of risks associated with the current and future corporate plan will continue to be critical in promoting good governance and effective delivery of those objectives.
- 65 CLT have identified two emerging strategic risks, Failure to Deliver MTFS Savings and the Legacy Impact of COVID-19. These will be assessed during Q1 and detailed in the next report.

2022/23 Annual Review of Risk Management arrangements

- 66 The production of the 2022/23 Service Plans included the completion of a service level risk register, requiring services to capture what they considered to be the key risks to their areas of operation. These were reviewed by the risk management function, providing insight to challenges faced by service areas, cross-cutting themes and identified the maturity of risk reporting.
- 67 A total of 297 risks were reviewed across the service level registers from all four directorates and engagement was generally high.
- 68 The majority of services identified risks that focused on emerging or on-going issues, rather than identifying risks to the achievement of existing service delivery responsibilities and objectives.
- 69 Where service risks registers focused on objectives, the coverage and number of risks captured was significantly more by comparison to those that focused more so on specific issues. The majority of registers included detailed information on controls. As part of this analysis, the causes of risks were reviewed. This was reported upon in detail to the

November 2022 Committee, but the most frequently identified causes of risks identified related to staff resource and being able to maintain business as usual delivery. This is recognised at the organisational wide level in the Organisational Capacity and Demand Strategic Risk.

- 70 The analysis of risk registers provided in the 2023/24 service plans will be completed during quarter 2, and comparison of themes from the 2022/23 plan will be an important part of the analysis.
- 71 Services have been supported with reviewing their service risk registers during the 2022/23 year, advice and guidance has been provided on individual queries, and we have supported an in-depth review of the approach to risk identification, recording and reporting within ICT services.
- 72 One of the areas of improvement we had recognised was the need to develop more efficient and effective ways of recording risk across the organisation. We had reviewed external products but having been made aware of an in-house approach utilised at another local authority, and shared with us, we have been working with our colleagues in ICT to develop an approach using existing technology solutions within the organisation. This should be ready for first round of testing towards the end of summer, and further roll-out will follow from the results of the acceptance testing, but the objective is to provide an approach which will allow the risk management function a better quality of management information, and the users to have a more stream-lined approach to recording and updating risk registers at each level; operational through to strategic.
- 73 Business Continuity Impact Assessments have been carried out ahead of a number of events in 2022/23 so far, in order to assist the organisation in managing and prioritising the continuation of service delivery wherever possible. These have included railway strike action, the bank holiday announced for the State Funeral of Her Majesty Queen Elizabeth II and potential power outages during winter.
- 74 The contract for software currently used for business continuity plans expired in Q4 2022/23. Consideration was given to the on-going use of software to support the organisation's administration of business continuity plans with alternative approaches being explored, but an in-house option was decided upon. During Q4, all Business Continuity plans were moved from the out-going system and on to an internal SharePoint site. The solution being developed for risk management will then be adapted for business continuity planning.

Consultation and Engagement

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

Reasons for Recommendations

- 76 Risk management is central to facilitating good governance and the achievement of corporate objectives. As a publicly accountable body, the Council must demonstrate effective identification and management of the risks that threaten the achievement of its corporate objectives, the effectiveness of its operations, and reliable financial reporting.
- 77 The Audit and Governance Committee have responsibility for monitoring the effective development and operation of risk management across the Council.

Other Options Considered

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

Implications and Comments

Monitoring Officer/Legal

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

Section 151 Officer/Finance

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

Policy

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

An open and enabling organisation Support a sustainable financial future for the council, through service development, improvement and transformation	A council which empowers and cares about people Work together with residents and partners to support people and communities to be strong and resilient	A thriving and sustainable place A great place for people to live, work and visit
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Equality, Diversity and Inclusion

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

Human Resources

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

Risk Management

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

Rural Communities

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

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

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

Public Health

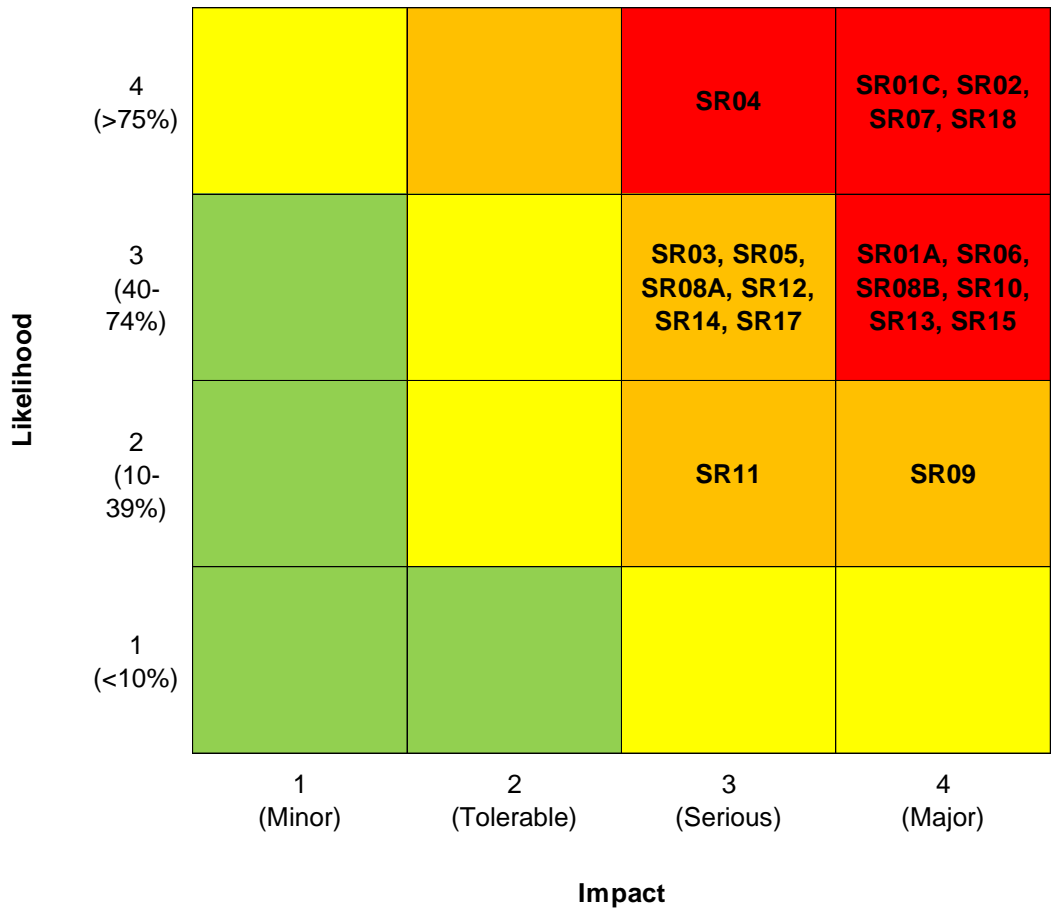
- 87 There are no direct implications arising from the recommendations of this update report.

Climate Change

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

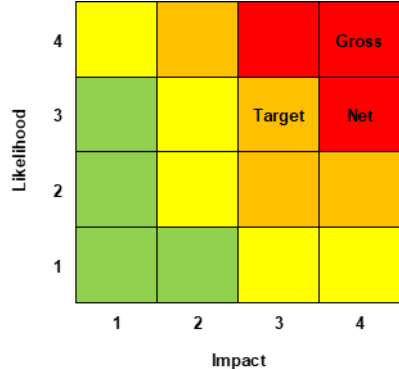
Access to Information	
Contact Officer:	Josie Griffiths Head of Audit and Risk Management Email: Josie.Griffiths@cheshireeast.gov.uk
Appendices:	Strategic Risks Q4 2022-23 - AG - Appendix A
Background Papers:	None

Ref	Risk	Q1 Net	Q2 Net	Q3 Net	Q4 Net	Travel	Target
SR01A	Increased Demand for Adult's Services	16	16	16	12	↓	9
SR01C	Increased Demand for Children's Services	12	16	16	16	↔	12
SR02	NHS Funding	16	16	16	16	↔	12
SR03	Failure of Financial Management and Control	9	6	9	9	↔	9
SR04	Information Security and Cyber Threat	12	12	12	12	↔	12
SR05	Business Continuity	9	9	9	9	↔	9
SR06	Organisational Capacity and Demand	12	12	12	12	↔	12
SR07	Failure of Council Funding	12	16	16	16	↔	12
SR08A	Governance and Decision Making	9	9	9	9	↔	4
SR08B	Political Uncertainty	12	12	12	12	↔	6
SR09	Capital Projects - Place	6	6	8	8	↔	8
SR10	HS2 Infrastructure Investment	16	16	12	12	↔	6
SR11	Pandemic Virus	9	9	9	6	↓	6
SR12	Fragility and failure in the Social Care Market	16	16	12	9	↓	9
SR13	Reputation	9	9	9	12	↑	9
SR14	Climate Change (CEC Carbon Neutral 2025)	9	9	9	9	↔	6
SR15	Failure of the Local Economy	9	12	12	12	↔	12
SR17	Local Planning Authority Modernisation Plan	-	6	9	9	↔	6
SR18	Delivery of the JTAI Improvement Plan	-	16	16	16	↔	6



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

Greater weighting is given to impact over likelihood because we are more worried about a 10-39% chance of a serious event, than a 40-70% chance of a tolerable one

Risk Name: Increased Demand for Adult Services	Risk Owner: Executive Director of Adults, Health, and Integration
Risk Ref: SR01A	Risk Manager: Executive Director of Adults, Health, and Integration
<p>Risk Description: An increase in demand for adult social services that cannot be met within the existing budget</p> <p>Since the COVID-19 pandemic the demand for adult social care has increased in both volume and complexity. There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing. Detailed consequences: A failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector.</p> <p>Detailed causes: Due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff.</p>	
Interdependencies (risks): NHS Funding, Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand	
<p>Comments this quarter: Likelihood reduced from 4 to 3 due to a stabilising of referrals into the service, slowing down the rate of demand for the majority of areas this is due to the work around prevention that is implemented at the front door so signposting individuals into community and voluntary services and away from traditional social care services. However, we continue to experience higher demand for Mental Health Act Assessments and referrals for safeguarding investigations. We are undertaking work to better understand demand and trends for these complex referrals into the services.</p>	
Actions (Monitoring):	
ASC/ Commissioning and Communities, together with Public Health one Directorate continuing to work jointly to respond to challenges pertaining to prevention, health inequalities and our workforce (Monthly Budget, performance and finance meetings)	
ASC/Commissioning and Communities developed a Standard Set of Fit for the Future Contracts – that set out specific measurable outcomes pertaining to each service area in driving prevention and key performance indicators that test the providers ability to retain a viable and sustainable business in responding to a population of changing need – higher levels of resident satisfaction and improved control (Quarterly contract meetings)	
Continue to monitor and review preventative and support service activity (Monthly Budget, performance and finance meetings)	
Continue to develop improved monitoring of people's outcomes (Quality file audit checks monthly)	
Improved utilisation of public health JSNA and wider regional data sets informing future commissioning plans (Monthly SMT meetings)	
Develop engagement with community groups and 3rd sector (Monthly SMT meetings)	
Strengthen liquid logic and contract solutions to better map trend and demand (Power BI reporting and monthly performance data analysis)	
To monitor and review thresholds and gatekeeping processes (Trend Analysis from performance reports reviewed monthly)	
Review and strengthen partnership working with wider agencies (Directorate management team)	
Restructured teams to ensure better integration with key partners (Directorate management team)	
Continue to engage with leaders across teams – informing and influencing change (Directorate management team)	
Continue with Connecting Leaders – through strong forward thinking visible leadership (Directorate management team)	
Continued engagement with people who access services and the involvement of Healthwatch and independent advocacy (Directorate management team)	
Proactive engagement with the new Integrated Care Partnership, including health partners (Directorate management team)	
Ongoing response measures to COVID 19 pandemic (Directorate management team)	
Maintaining Business Continuity across inhouse and external providers (Review and updated BCP quarterly)	

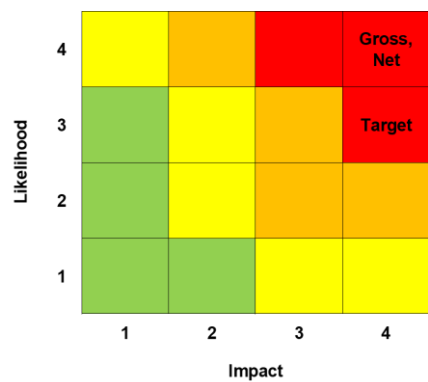
Key Mitigating Controls:

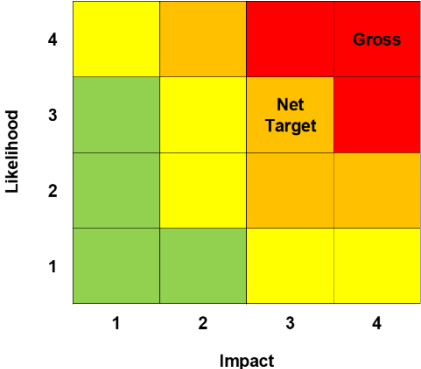
- ASC/Commissioning and Communities is engaged in the facilitation and forward planning of market engagement events, so to keep providers / people informed of preventative change as we progress with our People Live Well, for Longer Transformation Programme of Work.
- ASC/Commissioning have in place a robust Contracts and Quality Monitoring Policy Framework – that makes clear – how quality is monitored in a person-centred way with a vast range of partners, when to activate a suspension protocol working with care quality commission and when/ how we are decommissioning services – keeping people at the centre of decision making regarding any service disruption or period of market failure.
- ASC/Commissioning operate a monthly quality monitoring partnership forum that includes Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner – in the ongoing monitoring of quality and reporting and alerting of risk escalation that can be effectively managed – reports into relevant DMT's and Safeguarding Board.
- ASC/Commissioning hold a provider risk register whereby we monitor and review risk pertaining to specific providers as part of our role working with Care Quality Commissioning pertaining to Market oversight.
- ASC/Commissioning care sourcing/brokerage team support service and a local area co-ordination services- supporting vulnerable people to access wider community/ third sector services and wider more universal offers – diverting people away from care where appropriate.
- ASC/Commissioning finance and planning resource allocation system to promote and engage more people to take direct payments and will enable people to identify against changing needs – an indicative robust budget thus reducing people reliance on traditional models of care.
- ASC/Commissioning preventative policy framework that standardise of approach to prevention across adult social care “front door – whereby people will be directed away from traditional services towards a more empowering community solution, those accessing services will be fully assured working with providers – what our clear aim, vision and intentions are over the next three years.
- ASC/Commissioning provider financial self-assessment accreditation tool – to assist with the monitoring and management of potential uplift and or additional funding. This will ensure that funding is robustly based on clear evidence, against demand / trends in market development and impact on provider/ council and people accessing the service.
- ASC/Quarterly staff engagement groups are developed through leadership forums so to keep people informed and abreast of change as we progress to respond to demand and growth in the sector. Services operate regular staff conferences to address service specific developments and challenges.
- ASC/Commissioning are involved in the North-West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy.
- ASC/Commissioning influencing and working with Cheshire CCG pertaining to development of ICS and ICP plans
- ASC/Commissioning/communities have developed a robust and responsive policy framework (People Helping People) with a vast range of third sector providers – thus reducing demand on adult social care.
- To continue to develop with Children/families services joint commissioning and cross department work with adults – whereby risks can be better reduced together through a new joint commissioning management monthly working group.
- ASC/Commissioning monitor performance and demand against capacity to ensure service meets demand where possible, developing robust action plans for service/market failure.
- ASC performance monitoring reported on regular basis to CLT and Adult and Health Committee
- Additional risks escalated as appropriate.
- Consider the implementation of waiting lists to control demand and rising costs.

Lead Service Committee: Adults and Health Committee

Risk Name: Increased Demand for Children's Services	Risk Owner: Executive Director of Children's Services
Risk Ref: SR01C	Risk Manager: Children's Services Directorate Management Team
<p>Risk Description: That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level of need and demand for children's services, resulting in the capacity of the council's systems relevant to these areas being unable to continue to respond/ absorb the pressures presented. This risk would mean that we would not achieve the council's desired outcomes for children and young people.</p> <p>The service has received growth through the MTFS to help address the pressures but the challenge to deliver to budget will remain present in 2023/24. Significant action is still required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>	
<p>Interdependencies (risks): This risk shares an interdependency with the risk relating to demand to adult social care and health services. If NHS services experience an increase in demand this could impact on demand to children's services or could impact on the quality of support delivered by children's services, as services rely on health input to ensure children's needs are assessed and met. The same social, economic and demographic factors will also impact on the demand to adult and health services so it is possible that both risks would escalate at similar points. Pressures on other parts of the public sector, for example for tier 4 mental health beds, places further pressure on council children's services.</p> <p>This risk is also affected by the risk to the council's financial resilience and lack of certainty about future funding, as increased funding may be required to enable services to meet increased demand. It is also affected by the UK economy, as rising inflation increases costs for providers, which results in increased costs of placements or services such as transport.</p> <p>There are also inter-relationships with the strategic risk on organisational capacity, as we need sufficient capacity to support recruitment and retention activity within children's services. Any capacity issues within support to this activity impacts children's services' ability to ensure our workforce can meet demand for services.</p> <p>If the risk as a result of increased demand is not effectively managed, this could cause damage to the council's reputation, and damage to the relationship with our partners. The quality of the council's work to support children and young people is inspected by Ofsted, and an inadequate rating by Ofsted would have a significant impact on the council's reputation, ability to recruit and retain staff, and would increase costs in order to deliver improvement activity.</p>	
<p>Comments this quarter: The service has received growth through the MTFS to help address the inflationary and demand pressures but the challenge to deliver to budget will remain present in 2023/24.</p> <p>All indications are that demand, complexity and cost will continue to increase and therefore the directorate and the service committee must take action to address the financial challenges for 2023/24 and beyond. The directorate needs to save £3.5m within 2023/24 as part of the MTFS. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy, along with other projects to streamline services and reduce costs, such as a review of commissioned services and the development of family hubs.</p>	
Actions (Monitoring):	
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy (Progress will be monitored through the MTFS Big Board arrangements)	
Expanding our in-house residential provision to offer more local and cost-effective homes for children and young people (Children's social care senior leadership team to monitor progress)	
Delivery of the delivering better value implementation plan (Children's services senior leadership team)	
Continue to increase SEND provision in Cheshire East (Reviewed quarterly)	

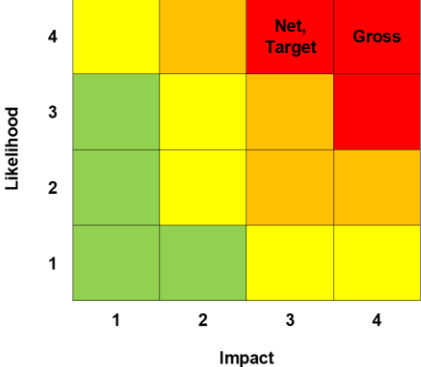
Implement Family Hubs – improving access and reach of services, supporting earlier intervention, and improving partnership working (Family Hub Steering group)
HR and service areas are working together to develop a refreshed recruitment and retention strategy (Reviewed monthly through directorate management team meetings)
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The service has received £8m of growth through the MTFs to help address the pressures. This includes growth for children's social care, school transport, Educational Psychology and SEND services in response to the demand in these areas. However, the growth provided does not cover the whole pressure, so significant action is required to deliver savings to live within the budget. All indications are that demand, complexity and cost will continue to increase and therefore it is vital that the directorate and the service committee takes decisive action to address the financial challenges for 2023/24 and beyond. The directorate needs to save £3.5m within 2023/24 as part of the MTFs. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy, along with other projects to streamline services and reduce costs, such as a review of commissioned services and the development of family hubs. Extensive activity is taking place to manage and reduce costs. A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery. Performance is monitored on a monthly basis by services. The children's services quarterly scorecard is reviewed at the Children and Families Committee and the Corporate Safeguarding Accountabilities meeting attended by the chief executive and lead member for children and families. The Corporate Safeguarding Accountabilities meeting includes discussion of workforce pressures and risks. We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. We are continuing to develop our service offer through developing our partnership working and joint commissioning. The Cheshire East Safeguarding Children's Partnership and the 0-25 SEND Partnership Board meet on a regular basis and are sighted on changes to demand for services so there can be a partnership approach to meeting children and young people's needs. Our approach is to ensure only the right children come into care; this is right for children and young people and will also reduce demand to Children's Social Care services. However, this is a challenging landscape and the number of cared for children continues to increase, and to a large extent is being driven by the increase in unaccompanied asylum seeking children (UASC) that we are accommodating, with these young people accounting for 28% of the individuals entering care in the last 6 months. We will continue to review our approach, and look to identify options for children to live within their family networks as we believe this is the best outcome for them. A robust governance structure is established for SEND. A strategy is in place to manage increasing demand and reinforce SEN support in settings. There is significant investment in local SEND provision to meets children's needs more locally but also reduce dependency on high-cost independent school placements. We participated in the DfE's delivering better value (DBV) programme to support the council to achieve a more sustainable financial position in relation to SEND. This identified two priority areas of cultural change that will make the biggest difference on managing demand – inclusive practice and transition. Cheshire East has been awarded £1 million to support the delivery of this transformational change. The high needs management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. Vouchers worth £4m were distributed on behalf of the Department of Work and Pensions over 2022/23 to support the most vulnerable households across the county with food, utilities, housing costs, and other essentials. The Household Support Fund programme released over 135,000 payments to over 12,500 individuals in need across Cheshire East, receiving over 95% approval from feedback collected from the community. <p>Lead Service Committee: Children and Families Committee</p>

Risk Name: NHS Funding	Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR02	Risk Manager: Director of Commissioning
<p>Risk Description: An NHS funding deficit reduces their health service delivery and places additional strain on the council's provision of adult social care</p> <p>The ability to meet the council's target of residents living well for longer can only be achieved by an effective and comprehensive joint programme of health and social care services.</p> <p>Detailed consequences: Additional pressure on social care may be realised in diverse and unexpected ways due to the complex and volume of interactions between the two services. Their symbiotic relationship means that one partner under or over performing has a corresponding effect on the other. An effective relationship would see reductions in health inequality and reduce the requirement for long-term care.</p> <p>Potential causes: A funding deficit would be caused by a mismatch in resource and demand. The relatively poor levels of national public health and wellbeing following the pandemic and limited expectations for economic growth are potential drivers of a mismatch. Ultimately however NHS funding is a political decision, currently an area of uncertainty.</p> <p>Industrial Action within the Health System is a growing cause for concern and will impact on the level of risk for Health partners.</p>	
Interdependencies (risks): Increased Demand for Adult's Services, Increased Demand for Children's Services, Failure of Council Funding, Pandemic Virus	
Comments this quarter: Health Systems and Council Systems remain under severe financial pressure, staffing shortages within the Health system resulting in additional strain on the wider system and budgets. Jointly shared risks together with additional funding into BCF to fund community beds reducing slightly the risk to the council. Ongoing Industrial Action within the Health System is a cause for some concern.	
Actions (Monitoring):	
To continue to be a key player in the development of the integrated care system at a regional and local level (Via ICS review visits) bi-monthly) new Governance arrangements (Monthly), A&H Committee (bi-monthly), Health and Wellbeing Board (bi-monthly))	
The development of new local Integrated Governance arrangements (Via Health and Care Partnership Board (bi-monthly) Leadership Group (bi-weekly))	
Joint Operational group to monitor hospital discharge flow and the use of 'step down' beds in the community funded via BCF (Weekly)	
Key Mitigating Controls: <ul style="list-style-type: none"> A Health and Wellbeing Board is established with representation from Integrated Commissioning Board and the Council, which provides a forum for these challenges to be addressed at a strategic level. In addition, a Cheshire East Health and Care Partnership Board has been created where system leaders are looking at integration and how to make the system more financially sustainable to achieve better outcomes for the residents of the Borough. Contract clauses are in place to address cessation of service and performance management arrangements should any failing performance materialise. Partnership working is in place and commissioning is informed through the JSNA. The H&WB is working with Cheshire Fire and Rescue, NHS and other partners on various schemes of intervention and prevention which are intended to decrease demand. The Adults, Health and Community Directorate has introduced a new model for helping people to retain control and maintain their independence and reduce additional strain on services. The Cheshire East Integrated Care Partnership has been in place since October 2020 and is developing implementation plans across a number of work streams designed to achieve quality improvement and financial efficiencies across the system. 	
Lead Service Committee: Adults and Health Committee	

Risk Name: Failure of Financial Management and Control	Risk Owner: Executive Director of Corporate Services
Risk Ref: SR03	Risk Manager: Director of Finance and Customer Services (s151 Officer)
<p>Risk Description: The risk relating to the effective planning, recording, allocation, review and transacting of income and expenditure, relative to approved budgets.</p> <p>Consequences: Misuse of public funds and a failure to ensure good value for money would result in poorer services for residents and local infrastructure; ultimately reducing the health and prosperity of the borough and its residents; and leading to financial difficulties for the Council regarding sufficiency of reserves, and a reduced ability to effectively plan, manage and deliver robust, balanced and sustainable budgeting in the future.</p> <p>Causes: This risk is particularly operational in nature; failure to develop and follow comprehensive and effective internal controls and sound budget management practices would result in the risk materialising.</p>	
Interdependencies (risks): Economy, External Funding	
<p>Comments this quarter: Outturn for 2022/23 showed that expenditure exceeded income levels, though to a level anticipated in the Council's in-year reporting and reflected in the latest MTFS approved in February 2023. Whilst balancing the position did require utilisation of £5.2m from the MTFS Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for.</p> <p>This is a helpful position, but the risks to financial management – from exceptional inflation and rising demand for services; and levels of funding from or enabled by Government – remain. As described below in the Q3 review and in the Actions noted above, there is a planned approach to the tracking and reporting of activities relating to delivery of the changes approved in the MTFS; that process has commenced, and further comment will be provided at Q1 2023/24.</p>	
Actions (Monitoring):	
Training and briefing to Councillors (Delivered, via Committee Work Programmes. Future need and timing of subsequent Member training to be reviewed after Council May 2023. To include a report on the CIPFA review of the role of audit/ governance committees)	
Education and training on Finance and Contract Procedure Rules for officers and Members (Via Committee Work Programmes)	
Action Plan on adherence to FM Code (Via Finance & Customer Services Departmental Plan. Action Plan to be developed by Head of Finance and newly appointed Finance Manager, by March 2023, for progression through 2023/24)	
Each Directorate required to develop an action plan to balance their net spending to budgets, following the first in-year forecasts of financial pressure relating to 2022/23 (Financial forecasts prepared and reviewed within Services on an ongoing basis. Formal reporting of forecasts to Committees in 3 Financial Reviews during the year)	
Budget management regime to be implemented for 2023/24 to track activities relating to delivery of approved budget changes (Tracking of delivery activities, and frequent reporting to CLT, to facilitate 'early warning system' ahead of formal financial reporting, enabling greater service business management control)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Financial planning arrangements include preparation by the finance team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances Balanced budget to put into effect the council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves MTFS sets out how the Council will deliver the Council's corporate plan including identification of budget gaps Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers Clear and effective communication of changes or updates to Finance and Contract Procedure Rules Sources of specialist advice and guidance Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and reported to service committees. Outturn reporting and audit of statements supports in-year monitoring and future year planning 	

- Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period.
- Where a residual deficit is forecast, a number of actions will be explored including:
 - use of any service or non-specific underspends to offset pressures elsewhere within the budget
 - accessing external funding ensuring compliance with any funding conditions
 - use of reserves
 - use of general balances
- Treasury management strategy to manage the council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges
- A capital strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken
- Education and training for Officers and Councillor, includes Finance and Contract Procedure rules
- Engagement with government departments related to financial models and consultation

Lead Service Committee: Corporate Policy Committee

Risk Name: Information Security and Cyber Threat	Risk Owner: Executive Director of Corporate Services
Risk Ref: SR04	Risk Manager: Head of Information Communication Technology and CIO
<p>Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.</p>	
<p>Interdependencies: This risk has interdependencies with corporate risk SR5 Business Continuity and SR13 Reputation. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.</p>	
<p>Comments this quarter: The Council's Data Classification product has been updated to utilise the investment in Microsoft licensing.</p> <p>A number of key systems have been upgraded to use Single Sign-On which will support the principle and strategic direction of zero trust. A report into the global cyber-attacks in 2022 by Check Point Research (CPR) notes a 38% increase compared to 2021. Education, government and healthcare organisations were the most targeted.</p> <p>CPR's report says that criminal groups instigating the attacks are now smaller and more agile and are using business collaboration tools and the rapid shift to online working and learning to provide opportunities for exploitation. A number of sharing sessions have occurred with the Council, the Wider Leadership team and the Manager Sharing and Supporting sessions.</p> <p>Even though that there are mitigation activities within the organisation which can limit the exposure of risk and minimise likelihood, with the rise of sophistication of attacks it is felt that the Net Risk should remain constant.</p>	
<p>Actions (Monitoring):</p> <p>Enable Data Quality consistency across multiple service areas (IADM will embed and centralise Addressing data against national data quality standards, which feeds business applications e.g., Master Data Management which will standardise the format and structure of corporate data fields which are prevalent across the Authority relating to Resident, Employee, Address and Business Records. Phase 1 MDM scheduled live date end of June 2023.)</p>	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk. The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the Virtual IGG Task and Finish Group. The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by IGG to ensure that the breaches are minimised, and future breaches are reduced. The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests 	

undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned.

- The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal.
- There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way.
- Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information.
- The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. This includes several modules of Data handling, Cyber Security, and Information Assurance. There are also a number of best practice guides on the Councils Lighthouse on the best ways to use technology and to protect information. These modules and best practice guides are updated regularly to reflect changes in working practices and as a response to additional threats.
- Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going.
- The Council has a Data Protection Officer who assists in ensuring compliance with GDPR and to specify the procedures to be adopted.
- The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. To support the strategic direction and architecture principles all technical solutions are reviewed at the Technical Design Authority to ensure correct alignment.
- In addition, the Council is looking to move to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC.
- In support of this a high-level business case for Infrastructure Investment of which Security & Compliance is an element was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation.

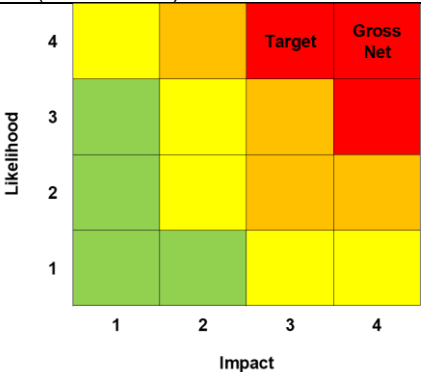
Lead Service Committee: Corporate Policy Committee

Risk Name: Business Continuity	Risk Owner: Executive Director of Corporate Services
Risk Ref: SR05	Risk Manager: Head of Audit & Risk
<p>Risk Description: Failure to maintain business continuity after an unusual or unexpected, disruptive event or events. The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.</p> <p>Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.</p> <p>Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.</p>	<p>Likelihood</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>1 2 3 4</p> <p>Impact</p> <p>Net</p> <p>Gross</p> <p>Target</p>
Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand	
<p>Comments this quarter:</p> <p>Existing BC plan content has been consolidated and made available and accessible following completion of the software contract in the quarter, The format of the plans will be developed as we completed exercises, co-ordinated between Emergency Planning and Risk & BC with services.</p>	
Actions (Monitoring):	
Assessment of BC software with ongoing organisational needs	
Work with Emergency Planning to hold regular scenario testing	
Review and refresh of the Business Continuity Framework (2-year review cycle)	
Development of training materials on Learning Lounge to support staff training and awareness (2-year review cycle)	
Introduce moderation of BC plans across a working group for internal challenge and support	
Co-ordinate refresh of BC plans with specific focus on ICT systems (One off action)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives. BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans. High level course on Business Continuity Management has been added to the Council's Learning Lounge ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery Ongoing liaison with Emergency Planning Shared Service 	
Lead Service Committee: Corporate Policy Committee	

Risk Name: Organisational Capacity and Demand	Risk Owner: Executive Director of Corporate Services																																	
Risk Ref: SR06	Risk Manager: Head of HR																																	
Risk Description: National and local demographics alongside external factors (including COVID and EU Exit) has led to increasing and changing demands on services. This, combined with ongoing financial pressures, an ageing workforce, staff turnover and skills shortages in key areas of the workforce, has resulted in insufficient capacity and an inability to retain or attract staff in some areas. This results in a detrimental impact upon the physical, emotional, and mental wellbeing of staff, and impacts negatively on the Council's ability to deliver all of its intended objectives and outcomes. More recently increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand.	<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross</td></tr><tr><td>3</td><td></td><td></td><td></td><td>Net, Target</td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table>	Likelihood	4				Gross	3				Net, Target	2					1							1	2	3	4			Impact			
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Interdependencies (risks): Business Continuity, Pandemic Virus, Increased demand for Adults Services, Increased demand for Children's Services, Financial Resilience																																		
Comments this quarter: No changes to the rating, the labour market nationally remains challenging, and the cost-of-living crisis continues to impact on staff financially and in terms of their wellbeing and resilience. This has not improved and will be impeded further by ongoing price increases and a reduction in government support. Increased uptake/use of the Employee Assistance Programme, following a series of publicity and comms to the workforce and specific sessions with managers. This work will continue and will be key to providing ongoing health and wellbeing support to the CEC workforce. Work on recruitment and retention continues to improve the efficiency of the recruitment process and enhance the employee offer to potential recruits. This is supported by a range of initiatives to also support the retention of the workforce. An increase to the value of the Cycle to Work scheme has been implemented to encourage staff to buy cycles which in turn supports CEC's carbon neutral ambitions by encouraging active travel. An audit continues to review the overall cost and usage of the agency contract. The MARS scheme has been re-run, with 44 staff set to leave CEC by the end of June. Some service areas will be re-designed and re-structured to minimise the impact on the workforce.																																		
Actions (Monitoring):																																		
Implementation of Council wide Workforce Strategy and Directorate /Service Workforce Plans (3-year strategy then rolling coverage and review)																																		
Recruitment and Retention Programme and Steering Group (Work of the programme overseen by Steering Group)																																		
Delivery of EAP services for staff (On-going review of deliverable services, take up/staff interaction measured on a quarterly basis)																																		
Focused apprenticeship levy funding to support high priority areas (Alongside the apprenticeship action plan)																																		
Support for senior managers in the redesign and restructures of services to meet the MTFS targets including MARS to minimise the impact on the workforce																																		
Focused support to services to reduce reliance on and use of agency staff (Ongoing review of delivery, cost, and outside influences such as permanent recruitment solutions that impact on usage)																																		
Fortnightly organisation wide wellbeing update for all staff. Promotion of the government funded initiative Able Futures (On going delivery and review, monitoring take up)																																		
Key Mitigating Controls:																																		
<ul style="list-style-type: none">In terms of demand, work planning in advance has been improved. Significant increases in work pressures are being raised in advance, so that additional resource can be sourced for commissioned work. Improved HR data is being used to identify potential issues and service workforce plans developed to mitigate. The apprenticeship levy, talent management and succession planning frameworks are under development to help mitigate.Work on a recruitment and retention programme progresses at pace to put in place any additional measures available to attract and retain staff to those areas that have identified gaps. This is alongside consideration being given to identifying controls and support that can be provided to retain existing staff.Ongoing work continues to reduce reliance on agency staff and transition to a more stable permanent workforce base with reduced costs.A range of comprehensive measures are in place to support staff wellbeing and resilience and additional measures to offset cost of living pressures have been put in place. The introduction of additional wellbeing and staff benefits is being explored as the national cost of living crisis develops.Labour market pressures still exist. Locally, there are pressures in the care, social worker, planning and ICT sectors. . Authorities are competing for the same staff and offering higher salaries and other benefits which can impact on staff retention.																																		

- Agency staff are not always available to fill the roles. Additional work programmes and recruitment campaigns are also in place for areas such as Care4CE and social work. Redeployment of staff is being considered where services are struggling to fill vacancies and agency staff are not available.
- The council is moving to agile working, which may help to attract a wider pool of candidates.
- The Head of HR considers that the measures reduce the likelihood but not the impact.

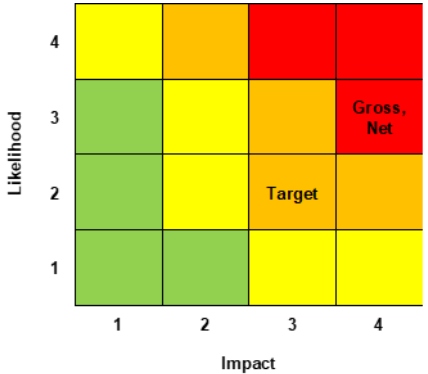
Lead Service Committee: Corporate Policy Committee

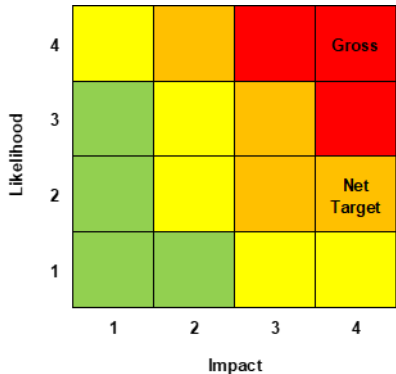
Risk Name: Failure of Council Funding	Risk Owner: Executive Director of Corporate Services
Risk Ref: SR07	Risk Manager: Director of Finance and Customer Services (s151 Officer)
<p>Risk Description: The risk that the level of income is insufficient to support delivery of the Corporate Plan. This risk acknowledges that Council reserves are not intended, or sufficient, for the support of day-to-day operations for any meaningful period.</p> <p>Consequences: Based on an extreme but plausible worst-case scenario of funding cuts, the Council's regulatory obligations would be maintained, although delivered by 'barebones' services. Other Council services/ functions may see similar resources reductions, or be closed altogether. A reduction in services would negatively affect the quality of life in the borough and the strength of the local economy. Regulatory breaches could also occur in relation to a number of different services, financial management being one of them. Some funding is specific to a service or outcome and cannot be redistributed; and without the designated funding a service could not be provided.</p> <p>Causes: Significant reduction to local income generation or central government cuts would result in the worst-case scenario. The high levels of national debt, high inflation and weak national economy at the present time mean that the Council is highly likely to have to prioritise its spending in the short to medium-term.</p>	
Interdependencies (risks): Financial Management and Control	
<p>Comments this quarter: Outturn for 2022/23 showed that expenditure exceeded income levels, though to a level anticipated in the Council's in-year reporting and reflected in the latest MTFS approved in February 2023. Whilst balancing the position did require utilisation of £5.2m from the MTFS Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for.</p> <p>This is a helpful position, but the risks to financial management – from exceptional inflation and rising demand for services; and levels of funding from or enabled by Government – remain. As described below in the Q3 review and in the Actions noted above, the budget for 2023/24 and MTFS 2023/24-2026/27 was approved by Council in February, based on the final settlement. It is still considered that grant allocations and 'flexibilities' afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children's services.</p>	
Actions (Monitoring):	
Each Directorate is required to develop an action plan to balance their net spending to budgets, following the first in-year forecasts of financial pressure (Financial forecasts prepared and reviewed within Services on an ongoing basis. Formal reporting of forecasts to Committees in 3 Financial Reviews during the year)	
Children's Directorate is participating in the DfE's delivering better value (DBV) programme to support the Council to achieve a more sustainable financial position in relation to SEND (Periodic review/ reporting as required by the DBV programme)	
Preparation of the Medium Term Financial Strategy (MTFS) update for 2023-2027 to fully reflect latest understanding of 'spending powers' as per 2022 Autumn Statement and draft local government financial settlement; with plans and proposals made to reduce net spending plans accordingly and seek approval for a balanced, robust and sustainable budget (Approval of budget at Full council in February. Robust and frequent reporting of delivery of the budget changes approved, to Corporate Leadership Team and Members. Formal reporting of forecasts to Committees in Financial Reviews during the year)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Financial planning arrangements include preparation by the Finance Team of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice and intelligence Balanced budget to put into effect the Council's service plans for the forthcoming year; matched by available funding and including a risk assessment of the adequacy of general reserves Monitoring of grant funding formula, and engagement with consultants, local government finance networks and central government representatives to enhance local forecasting and access to funding. 	
Lead Service Committee: Corporate Policy Committee	

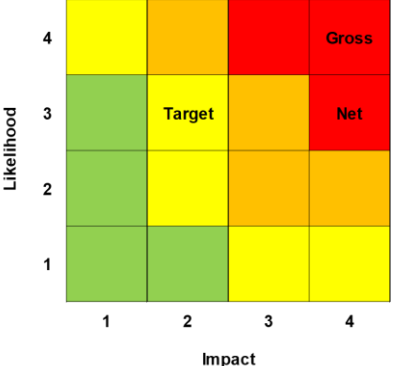
Risk Name: Governance & Decision Making	Risk Owner: Executive Director of Corporate Services
Risk Ref: SR08A	Risk Manager: Director of Governance and Compliance
<p>Risk Description: Failure to develop a robust corporate governance infrastructure and ensure aligned decision-making throughout the organisation</p> <p>The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, others are identified within its Corporate Plan. Formal reporting and decision-making within the council is prescribed by local authority regulation. The decision-making process at all levels, must comply regulatory requirements while also delivering those stated objectives. The Council is a complex public sector organisation and interacts with other complex organisation such as Health, Police, emergency response, housing providers etc. Appropriate governance is required to ensure alignment of decisions which reflect the best interest of residents across the public sector and other partnerships.</p> <p>Detailed consequences: The failure of governance and decision-making may result in stated goals may not be met and, or public funds wasted. Ultimately these can result in a reduction of living standards and physical health and mental wellbeing of residents. Failure to provide a reasonable level of service to residents at an appropriate cost, or to follow legal decision-making protocols, can result in increased regulatory scrutiny and reputational damage. Possible outcomes of which may be, public censure, financial penalties or direct central government intervention.</p> <p>Detailed causes: The volume and complexity of the council's services and objectives, coupled with finite resources and differing stakeholder views, make the application of the Corporate Plan into 'good' decision-making, a challenge. Interpretation of 'good' decision-making may be inconsistent throughout the organisation without a holistic approach to guidance, reporting, oversight and challenge. Without comprehensive vertical reporting and challenge, senior management cannot effectively implement a robust level of accountability and drive positive change in their areas of responsibility. Limited resources may cause partnership working and work for the wider public benefit becoming secondary to individual organisational priorities.</p>	
Interdependencies (risks): Financial Resilience, Reputation, Capacity and demand, Political uncertainty	
<p>Comments this quarter: No material change to the risk at this time, actions updated. The public interest report on the council's culture and governance arrangements during 2014 – 2018 was circulated to full council 1st February. While it was highly critical of the historic events it did recognise the continuing improvements in governance undertaken. Work to improve consistency and minimum standards, with regards to governance arrangements, continues across all areas of the council.</p> <p>As a result of economic pressures, services will be required to deliver reduced expenditure (in real terms), as per the latest Medium Term Financial Strategy (MTFS) which was approved by full council 22nd February. The scale of these reductions will impact the services that the council currently delivers, to implement changes service areas should undertake a robust decision-making process.</p> <p>The Alternative Service Delivery Vehicle (ASDV) governance review, completed by a working group of the Finance Sub Committee, will be reported to that Committee in September.</p>	
Actions (Monitoring):	
Review of shared service governance arrangements with specific actions to be identified	
CIPFA review of Audit & Governance Committee (Annually by Audit & Governance Committee)	
Corporate discussion document on systemic improvements and decision-making (Corporate services and statutory officers)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Council's Constitution covers decision making processes, including finance and contract procedure rules. Following the change to Committee system, mechanisms are in place to capture learning from the use of the committee system from Members (Constitution Working Group) Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Director of Governance and Compliance (also the Monitoring Officer) in response to regulatory changes and Full Council decisions. Administration of local elections and monitoring of behaviour in the period of heightened sensitivity beforehand. During which time, appropriate adjustments are made to the publishing or reporting of controversial issues or anything that seeks to influence voters. 	

- Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting. All decisions are formally recorded in meeting minutes and administrated in line with delegated authorities as per the constitution.
- Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required, and minimise the risk of management override
- Assurance mechanisms on the organisations' compliance with its decision-making processes are provided through the external audit (Statement of Accounts) and the work of the internal audit team. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is not usually the primary focus
- The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified

Lead Service Committee: Corporate Policy Committee

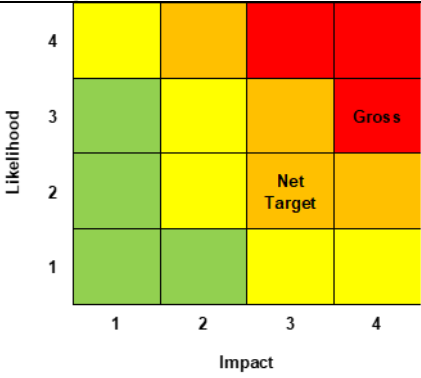
Risk Name: Political Uncertainty	Risk Owner: Chief Executive
Risk Ref: SR08B	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: Failure to anticipate and manage local and national political uncertainty</p> <p>Global risks, economic, conflict etc impacting on central government policy approach and focus of local political objectives.</p> <p>The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.</p> <p>Detailed consequences: Unplanned changes in priorities or the introduction of new goals are likely to result in a budgetary overspend or previously agreed targets not to be met. A high level of uncertainty can create confusion, increased administrative overhead or delay planned initiatives. Changes in funding or the cancellation of infrastructure projects can undermine both the Corporate Plan and the MTFS. Individual projects within the Corporate Plan can become subject to changes in local political activity</p> <p>Detailed causes: The ever-changing social and economic situation in the UK and globally can result in swift changes in political views, leadership, public sentiment or regulatory requirements. National macroeconomic factors, such as GDP, interest and exchange rates, are key drivers of uncertainty. Rapid changes in public perception through social media or other routes can rapidly alter the political environment or priorities.</p>	
Interdependencies (risks): Reputation, Council Funding, Governance & Decision-Making	
<p>Comments this quarter: No material change to the risk at this time. The action to review the new committee briefing process will be implemented after the forthcoming local elections, their induction and on-going support is designed to support member decision making. Changes to the administration of the elections is progressing as planned.</p> <p>During the period full council approved the latest iteration of its Medium Term Financial Strategy (MTFS), its focus being deliver of a balanced budget during the current economic pressures. However there remains the potential for political uncertainty to disrupt the realisation of the budgeted savings. Given the close proximity of the local elections, there may be delays in the implementation of specific changes.</p>	
Actions (Monitoring):	
A review of the Committee briefing process against recognised best practice to identify any potential improvements that may be required	
Preparations for the 2023 Elections to ensure political and public confidence in the democratic process (At regular meetings of the officer elections group)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Engagement with national government, consultations and requests for feedback Application for and funding agreement processes, governance process for ad hoc grants Engagement with political administration of CEBC Engagement with group leaders of CEBC parties Induction, on-going training and committee briefings for CEBC members Service Committee support and briefings for members and senior officers Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning Preparation for elections and promoting engagement in democracy. 	
Lead Service Committee: Corporate Policy Committee	

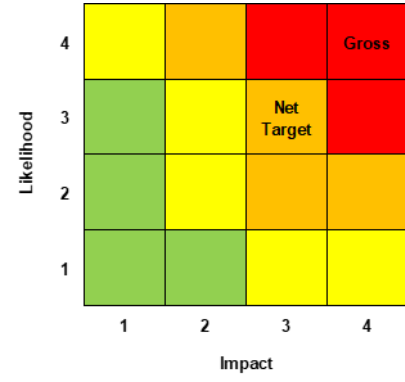
Risk Name: Capital Projects - Place	Risk Owner: Executive Director of Place
Risk Ref: SR09	Risk Manager: Place Directors and Business Managers as relevant to
<p>Risk Description: Failure to deliver major capital projects.</p> <p>The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The range of projects includes transport infrastructure, town centre regeneration, refurbishment and improvement of existing council assets such as schools and leisure centres, and renewable energy generation.</p> <p>Impact: Without a robust system for managing the capital programme and individual projects, the stated objectives may not be delivered. Projects could also fail to deliver to the time, cost and quality parameters set out in business cases. This could have significant financial and reputational implications for the Council. Due to the nature of the projects and their large cost, delays can materially impact the ability to deliver future projects, thus negatively impacting the borough.</p> <p>Likelihood: The scale and complexity of the overall capital programme is challenging. Appropriate governance and controls are important to ensure resources and funding are prioritized effectively, and where required agree adjustments to the time, cost and quality parameters set out in the business case. Where appropriate, members are updated on significant changes to agreed objectives through briefings to the relevant committee.</p> <p>The broad range of partners and stakeholders for individual projects and interdependencies between projects are also significant challenges that require effective management.</p>	
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding	
Comments this quarter: The existing controls for effective governance and management of major capital investments, both at programme and individual project levels, as documented above remain in place, and are subject to regular review. Inflationary effects continue to be monitored, with input from the supply chain where appropriate, with any variances reported via the relevant programme board forum.	
Actions (Monitoring):	
A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council. New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development. The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt. Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board. This governance considers and makes practical decisions on the prioritisation of resources and funding including, where appropriate adjustments to agreed time, cost and quality parameters. The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including HS2 and strategic housing sites, to ensure individual projects are fully aligned to the overarching vision and delivery plan for each town. Financial monitoring undertaken quarterly, with summary data reported to Finance Sub-Committee and appropriate service committee twice a year High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis. Regular 121s between Executive Director and Directors which includes updates on major projects 	
Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport	

Risk Name: HS2 Infrastructure Investment	Risk Owner: Executive Director of Place
Risk Ref: SR10	Risk Manager: Director of Highways and Transport
<p>Risk Description: HS2 is a government led scheme, impacting Cheshire East Borough. HS2 services will call at Crewe station when Phase 2a opens between 2032 and 2036 with 2 HS2 trains per hour. Plans for Phase 2b include the Crewe North Connection that could enable up to 5/7 HS2 trains per hour calling at Crewe, in each direction. However, the business case for Phase 2b does not include any additional services, from the 2 HS2 trains per hour, calling at Crewe when Phase 2b opens between 2035 and 2040.</p> <p>Government's proposals for Crewe hub station fall far below those of other HS2 hubs and don't reflect its role as a rail super-hub and the first HS2 hub in the North. Current proposals are unlikely to unlock the regeneration, growth and levelling up potential for Crewe from the investment in HS2. Securing the required investment for the Crewe station is critical to the Council in delivering its Crewe hub vision, maximise cost and programme efficiencies and minimise disruption to rail passengers and local communities.</p> <p>The government is in control of the HS2 programme and its delivery timescales. Delays to the scheme were announced as part of the Integrated Rail Plan, published in November 2021. In March 2023, Government announced a further 2-year delay to the delivery of HS2 Phase 2a, between the West Midlands and Crewe, as a way to manage the affordability pressures resulting from the construction inflation pressures. Such delays, and the risk of further delays to HS2 Phase 2b, leads to uncertainty on the delivery and viability of the Council's wider ambitions for the Crewe hub. However, Government has reiterated its ambition to deliver the full western leg of HS2, including Phase 2a to Crewe and 2b on to Manchester.</p> <p>The Council has been developing its vision and plans for the Crewe hub alongside partners for several years, at significant cost to the Council, lack of firm commitments about timing, infrastructure and HS2 train services means there are uncertainties on the programme delivery and scope puts increasing risk on these costs being abortive</p>	
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects	
<p>Comments this quarter: On 9th March 2023, Government announced that the construction and opening of HS2 Phase 2a, between the West Midlands and Crewe, would be delayed by 2 years to manage the inflation pressures on the Phase 1 and Phase 2a schemes in construction.</p> <p>The Council withdrew its petitions against the Phase 2b hybrid bill and AP1 on the 13th March 2023 after securing a package of assurances and commitments from both HS2 Ltd and Government. These included commitments to further investigation and design work on the Crewe Hub and commitment for Government to work more closely with the Council to unlock the regeneration potential of HS2 to the Town via a Crewe Hub Taskforce. Membership of the Taskforce will be of senior ranking officials to provide the necessary drive and leadership required to bring the Crewe hub vision to reality.</p>	
Actions (Monitoring):	
Tactical lobbying to Government, gaining support from local politician, MPs and neighbouring authorities (Business Case and Investment Integration Programme Board)	
Seeking necessary Crewe hub investments via petitioning of the Phase 2b hybrid bill (HS2 and Crewe Superhub Programme Board and Place Board. Retain option to petition further in House of Lords if study and Taskforce not delivering necessary outputs)	
Decoupling investments from HS2 programme and seek funding from existing government funds (LUF Round 2 bids were unsuccessful – awaiting detailed feedback. Option to resubmit bids in Round 3)	
Regular engagement with senior Government officials (Place Board)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> This risk will be reviewed by the Place Board (chaired by the Executive Director of Place) and the Business Case and Investment Integration Board (chaired by the Director of Finance) on a monthly basis and the chairs inform CLT accordingly. Day to day management of the actions in place to reduce the risk is a combination of the BCII: Business Case and Investment Integration, the Programme Director and the Programme Manager. The controls above will be used to monitor the risk. Monthly meetings between senior Council officers and senior cross-departmental Government Officials have been established to establish a shared vision for Crewe and identify opportunities to bring forward key station asks The Council secured the following commitments from Government through its petition against the Phase 2b hybrid bill; <ul style="list-style-type: none"> To fund and commission a study to identify the interventions needed at Crewe station to support future passenger demand and unlock regeneration opportunities and to fund the necessary design work of such interventions 	

- To establish a Crewe Hub Taskforce, made up of senior officials from the Council and from across central government departments, focused on maximising the regeneration opportunities from HS2 for Crewe. The taskforce will be governed under a more robust governance arrangement than the prior arrangements to drive forward the regeneration potential for Crewe.
- There have been no control failures to date. In fact, the controls in place today are probably stronger than at any point in achieving the objective. This is commensurate to the closing window of opportunity and the increase in work required by the Council to turn the outputs of the consultants Business Case work. Future issues may arise if the dedicated resource currently requested is not quickly put in place to release the efficiencies of working a close dedicated team brings.
- Ultimately, while the Council can control the technical evidence, business case formation and the technical level negotiation with Government Departments, the risk may be impacted on by changes Government policy and prevailing global economic factors.
- Value engineering of design and development of projects and Early Contractor Involvement where appropriate.
- Bringing forward elements of the vision through existing funding sources
- Liaison with the contracting industry to identify the most efficient design solutions.
- Constant review and effective management arrangements of capital projects and programme budgets.
- Managing outward facing expectations on the scheme
- Ongoing cost review based on latest construction inflation forecasts

Lead Service Committee: Highways and Transport, Environment and Communities, Economy and Growth

Risk Name: Pandemic Virus	Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR11	Risk Manager: Director of Public Health
<p>Risk Description: Ongoing risk of genetic shift resulting in rapidly spreading strain of influenza and other diseases previously unseen in humans for which there may be multiple Variants and no guaranteed preventative treatment available. In addition to the human health risks pandemic illnesses poses a risk to healthcare capacity and CEC business continuity.</p> <p>(Cause) There is always a potential that a pandemic will occur, due to the high level of mobility throughout the world, (threat) having a negative impact upon the health and wellbeing of the Cheshire East population, place significant pressures upon the health and care system and its workforce, threaten the viability of local business and further exacerbate the financial pressures faced by health and care organisations and the Council, (impact) resulting in serious illness and in some cases death, unmet health and care needs, interruption to education, economic down turn and business failure and a widening financial gap in health and care organisations.</p>	 <p>The Risk Matrix is a 4x4 grid with Likelihood on the Y-axis (1 to 4) and Impact on the X-axis (1 to 4). The colors represent risk levels: Green (Low), Yellow (Medium), Orange (High), and Red (Very High). The cell at (3, 4) is red and labeled 'Gross'. The cell at (2, 3) is yellow and labeled 'Net Target'.</p>
Interdependencies (risks): Fragility in the social care market, Business continuity, Financial resilience	
<p>Comments this quarter: The national track and trace programmes have been ceased. A Spring COVID Vaccination Booster programme will be implemented in April 2023. It will target Cre Home residents, people aged over 75 years and immune-compromised individuals.</p> <p>The UKHSA is currently monitoring the spread of the XBB and the CH1 variants and the number of cases within the UK as a potential source of a new wave of COVID. At present the level of the UK dominant strain (Omicron) is low. New guidance has been issued by the DHSC regarding the testing regimes for the health and social care sector. These have been circulated to provider agencies and appropriate Local Authority staff. Though the overall number of cases of COVID are much lower than the peaks of the pandemic</p>	
Actions (Monitoring):	
Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations (reviewed monthly)	
Development of regional 'business as usual' approach for Cheshire and Merseyside (reviewed quarterly)	
Horizon scanning to understand long-term management of Covid-19, including the development of a Covid-19 'Early Warning System' and wastewater monitoring project with UKHSA (reviewed monthly)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Limited National Government advisory measures. Published guidance and advice is now only available in limited sectors. The primary universal guidance is now outlined in the HM Government 'Living with Covid-19' plan but all mandatory Legislation and restrictions have now been removed in the UK National Vaccine roll out. Percentage of residents receiving primary and booster doses. Spring Booster Campaign now under way. (Secondary assessment, percentage of residents receiving some vaccinations) Cheshire East Emergency Planning activity, reduced frequency or stood down - Local Outbreak Engagement Board, Health Protection Board, Operational meetings, Track and Trace Huddle Advice and guidance to schools, businesses and residents. Limited communications and engagement activity, support for businesses and care providers. Cheshire East organisational activity, managed return to the workplace, hybrid working option, public health advice, targeted LFT home testing for staff Supporting NHS roll out of COVID 19 vaccination programme, established and operating including mobile offer. Spring programmes being supported by the public health and communities teams. Programme Commenced 3/04/23 Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations. Established and operating 	
Lead Service Committee: Adults and Health Committee	

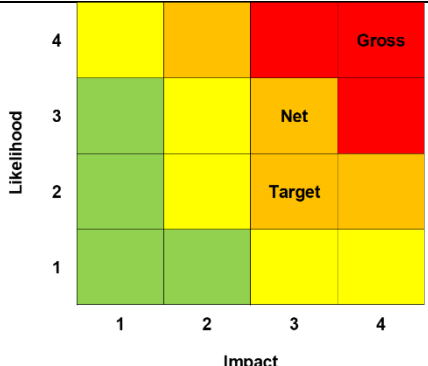
Risk Name: Fragility and Failure in the Social Care Market	Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR12	Risk Manager: Director of Adult Social Care, Director of Commissioning
<p>Risk Description: A failure of the local social care market</p> <p>The impact of the COVID-19 pandemic has exposed weaknesses in the national social care market which have yet to be resolved.</p> <p>Detailed consequences: The council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer.</p> <p>Detailed causes: The major risk going forward is the financial impacts on providers resulting from the 9.7% uplift in National Living Wage from April 2023, high rates of inflation and increased energy costs (some providers have seen a 400% increase on renewal of their energy contracts). While there is proposed growth within the MTFS for Adult Social Care this will not be sufficient to offer fee uplifts for all providers as well as funding growth in demand and complexity of need. It is likely that this will impact on the sustainability of some care providers and result in some packages of care being handed back to the Council or notices served on care home residents. It will also bring challenges in managing budgets in 2023/24.</p>	
Interdependencies (risks): NHS Funding, Failure of Council Funding, Business Continuity, Pandemic Virus, Failure of the Local Economy	
<p>Comments this quarter: While the care market is still fragile, care markets continue to show signs of recovery, and stability particularly in domiciliary care. This is due to the development and publication of our Market Sustainability Plan which includes further investment within the Domiciliary Care Market and Complex Care for April 23 onwards. Further work continues in terms of the Commissioning of Domiciliary Care and Complex Care in partnership with the Market through the developments of Strategic Commissioning Plans. However, the number of referrals for all types of care increased from 830 in Q3 to 1,011 in Q4. The number of care at home hand backs remains static at 28 (369.25 hours) in Q4 compared to 29 (362 hours) in Q3.</p> <p>Due to the increase in referrals and short-term solutions waiting placements during March 23 we have seen a 47.5% increase in the number of people awaiting a care home bed. However, we have also seen a reduction in short terms placements of 9.9% during March 23. The Market Sustainability Plan (MPS) was published and submitted to the DHSC on the 27th March 23, Which includes a fee uplift for Care at Home and Complex Care.</p>	
Actions (Monitoring):	
Comply with DHSC requirements to undertake and publish a cost of care and develop, submit and publish a Market Sustainability Plan (Reviewed by DHSC)	
Continue to engage with care providers around market pressures and identify support required from short term and recurrent funding streams (ASC Operational meetings, Monthly Provider Forums)	
Expand the existing British Red Cross service to respond to crisis situations in the community by providing low level support over a 7-day period (Weekly via Market Oversight meetings)	
Undertake a review of care fees for all sectors of the market (Weekly meetings with contractor, findings reported to Health and Adult Committee. This has been completed in accordance with DHSC guidance)	
ASC/ Commissioning continues to respond to significant challenges pertaining to the acceleration of prevention (Twice weekly ASC meetings)	
ASC/Commissioning and Communities have a Standard Set of Fit for the Future Contracts – that set out specific measurable outcomes pertaining to each service area in driving prevention and key performance indicators that will test the providers ability to retain a viable and sustainable business in responding to a population of changing need – higher levels of resident satisfaction and improved control (Quarterly contract management meetings)	
Continue to monitor and review preventative and support service activity (Twice weekly ASC meetings)	
Improved utilisation of public health JSNA and wider regional data sets informing future commissioning plans (Monthly JSNA steering group)	
Develop engagement with community groups and 3rd sector (Twice weekly ASC meetings)	
Liquid logic and contrOCC solutions to better map trend and demand (Twice weekly ASC meetings)	
To monitor and review thresholds and gatekeeping processes (Twice weekly ASC meetings)	
Review and strengthen partnership working with wider agencies (Monthly Quality Monitoring Partnership Forum)	
Data intelligence is used to understand where and what kind of service demand needs are in order to commission appropriately and effectively (Monthly Care at Home Commissioning meetings)	

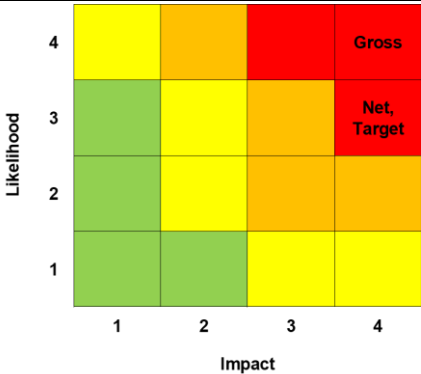
Continue to engage with leaders across teams – informing and influencing change (Twice weekly ASC meetings)
Continued engagement with people who access services and the involvement of Healthwatch and independent advocacy (Twice weekly ASC meetings)
Joint working with 'skills for care' to encourage individuals to take up employment within the care sector (Monthly Providers Forums)
'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system (Weekly via Market Oversight meetings)
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • ASC/Commissioning comply with the Care Act 2014, in holding a provider risk register whereby we monitor and review risk pertaining to specific providers as part of our role working with Care Quality Commissioning pertaining to Market oversight • ASC/Commissioning have in place a robust Care Act compliant – Contracts and Quality Monitoring Policy Framework – that makes clear – how quality is monitored in a person-centred way with a vast range of partners, when to activate a suspension protocol working with care quality commission and when/ how we are decommissioning services – keeping people at the centre of decision making regarding any service disruption or period of market failure • ASC/Commissioning operate a monthly quality monitoring partnership forum that includes Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner – in the ongoing monitoring of quality and reporting and alerting of risk escalation that can be effectively managed – reports into relevant DMT's and Safeguarding Board • ASC/Commissioning have a care sourcing/brokerage team support service and a local area co-ordination services- supporting vulnerable people to access wider community/ third sector services and wider more universal offers – diverting people away from care where appropriate utilising People Healing People services • ASC/Commissioning provider financial self-assessment accreditation tool – to assist with the monitoring and management of potential uplift and or additional funding. This will ensure that funding is robustly based on clear evidence, against demand / trends in market development and impact on provider/ council and people accessing the service. For providers at risk we are offering an open book accounting exercise to ascertain the level of risk within that service • ASC/Quarterly staff engagement groups are developed through leadership forums so to keep people informed and abreast of change as we progress in order to respond to demand and growth in the sector • ASC/Commissioning are influencing and working with Cheshire East Place pertaining to local ICS and ICP plans regarding the overall reduction in demand and systems redesign work supporting an improved community offer and redesigned front door • ASC/Commissioning with communities are developing a robust and responsive policy framework (People Helping People) with a vast range of third sector providers – thus reducing demand on adult social care • ASC/Commissioning working with partners across the North-West via ADASS to address the future market capacity and workforce issues. • The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. • As part of the contract management and quality assurance processes we check each provider's Business Continuity plan for robustness and make recommendations for improvement if required • The Council has commissioned a new offer for informal and formal carers to ensure the right level of support is received for them to maintain their caring duties • Some providers are now recruiting workers from abroad and this is beginning to have some benefit in domiciliary care in some areas of the Borough • Domiciliary care providers were awarded a 14% fee uplift in 2022/23 and have received financial incentives from hospital discharge monies to support care staff with fuel costs and overseas recruitment. • Commissioners are in the process of purchasing a number of "care robots" to support with wellbeing as a prevention measure and to create capacity in the care market. • A Joint CEC/ICB Market Oversight Group meets daily to ensure that the Council is obtaining best value for care home placements and making best use of block booked care home beds. • A Transfer of Care Hub has been set up in both hospitals with key staff from CEC and Hospital Trusts co-located to improve joint working and ease pressures on hospital discharge • Based on the Cost of Care exercise the Council published the Market Sustainability Plan (MSP) on the 27th March 23. The MSP includes a fee uplift for Care at Home and Complex Care providers, which aims to stabilise the market locally. Providers have been notified of this uplift via letter. • Commissioners are currently undertaking Market Engagement activities with Care at home Providers to Coproduce a new model of care in partnership.
Lead Service Committee: Adults and Health Committee

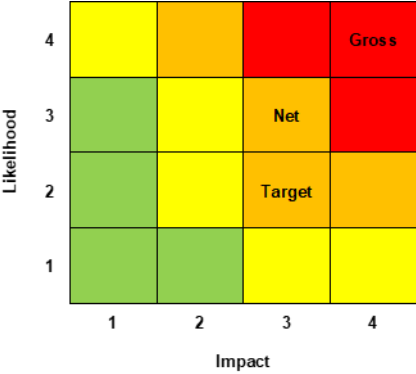
Risk Name: Reputation	Risk Owner: Chief Executive
Risk Ref: SR13	Risk Manager: Head of Communications, Head of Customer Services, Business Intelligence Manager (Corporate and Place)
<p>Risk Description: That consideration is not given, and management action is not taken, to effectively manage the reputation of the Council, leading to a loss of public confidence, threatening the stability of the Council and our ability to meet the corporate priorities.</p> <p>The risk is managed primarily through the work in three different areas; Communication & Media, Customer Experience and Consultation.</p> <p>Current rating based on an expected increase in resident dissatisfaction due to budget cuts impacting services.</p>	
Interdependencies: The emergence of any issue highlighted as a strategic risk has the potential to represent a strategic risk to reputation	
<p>Comments this quarter:</p> <p><i>Communication & Media:</i></p> <p>Likelihood increased from a 3 to a 4, expected increase in resident dissatisfaction due to budget cuts impacting services. A revised media relations protocol was approved by Corporate Policy Committee at the 9 February meeting. During this period (Q4) we saw particular interest and activity in the following topics:</p> <ul style="list-style-type: none"> • Crewe regeneration • Council funding and financial forecasts • Elections 2023 and voter ID • Public interest report publication • Highways maintenance and winter preparations, inc severe weather alert, March 2023 • Green spaces for wellbeing initiative • Carbon neutral initiatives • South Macclesfield Development Area • Poynton Pool flood mitigation plans • Homes for Ukraine scheme • Poynton Relief Road opening • Armed Forces Covenant Silver Award • GBR HQ announcement <p><i>Consultation:</i></p> <p>Consultation: While during consultation on the proposed budget a number of concerns were raised. These were considered and ultimately the MTFS was agreed and adopted by Council in February 2023, due to the statutory requirement for the Council to have a balanced budget. Some of the proposals are subject to more detailed consultation and engagement activities. As the initiatives identified in the MTFS are implemented, there still remains the possibility of material public objection to specific changes. If these arise they will be responded to through the usual relevant democratic processes.</p> <p><i>Customer Experience:</i></p> <p>Further phases of technology to enhance the management, monitoring and analysis of customer contact progressing and due for implementation Q1 2023/24 including the delivery of live chat functionality and the management of e mails. New digital platform to improve on line contact and the Cheshire East Account now live with full migration from existing platform progressing. Trial of revised process for managing the quality of complaints and formal correspondence successfully completed and options to widen scope across full council under development. Customer Experience leadership sessions delivered to all Heads of Service, Directors and Executive Directors and next steps agreed.</p>	
Actions (Monitoring):	
<i>Communication & Media;</i>	

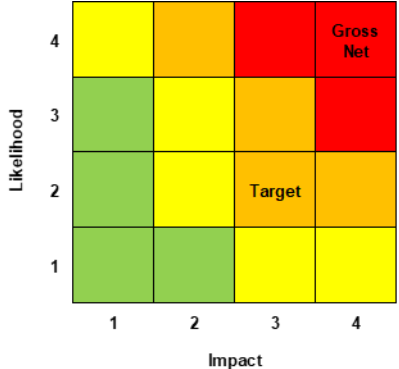
Review annual business plans for communication requirements (Annually)
Ensure alignment of annual communications programme and consultation and engagement programme (Quarterly)
Delivery of the Communications Strategy for Residents 2022-25 priorities (For period of strategy)
Provide communications support for implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy (Annually)
Undertake a survey of residents to understand how they want to get information about council services, policies etc. To inform communications strategy(ies) and plans (Bi-annual review)
<i>Customer Experience;</i>
Introduce enhanced policies and procedures to improve the quality of responses to complaints and formal correspondence
Continue to improve technology to support front line staff in monitoring the full end to end customer journey
Develop a new operating model for customer service delivery across the Council
Develop a policy for how the Council uses and engages with customers via social media
<i>Consultation;</i>
Develop and introduce a One Council approach to consultation and engagement (On-going)
Share and promote the new EIA template and guidance (On-going)
The pilot of the Cheshire East People's Panel (On-going)
Key Mitigating Controls: Communication & Media; <ul style="list-style-type: none"> • Effective monitoring and reporting of organisational reputation and sentiment. • Weekly reputation reporting to senior managers • Monitoring of social and traditional media • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning • Providing a 24/7 emergency communications on call function • Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers • Positive proactive communication across multiple channels to celebrate the council's successes and achievements, building positive reputation. • Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually) • Review communications business continuity, priorities and emergency / crisis comms protocols and plans • Media relations protocol and approvals process • Media training programme for key spokespersons • Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence • Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives • Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage • Development and delivery of communication strategies to influence public awareness of and informedness about key universal services, inc: planning, highways, waste and recycling • Communications handling requirement for each service committee meeting agreed with lead officer(s) • Quarterly 'Conversation with the Leader and Deputy Leader' videos • Regular internal communications to members and officers • Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage. • Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 34,000 subscribers for 'push' notifications across a range of topics Customer Experience Existing Controls and Evidence; <ul style="list-style-type: none"> • Consistency in standards of service and behaviours through the Customer Charter • Training for all staff and leaders to promote the importance of customer experience • Key performance measures on customer satisfaction and experience monitored • Random sampling and analysis of end to end customer journeys • Customer satisfaction and effort assessed post contact • Voice recording of all calls and ongoing performance management of Advisors • Regular liaison with services to ensure ongoing accuracy of advice and information provided and to plan for initiatives likely to generate high customer demand • Proactive identification of arising issues for customers and liaison with Communications Team to develop appropriate communications

<ul style="list-style-type: none"> Continuous improvement team tasked with root cause analysis of issues and identifying service improvements <p>Consultation;</p> <ul style="list-style-type: none"> Ensure that consultation is undertaken when any proposals are still at a formative stage Consultation must give sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options Ensure consultation and engagement activity informs our evidence-based decision-making approach and that adequate time is given between the end of a consultation and a decision is made to allow for consideration of and where required, a response to, the output of a consultation or engagement Ensure that Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are signed off before any consultation can begin When communicating about decisions, make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision Evidence where and how output from consultation has been used to inform the decision-making process
<p>Lead Service Committee: Corporate Policy Committee</p>

Risk Name: Climate Change (CEC Carbon Neutral Status 2025)	Risk Owner: Executive Director of Place, Executive Director of Corporate Services
Risk Ref: SR14	Risk Manager: Director of Environment & Neighbourhood Services, Head of Environmental Services
<p>Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2025 milestone target as a result of ineffective planning and delivery of actions.</p> <p>Likelihood is based on a number of external factors, partnerships and key outcomes being delivered in a timely manner.</p> <p>Impact will result in non-delivery of a key priority in the Council's Corporate Plan. It will also contribute to climate change temperature rise and severe weather events which could have an impact on public health and safety. It could also have financial implications with increased need for adaptation of key infrastructure for severe weather events across the borough.</p>	 <p>The risk matrix shows a risk level of 'Gross' (Red) based on a Likelihood of 4 and an Impact of 4. The matrix is color-coded: Green for Low (1-2 on both), Yellow for Medium (3 on one, 2 on the other), Orange for High (3 on both), and Red for Very High (4 on both). The cells (3,3) and (4,4) are labeled 'Net' and 'Gross' respectively.</p>
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects	
<p>Comments this quarter: The project is on track but retains significant risks in time to deliver the transition to electric fleet, and in progressing the carbon inset through securing a second solar farm and planting sufficient natural insect in the remaining two planting seasons.</p> <p>Actions taken this quarter to address these risks:</p> <ul style="list-style-type: none"> Additional capital funding as part of the council's medium term financial strategy for 2023-25 will allow the speed up of transition of our small van fleet with associated additional electric charging over the coming two years. This is cost neutral to the council as the cost of capital will be paid through savings on lease costs through the capital purchase of vehicles and charging for electricity used at new electric vehicle charging stations installed at our depots. Delegated authority granted through the March Economy and Growth Committee now gives all permissions to progress the allocated second solar farm site. The project will now prepare detailed design and seek planning permission over the course of this year. Capacity issues associated with the Mersey Forest have meant that planned tree planting this quarter has been severely reduced. In mitigation the authority is advertising for a temporary post to complete more of the preparation work required in house to give greater certainty in achieving sufficient planting in the next two planting seasons available. The post will be funded as part of the capital allocation for natural inset within existing budgets. <p>The project retains sufficient funds to deliver Carbon Neutrality assisted by external grant funding and MTFS allocation.</p>	
Actions (Monitoring):	
Secure planning permission for second solar farm (Delegated Authority granted at March 2023 Economy & Growth Committee. Action will be reviewed monthly at Carbon board chaired by Head of Environmental Services)	
Transition of Electric Fleet and Natural offset project, failing to meet targets (New Capital funding secured though 2023 MTFS Action for fleet transition and tree planting progress, will be reviewed monthly at Carbon Board chaired by Head of Environmental Services)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Risk is reviewed as part of the brighter futures transformation projects board, operational board and member steering group. Carbon Neutral programme established with Programme Board reviewing progress and risks monthly Member Advisory group overseeing its delivery Annual update on progress reported to relevant committee Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area. 	
Lead Service Committee: Environment and Communities	

Risk Name: Failure of the Local Economy	Risk Owner: Executive Director of Place
Risk Ref: SR15	Risk Manager: Director of Growth and Enterprise
<p>Risk Description: Failure of the local economy</p> <p>The risk that the local economy does not realise the expected level of growth due to an inability to attract, grow and retain commercial enterprises, residents and visitors. The borough has a strong local economy, an above average Gross Value Added (GVA), some areas of deprivation and is reliant on a number of different industries.</p> <p>Consequences: The failure of enterprises reduces the local money supply, reducing the standard of living for residents and council income. Secondary effects can include a reduction in public health and the loss of highly trained or skilled individuals. Consequences and causes, over the medium to long-term can have a symbiotic relationship, creating either an upward or downwards spiral. An example of this is shops closing in a town centre, then reduced footfall resulting in further closures.</p> <p>Causes: The local economy is significantly driven by changes in the national economy, taxation and other government policies. However the failure to maintain parity, or offer benefits above other boroughs, can lead to a relatively larger economic downturn. As noted above poverty and deprivation, like other issues, can be both a consequence and cause causing a snowball effect.</p>	
Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change	
Comments this quarter: No substantive change to the risk. Interest rates and inflation continue to be concern, both of which are remaining 'sticky' even with the Bank of England and the Government identifying actions to mitigate inflation. There have also been four bank failures internationally in March/ April 2023, regulators are playing down the potential of a international financial crisis. The Bank of England intervened on one of these (SVB UK) and brokered its sale to the HSBC.	
Actions (Monitoring):	
<p>Launch of business support grants: (Quarterly returns to government)</p> <ul style="list-style-type: none"> Repurposing our high street grants from Crewe town centre Decarbonisation grants for business <p>New employment space grant</p>	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Cheshire East Business support hub has been launched Business forum to engage and plan future support Investment plans to support regeneration and development Place marketing and inward investment 	
Lead Service Committee: Economy and Growth	

Risk Name: Local Planning Authority Modernisation Plan	Risk Owner: Executive Director of Place
Risk Ref: SR17	Risk Manager: Interim Director of Planning, Head of Planning
<p>Risk Description:</p> <p>Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment & Communities Committee on 31 October 2022 a Modernisation Plan has been developed to achieve the transformation of the service. This Plan will carry forward the recommendations made, document actions and monitor progress. The recommendations are many and varied but failure to complete the actions of the Modernisation Plan will undermine the planned transformation of the service, perpetuating and potentially extending the issues identified and undermining the reputation of the organisation.</p> <p>Detailed consequences: Failure to achieve completion of the Modernisation Plan will undermine the performance of the Council in its Local Planning Authority role, result in non-compliance with statutory processes, and reputational damage to the Council. By not achieving the Modernisation Plan within agreed timescales, the potential for additional budget pressure increases.</p> <p>Detailed causes: Insufficient resource to ensure completion of priority actions in the required timescales (staff and skills) while also 'doing the day job', Interim Service Review Lead contract duration, supplier resource to deliver new ICT system, failure to engage with internal and external stakeholders to affect necessary changes, lack of oversight from the Planning Transformation Board, lack of agreed change management process within the Modernisation Plan.</p>	
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,	
<p>Comments this quarter: The Modernisation Plan is now in place with regular meetings to monitor progress including monthly updates to the action log. The key priorities remain identified as the new ICT system, reducing the application backlog, staffing/restructure and communications / customer service.</p> <p>Escalation of issues with the ICT supplier has resulted in better engagement and resource commitment from them with clearer timeframes for implementation which will help manage future risk. The application backlog is slowly reducing. Detailed work on the restructure is underway, including dialogue with key stakeholders and an indicative timeframe for formal consultation. Various updates to websites / letter templates and a draft Communications Strategy have been completed.</p> <p>Resources to deliver the Plan priorities remain stretched as it is the Planning Service - including at management level - itself that is undertaking many of these actions, alongside significant budget pressures causing the risk to stay high.</p>	
Actions (Monitoring):	
IT System Project Board, now including regular attendance from supplier (Regular fortnightly meetings)	
Continued monitoring of resource / recruitment (Weekly manager meetings)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernization Plan. • Planning Services Transformation Plan • Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Board • Regular meetings of Interim Director of Planning and Head of Planning and managers to review action logs and progress on key priorities • Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group 	
Lead Service Committee: Environment and Communities	

Risk Name: Delivery of the JTAI Improvement Plan	Risk Owner: Executive Director of Children's Services
Risk Ref: SR18	Risk Manager: Executive Director of Children's Services
<p>Risk Description: That as a safeguarding children's partnership, Cheshire East Council's children's services, health, and police, do not achieve the improvements needed at the necessary pace to address the recommendations from the joint targeted area inspection (JTAI) of child exploitation, including child sexual exploitation.</p> <p>This would mean that we would not achieve the council's desired outcomes for children and young people at risk of exploitation. There is also a reputational risk of not delivering the required improvements, as this could result in an inadequate rating by Ofsted. An inadequate rating by Ofsted would have a significant impact on the council's reputation, ability to recruit and retain staff, and would increase costs in order to deliver improvement activity.</p> <p>Significant work is required to deliver these improvements which requires sufficient capacity and resources. High quality work to support children and young people is dependent on being able to achieve a stable and experienced workforce. Nationally and locally there are challenges recruiting and retaining staff within specific areas of children's services, which is resulting in higher than average workloads and some delays in delivering services. There is a risk that this could result in children experiencing delays in receiving support leading to escalation of need and increased risk of poorer outcomes - including risk of harm and risk to life, a lack of continuity of workers for children and young people, and increased costs to the council.</p>	
<p>Interdependencies (risks): This risk shares an interdependency with the risk relating to demand to children's services, and demand to adult social care and health services. If adult services or NHS services experience an increase in demand/ complexity this could impact on the quality of support delivered by children's services, as services rely on adults and health input to ensure children's needs are assessed and met. Increased demand to children's services will result in increased workloads which will impact on the ability to release staff for training or to deliver high quality and timely work. Improving the quality of support to children and young people requires all three statutory partners (local authority, health and police) to work together effectively to develop services at pace. All three agencies are dependent on each other to work together as a partnership and provide robust scrutiny and challenge on the outcomes achieved for children and young people.</p>	
<p>Comments this quarter: No change to the net risk rating although the target rating has been reduced from a 12 to 6. Services are making good progress in delivering the improvement plan and there are robust arrangements in place to ensure key members of the partnership are sighted on progress and are held to account. External support and challenge are in place through the Department for Education Children's Improvement Advisor, who is the independent chair of our partnership Improvement Board. The Improvement Advisor is conducting visits to services to evaluate the impact of changes and is supporting and advising senior leaders.</p> <p>The independent scrutineer has completed an in-depth review of the partnership's arrangements, which included the effectiveness of the structure and function, overall approach to quality assurance and learning, listening to and acting on the voice of children and young people, the impact of the three priority sub-groups, communication, and training.</p> <p>A significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation Conference with national key note speaker, and training sessions delivered over a partnership learning week in January 2023. These were positively received by practitioners. We have launched an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation.</p> <p>The net risk score has not changed since Q2 as it is still early in our improvement journey and we want to be able to demonstrate sustained impact of changes before reducing the risk.</p>	
Actions (Monitoring):	
Deliver the improvement plan and scrutinise impact on outcomes for children and young people at risk of exploitation (Monthly by the Improvement Executive Board)	
Independent support and challenge from the Department for Education (DfE) Children's Improvement Advisor through visits to services, support to senior leaders and acting as the independent chair of the Improvement Board.	
Agree the changes that will be made to the operation of the Safeguarding Children's Partnership in response to the findings from the independent review (Safeguarding Children's Partnership Executive to ensure achieved by the completion date)	
Complete an audit of children at risk of exploitation to evaluate the impact of changes on quality of practice (Safeguarding Children's Partnership Executive to ensure achieved by the completion date)	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> We have a comprehensive partnership improvement plan in place to address the recommendations from the JTAI inspection 	

- An independent scrutineer has provided scrutiny to the partnership. The scrutineer has completed an in-depth review to inform how the partnership is structured and manages its business in the future, including how it evaluates impact
- Meetings of the Executive Group of the Safeguarding Children's Partnership have been increased to bi-monthly from quarterly to support increased pace of change
- An Executive Board is in place which consists of the Chief Executive of the council, Chief Constable and Chief Nurse, which scrutinises partnership progress against the improvement plan
- An Improvement Board is in place with an independent chair – our DfE Improvement Advisor, for additional scrutiny and challenge of the improvement plan.
- A strategic improvement group is in place which is focused on delivery of the improvement plan
- All exploitation screening tools received by the front door are now reviewed within 24 hours and managed as a contact. This involves partnership information gathering, analysis by an experienced social worker and management approval of the most appropriate course of action. A decision will be made on the same day either to progress to a referral to children's social care and allocated to a social worker or into early help and prevention and allocated to an early help practitioner. Statutory intervention commences immediately including a visit to the child and the initiation of a child and family assessment, and specific risk mitigation now begins without delay
- The weekly contextual safeguarding screening meeting now retrospectively reviews the immediate safety planning for all children at risk of exploitation who have been referred into either children's social care or early help in the previous 7 days
- A significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation Conference with national key note speaker, and training sessions delivered over a partnership learning week in January 2023
- We have launched an Exploitation Strategy, practice guidance, and training for frontline practitioners. This all ensures there is a clear partnership approach to supporting children and young people at risk of exploitation
- There is a shared understanding of the children and young people who are at risk of exploitation across the partnership
- Performance is monitored on a monthly basis by services. The children's services quarterly scorecard is reviewed at the Children and Families Committee and the Safeguarding Review Meeting attended by the chief executive and lead member for children and families. The Safeguarding Review Meeting includes discussion of workforce pressures and risks. Social work caseloads have continued to reduce from an average of 27 in September 2022 to an average of 21 in February 2023
- Audits of practice are completed quarterly to evaluate the quality of practice and the effectiveness of service improvements

Lead Service Committee: Children and Families Committee

OPEN

Audit and Governance Committee

27 July 2023

Draft Annual Governance Statement 2022/23

Report of: Lorraine O'Donnell, Chief Executive

Report Reference No: AG/10/23-24

Ward(s) Affected: All

Purpose of Report

- 1 The purpose of this report is for the Committee to receive the draft Annual Governance Statement (AGS) for 2022/23.

Executive Summary

- 2 Each year, Cheshire East Council produces an AGS that explains how it makes decisions, manages its resources, and promotes values and high standards of conduct and behaviour.
- 3 The review is carried out against the Council's Code of Corporate Governance. The draft Statement, at Appendix A, reflects activity over the 2022/23 financial year, and includes activity up to the date of providing the report to Committee. The draft will be further updated to cover the activity up to the date of approval of the Council's Statement of Accounts.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Receive and review the draft Annual Governance Statement 2022/23, noting that the final proposed Annual Governance Statement will be provided to a future meeting of the Committee for approval.

2. Approves the proposed changes to the significant issues as detailed in Sections 7 and 8 of the draft Statement.

Background

- 4 There is a strong correlation between effective governance and effective service delivery. Whilst the Statement, by its nature is only signed off once a year, the process of review is continuous, to give assurance on the effectiveness of the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority.
- 5 In preparing the draft AGS, reliance has been placed on existing reports, which have been referenced throughout the Statement.
- 6 Sources of assurance for the Committee in considering the draft AGS include the progress updates on items included in the AGS, the annual Internal Audit Opinion 2022/23, the Annual Monitoring Officer's reports and interim update reports from Internal Audit and Risk Management.
- 7 Whilst assurance of this kind always forms a significant part of the AGS production, it is also supplemented by the outcome of separate assurance exercises such as the management assurance statements. This is currently ongoing and will be completed prior to the final AGS sign off. The Statement will be updated as necessary for any issues arising.
- 8 Due to national issues in relation to the valuation of infrastructure assets, there has been a delay in the External Auditors completing their work on the 2021/22 financial statements and as such, the Final 2021/22 AGS has not yet been formally signed off.
- 9 In March 2023, Audit and Governance Committee agreed the Final 2021/22 AGS and delegated authority to the Chief Executive and Leader of the Council to sign off the AGS upon completion of the External Audit work and sign off of the 2021/22 Statement of Accounts.
- 10 In accordance with the requirement for the Statement to be current at the time of approval, the 2021/22 Statement reflects matters up until the point in which it was approved. As such, there is an element of duplication in the 2022/23 Statement.
- 11 Updates on items recognised in previous Statements are included in Section 7 which will be further updated before the final Statement is presented for approval. It is proposed that the following item included in the 2021/22 Statement is removed as the actions have been concluded:

(a) Public Interest Report

- 12 The assessment of the effectiveness of our governance arrangements for 2022/23 has identified one arising issue in relation to Corporate Leadership Team Capacity, which can be found in Section 8.
- 13 A workshop for Members regarding the AGS and the Statement of Accounts will be offered prior to the final AGS being considered by the Committee.
- 14 Once approved, the AGS will be signed by the Leader of the Council and the Chief Executive and then published on the Council's website along with the Statement of Accounts.

Consultation and Engagement

- 15 The draft AGS has been considered by the Corporate Leadership Team and senior managers to ensure all issues impacting the Council have been considered.

Reasons for Recommendations

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

Other Options Considered

- 17 No other options are available.

Implications and Comments

Monitoring Officer/Legal

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

Section 151 Officer/Finance

- 20 There are no direct financial implications for the Medium Term Financial Strategy arising from the content of the Annual Governance Statement. The production of the AGS aligns with the production of the Annual

Accounts. The final AGS will be published alongside the Audited Accounts.

Policy

21 There are no direct Policy implications.

Equality, Diversity and Inclusion

22 There are no direct implications for Equality, Diversity and Inclusion.

Human Resources

23 There are no direct Human Resources implications.

Risk Management

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

Rural Communities

25 There are no direct Rural Communities implications.

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

26 There are no Children and Young People, including Cared for Children, Care Leavers and Children with Special Educational Needs and Disabilities (SEND) direct implications.

Public Health

27 *There are no Public Health direct implications.*

Climate Change

28 There are no Climate Change direct implications.

Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit & Risk Josie.griffiths@cheshireeast.gov.uk

Appendices:	Appendix A: Draft Annual Governance Statement 2022/23
Background Papers:	N/A

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Annual Governance Statement 2022/23

DRAFT

Working for a **brighter future**  together



1. Executive Summary and Approval

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

The Council's framework of risk management, control and governance is assessed as adequate for 2022/23

- 1.4. We, as Chief Executive and Leader of the Council, have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and that the arrangements, to the best of our knowledge, continue to be regarded as fit for purpose in accordance with the governance framework.
- 1.5. The Annual Governance Statement is required to reflect the arrangements in place for 2022/23 and up to the time of its approval.
- 1.6. Due to a delay in the external auditors completing their work on the 2021/22 financial statements, the 2021/22 AGS has not yet been approved. In accordance with the requirement for the statement to be current at the time of approval it reflected matters up to and including June 2023. As such, there is an element of duplication in the current statement.
- 1.7. To date, our assessment of the effectiveness of our governance arrangements for 2022/23 has identified one arising significant issue relating to Corporate Leadership Team Capacity which can be found in Section 8.
- 1.8. It is proposed that the following item included in the 2021/22 Statement be removed as the actions have been completed:
 - Response to the Public Interest Report
- 1.9. The five remaining items from the 2021/22 Statement; Council Funding, Health and Social Care Integration, Planning, ASDV Governance and Cheshire East Children's

Safeguarding Partnership are included again as continuing areas of concern for 2022/23.

- 1.10. We propose over the coming year to take all appropriate action to address the matters outlined in this Statement and any other issues to further enhance our overall governance and stewardship arrangements. We are satisfied that our plans will address the improvement areas identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.

Lorraine O'Donnell Chief Executive	Cllr Sam Corcoran Leader

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

2. Introduction

2.1. The Accounts and Audit Regulations 2015 require that:

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

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

3. Scope of Responsibility

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

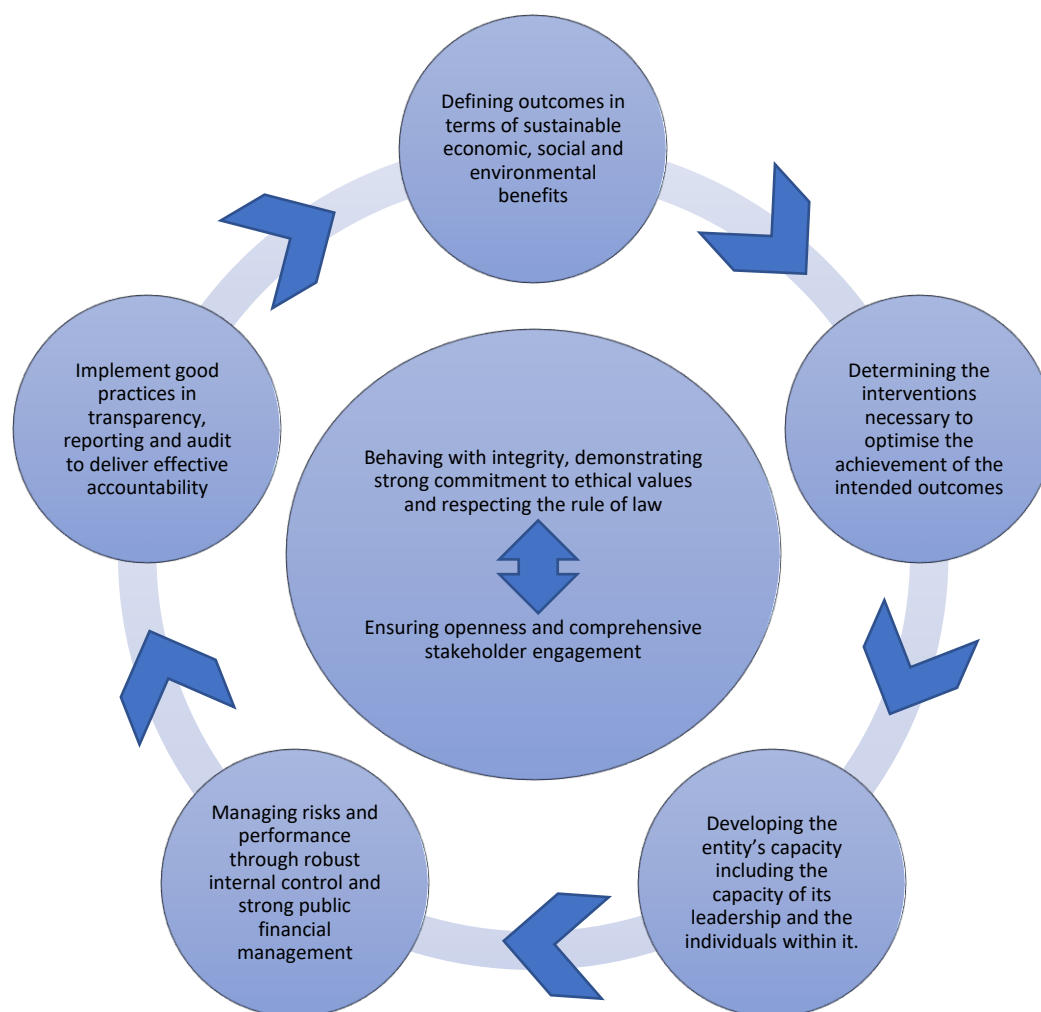
3.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

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

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

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

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



- 3.4. The annual review of effectiveness has been carried out against the Code of Corporate Governance. The draft Annual Governance Statement will be published in July 2023 and will be updated as necessary to ensure this Statement remains current for when the Audit and Governance Committee considers it as final in September 2023.
- 3.5. Once approved by the Audit and Governance Committee it will be signed by the Leader and the Chief Executive. It will then be published as Final alongside the Statement of Accounts.

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

4. The Purpose of the Governance Framework

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

5. The Governance Framework

- 5.1. The Council's Code of Corporate Governance includes examples of how the Council demonstrates the principles in practice and operation. Therefore, to minimise duplication, it is only supplementary examples and features of the Council's governance framework, specific to 2022/23 which are set out below.
- 5.2. The Governance Framework described below and shown in Appendix 2 has been in place since 4 May 2021, when the committee system model of governance took effect.. A diagram explaining the committee system can be found at Appendix 3.

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

- 5.3. Cheshire East Council's vision and priorities are outlined in the Council's Corporate Plan 2021-2025. The Corporate Plan 2021-2025 was approved by full Council on 17 February 2021 and sets out the priorities of the administration, within the context of the needs of the borough, the views of residents and the resources available.
- 5.4. The Medium-Term Financial Strategy (MTFS) 2022-2026 was agreed at the 24 February 2022 meeting of Council. The report sets out the Council's plan and required funding to ensure Cheshire East remains one of the best places to live in the North West.
- 5.5. The Corporate Plan 2021-25 is reviewed by the Corporate Policy Committee. Quarter 3's performance for 2022/23 was considered at the meeting on 23 March 2023 as part of the Council's performance management accountability framework.
- 5.6. The 2021/22 provisional financial outturn was reported to the Finance Sub Committee on 6 July 2022. The draft pre-audited Statement of Accounts 2022/23 and outturn update 2022/23 were reported to the Finance Sub Committee on 7 June 2023.
- 5.7. The Council delivered and progressed several infrastructure improvements and developments across the Cheshire East area. These major schemes are critical elements in delivering the ambitions of the Council. This includes the Poynton Relief Road which was completed in Spring 2023.
- 5.8. As recognised in previous Statements, the sustained and increasing financial pressures on health and social care services continue to present challenges to the Council. These are recognised as high scoring risks in the Council's Corporate Risk Register. An update on the actions undertaken during 2022/23 is provided later in this Statement.

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

- 5.9. The Council's Constitution sets out the rules for conducting business undertaken by the Council, including executive arrangements, committee structures, finance and contract procedure rules and schemes of delegation.
- 5.10. At the meeting of Council in May 2019, a Notice of Motion committing the Council to a change in its decision-making governance arrangements was referred to Constitution Committee.
- 5.11. In November 2019, the Constitution Committee determined not to make a recommendation to Council at that stage, requesting further work to be undertaken. The Constitution Committee received an update in October 2020.

- 5.12. In November 2020, Council agreed that the new governance arrangements would take effect from the Annual Council meeting on 12 May 2021 and at the meeting held 19 April 2021 a report on the Constitutional Update to implement the Committee System was considered and it was agreed to adopt the Constitution from the next Annual General Meeting. In April 2021, the Corporate Overview and Scrutiny Committee considered a report on the financial implications on the incoming committee system. On 4 November 2021, the Corporate Policy Committee received a report on the Interim Review of the Committee System. This report was also presented to Council at their 15 December 2021 meeting. Furthermore, on 14 April 2022, the Corporate Policy Committee received a report on the first Annual Review of the Committee System. This report was subsequently presented to Council at the 27 April 2022 meeting. On the 15 June 2023, the Corporate Policy Committee received the second Annual Review of the Committee System.
- 5.13. The Council undertook extensive pre-budget consultation, setting out change proposals for consideration over the period 2022/23 to 2025/26. Stakeholders were invited to comment on the Council's pre-budget report using an online survey launched in November 2021 and a summary of the responses formed part of the consideration of the MTFS 2022/26 by Council at the meeting held 24 February 2022.
- 5.14. The MTFS clearly identifies how resources will be matched against the delivery of priorities established in the Council's Corporate Plan. In October 2021, Council approved a report on aligning the MTFS to the Committee Structure.
- 5.15. The Strategy also provides information on delivering financial stability, the budget setting process, and the Council's Capital, Investment and Reserves Strategies.

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

- 5.16. The Chief Executive, Executive Directors and Statutory Officers met regularly during 2022/23 as the Corporate Leadership Team (CLT), receiving assurance reports and updates from across the Council. CLT is supported by service/departmental management team meetings, and several cross functional officer, and officer/member groups. The reporting lines between these and relevant Committees are shown in the Governance Framework diagram in Appendix 2.
- 5.17. The Council's Constitution defines the standards of conduct and personal behaviour expected of, and between, members, staff, and the community, defined and communicated through Codes of Conduct and protocols. The Constitution includes a Member/Officer Relations Protocol, which was established to encourage effective communication between members and officers. Audit and Governance Committee considered the development of a working group to review

and update the Member Code of Conduct in September 2021. The Committee received a verbal update at the meeting held 30 September where it was confirmed that the working group had met and held two sessions with Town and Parish Councils and agreed to extend the time for feedback until November. The draft Member Code of Conduct was received by Audit & Governance Committee on 28 July 2022. The Code of Conduct was put to and adopted by full Council on 19 October 2022.

- 5.18. In addition to an ongoing programme of member briefings, key training events for 2022/23 included supporting better decision making, which was well attended and briefings on the service budgets under the remit of each service committee. However, the focus for the year was on preparing an induction programme for members elected at the local elections in May 2023.
- 5.19. A comprehensive programme of induction events has been running from May 2023, which will continue throughout the remainder of 2023/24. In addition to a welcome event hosted by the Chief Executive, sessions on the Code of Conduct, working effectively as a Cheshire East Councillor and committee procedures have already taken place. This will help to support better decision making, and the service budget briefings referred to in paragraph 5.19 will also form part of the programme.
- 5.20. To promote the importance of members' foundations skills i.e., Safeguarding Children and Adults, Equality, Diversity and Inclusion and General Data Protection Regulations (GDPR), a mandatory online induction programme has been created for all Members.
- 5.21. The statutory roles of the Head of Paid Service, Monitoring Officer and Chief Finance Officer are described in the Constitution, as are their responsibilities for providing robust assurance on governance, ensuring lawful expenditure in line with approved budgets and procurement processes.
- 5.22. Interim arrangements are in place to cover the Executive Director - Corporate Services and the Executive Director - Place.
- 5.23. The Council publishes a Pay Policy Statement by 31 March on an annual basis. This provides transparency about the Council's approach to setting the pay of its employees and is in accordance with Section 38 of the Localism Act 2011. The 2022/23 Pay Policy Statement was recommended to Council from the Corporate Policy Committee. The Policy was approved on 24 February 2022 where it was also agreed that it would be reviewed in-year and any further changes be approved by the Monitoring Officer and published accordingly. The 2023/24 Pay Policy Statement was put to the Corporate Policy Committee on 9 February 2023 and approved by Council on 22 February 2023.

- 5.24. The Workforce Strategy 2021-25 sets out how the Council will develop the capacity and capability of its workforce to support the priorities identified within the Corporate Plan and deliver the MTFS. The Corporate Policy Committee received update reports on progress against the Strategy on 9 June 2022 and 1 December 2022.
- 5.25. All staff are required to undertake mandatory training on protecting and managing information, dignity at work and equality in the workplace. Completion and compliance is monitored and reported to Heads of Service and Directors. Managers are also supported with training on the Council's Dignity at Work and Grievance procedures.

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

- 5.26. An updated Risk Management Framework was taken to the Audit and Governance Committee on 12 March 2020 and approved by Cabinet in June 2020. The Council's approach to risk management was reviewed and refreshed during 2020/21. The Audit & Governance Committee received the 2021/22 Annual Risk Management Report on 26 May 2022. This Committee also received regular updates during 2022/23 and the 2022/23 Annual Risk Management Report will be received at the 27 July 2023 meeting. The current Risk Management Framework 2020-2022 is being updated to reflect the needs of risk management and risk reporting in the context of the committee system.
- 5.27. During 2022/23, the Corporate Policy Committee received quarterly updates on the Council's Strategic Risk Register, alongside reports on the financial position of the organisation, and the performance management. The co-ordinated delivery of these updates supports a cohesive commentary to the Committee. The risk update reports also includes the identification of emerging risks and horizon scanning across global and local risk updates to provide useful context and background to the Council's register.
- 5.28. Operational risk registers are included in the directorate and service business plans. These are reviewed by the team plan owners, and risks are considered for escalation to the Strategic Risk Register as necessary.
- 5.29. Reports to all decision-making committees are produced in line with a reporting protocol which involves clearance of reports through the relevant directorate management team, legal and financial review and the identification and mitigation of risks associated with the report content.
- 5.30. Since the move to the committee system on 4 May 2021, the Overview and Scrutiny Committees were decommissioned. Scrutiny powers under Section 21 of the Local Government Act 2000 are now fulfilled through the Children and

Families, Adults and Health, Environment and Communities and Corporate Policy Committee

- 5.31. Each of the service committees scrutinised quarterly performance scorecards and budget proposals for the 2022/23 period relevant to their area of focus.
- 5.32. The Information Governance Group (IGG) met regularly throughout 2022/23, managing a programme of proactive improvement and ongoing compliance with the requirements of the Data Protection Act 2018. The Group also managed responses to reported data related incidents, providing updates to the SIRO (Senior Information Risk Owner), and the Corporate Leadership Team.
- 5.33. The Brighter Futures Commercial Board continued to meet during 2021 and up until April 2022 when it was agreed that the Board had achieved its objectives.
- 5.34. The Contract Management System is being rolled out to services on a phased basis and went live in September 2021 for Procurement, ICT and the People's Directorate. There are currently 130 live users in the system who have received training. This will continue during 2023 along with a dashboard being created and reported to DMT's. Procurement reports are regularly provided to the Finance Sub-Committee which include pipeline, contracts, waivers and relevant procurement updates.
- 5.35. Commissioning, procurement, and contract management training is currently being refreshed to include the basic contract management, roles and responsibilities of contract managers and contract management system training. New processes and procedure are live on the CEntranet and new eLearning packages are available in the learning lounge.
- 5.36. The Audit and Governance Committee plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management, control and governance arrangements and it monitors the implementation of the AGS action plan.
- 5.37. During 2022/23, the Audit and Governance Committee received or approved a broad range of reports and assurances, including:
 - Approval of the Internal Audit Plan and subsequent progress reports, the Committee's Annual Report and the External Audit Plan and progress reports
 - The Annual Risk Management Report and updates on Risk Management
 - Regular updates and the Annual Report of the Council's COVID-19 Response and Recovery
 - Maladministration Decision Notices from Local Government and Social Care Ombudsman which are reported to the Committee, alongside the details of

the learning from the issue and actions undertaken by each service in response

- Assurance around procurement controls including overseeing governance arrangements and reviewing all approved Waivers and Records of Non-Adherences. The WARN process forms part of the Contract Procedure Rules (CPR's) which are intended to promote good Procurement and Commissioning practice, transparency, and clear public accountability. Since June 2016 onwards, summary information on the number and reasons for WARN's has been provided to the Committee as a standard part one agenda item, with the details being considered in part two of the meeting
- Member Code of Conduct Sub-Committee Report summarising the recent Member Code of Conduct complaints and associated investigations involving elected members of a Parish Council
- A summary of the key findings identified during the External Auditors certification process – Certification of Claims and Returns 2020/21
- Information Governance Reports
- The Monitoring Officer Report 2021/22

5.38. At the September 2022 meeting of the Committee, concerns were raised in relation to the governance of an Urgent Item that had been considered by the Children and Families Committee on 23 September 2022 in respect of an All-Age Carers Hub. The Committee agreed to add an item to the Action Log for the Director of Governance and Compliance to feedback a detailed briefing note to the Committee to provide assurance that the issues had been addressed.

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

5.40. The Audit & Governance Committee Annual Report for 2021/22 was presented to the 29 September 2022 meeting.

5.41. The final 2021/22 Annual Governance Statement was put to the Committee on 9 March 2023 where it was agreed to delegate authority to the Chief Executive and Leader of the Council to sign off the AGS following the conclusion of the External Auditor's work.

- 5.42. At the 8 June 2023 meeting of the Committee, the External Auditors reported that their work was still ongoing and unlikely to be completed until August 2023. As such, the 2021/22 Annual Governance Statement remains open and subject to update until the work is complete.

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

- 5.43. The Council's internal and external auditors are key sources of assurance. The Internal Audit opinion on the Council's control environment is set out in the Internal Audit Annual Report for 2022/23 which was received by the Audit and Governance Committee on 27 July 2023 and is as follows:

Internal Audit Opinion

The Council's framework of risk management, control and governance is assessed as adequate for 2022/23

- 5.44. In forming its opinion, Internal Audit considered issues arising from the several areas of audit activity during the year. A developing theme across audit findings has been one of resource pressures impacting upon the ability of services to properly apply established controls within areas of operation. This issue is highlighted in areas of the Strategic Risk Register and has been included as an emerging issue in this Statement.
- 5.45. It is also important to reference the Report in the Public Interest that was issued to the Council by the former External Auditors in January 2023. The actions arising from the Report have now been completed and the External Auditor has released the outstanding audit certificates for 2015/16, 2016/17 and 2017/18.
- 5.46. Despite the challenges highlighted above, Internal Audit are satisfied that there has been appropriate engagement for Internal Audit across the organisation, through assurance work, consultancy and advice, and the understanding of the assurance taken from other sources to assess the framework of risk management, control and governance as Adequate for 2022/23.
- 5.47. As referenced elsewhere within the statement, there was an ongoing national issue in relation to the valuation of infrastructure assets that prevented the external auditors from completing their 2020/21 and 2021/22 audits. This resulted in a pause in the sign off on the audit report and opinion. Assurance was provided by the external auditors to the Audit & Governance Committee that this was a national matter and that the risk to Cheshire East Council was minimal and not expected to have a material impact upon service delivery. The solution to the issue was issued to the Council on 25 December 2022 and the external auditors are reviewing the Council's response prior to completing their audit.

- 5.48. Following completion of all police investigations into the Council and consideration by the Crown Prosecution Service, the former external auditors, Grant Thornton, completed their work in relation to the outstanding audit certificates under the Local Audit and Accountability Act 2014. This work commenced during 2021/22 and was supported by Internal Audit and the Council as a whole.
- 5.49. Having concluded their work, Grant Thornton published a report in the public interest on 17 January 2023 which was considered by Council on 1 February 2023. The external auditor's report made three recommendations to Council which were all accepted. These are set out below.

***R1** The Council should carefully consider this report to ensure all members now understand the events and conditions that led to the issues set out in this report. This consideration could usefully reflect upon: what happened; the governance and cultural arrangements that allowed it to happen; the critical success factors that led to the successful resolution of matters; and the key elements of the Council's current arrangements that can reassure members of the Council's ability to protect itself from such threats to its future governance.*

***R2** The Council should, as planned, return to the other specific matters investigated by Internal Audit (see paragraphs 4.2 and 5.6), following the Core Fit issue, and determine if there are further actions to be taken particularly in light of this report.*

***R3** The Council should discuss with its current external auditors whether there are any matters arising from this report that should be addressed by the current auditors' statutory external audit.*

- 5.50. Council considered the report on 1 February 2023 and agreed that Audit and Governance Committee would receive a further Internal Audit report to conclude the recommendation at R2.

The Council should, as planned, return to the other specific matters investigated by Internal Audit (see paragraphs 4.2 and 5.6 of the public interest report), following the Core Fit issue, and determine if there are further actions to be taken particularly in light of this report.

- 5.51. The report in the Public Interest was also discussed at the Audit & Governance Committee on 9 March 2023. During which, recommendation 3 was addressed with the current External Auditors who agreed to consider the work undertaken by Grant Thornton and would collectively seek to close this area of audit work.
- 5.52. The production of this report required further assurance work to be undertaken by Internal Audit in relation to land transactions (acquisitions and disposals). This followed the initial work carried out in the 2017/18 plan, which resulted in referrals to Cheshire Police being made in March 2018 and the qualification of the 2017/18 Value for Money opinion. The final assurance report was put to the Audit and

Governance Committee on 8 June 2023 and provided a satisfactory assurance opinion.

- 5.53. The Public Interest Report and the action required by the Council in respect of the three recommendations was included as a Significant Governance Issue in the 2021/22 Statement. As all three recommendations have now been completed, it is proposed that is now removed as a significant issue.
- 5.54. Counter Fraud activity is reported to the Audit and Governance Committee through the Internal Audit progress reports. The latest update was provided to the March 2023 meeting.
- 5.55. The Council has a number of wholly owned companies. Several changes were made following an independent review of these Alternative Service Delivery Vehicles (ASDVs).
- 5.56. The following ASDVs were in operation during 2022/23:
- Orbitas Bereavement Services Limited
 - ANSA
 - Transport Service Solutions Limited (TSS Ltd)
 - Tatton Park Enterprises Limited
- 5.57. In February 2021, Cabinet approved that the contract between the Council and Orbitas Bereavement Services be modified by extending it by a period of one year, to March 2022.
- 5.58. In May 2022, the Finance Sub-Committee approved the recommendation of the Shareholder Working Group for “the inclusion of the Bereavement Services Contract on the Procurement Pipeline Report for a period of 5 years, with an extension for a further 3 years, at a value determined by the Commissioner for Bereavement Services in line with the current MTFS”. The Council entered into a new contract for the provision of bereavement services with Orbitas Bereavement Services on 31 March 2022 for a period of 5 years with the option to extend for a further 3 years.
- 5.59. In May 2021, Cabinet approved the recommendations that the strategic, planning, commissioning, and procurement functions of TSS Ltd were to be transferred and delivered directly by the Council, with the operational delivery functions of the company to be delivered by ANSA. The new arrangements came into force on 1 April 2022.
- 5.60. Following the move to the Committee System in May 2021, the responsibilities of the ASDV Shareholder Committee were transferred to the Finance Sub-Committee. In September 2021, a Shareholder Working Group was appointed to

review and provide advice on the strategic business cases and current governance arrangements for each wholly owned company (WOC). The Sub-Committee received and considered the report of the Working Group at the 5 January 2022 meeting. The Sub-Committee also considered the Wholly Owned Companies Matters report at the meeting held on 1 June 2022 and received a verbal update on 6 July 2022. At the 7 September 2022 meeting, the Sub-Committee considered the Commencement ASDV Governance Review report.

- 5.61. Everybody Health and Leisure (Everybody) is an independent charitable trust which delivers recreation and leisure facilities. The Council retains ownership of significant assets such as buildings. Everybody deliver services for the Council as set out in the operating contract, which is monitored through client commissioning arrangements, including contract management meetings and monitoring visits. The current operating agreement between the Council and Everybody runs to 30 April 2029. Prior to 1 May 2022, Everybody was known as Everybody Sports and Recreation (ESAR).
- 5.62. Everybody's annual performance report for 2022/23 was reported to the commissioning manager and shared with members of the Environment and Communities Committee in January 2023.
- 5.63. The Shared Services Joint Committee oversees the management of the services provided on behalf of Cheshire East and Cheshire West and Chester Councils, to ensure effective delivery of services and strategic direction. Regular reports on performance and progress have been received during the year by the Committee on all 8 shared services including ICT Services, the Transactional Service Centre. They have also overseen the review of the shared services.
- 5.64. The Shared Services Joint Committee has also received regular progress reports on the shared programme with Cheshire West and Chester Council to replace the existing Finance and HR Systems throughout 2022/23. The Finance element of the Unit4 ERP solution was successfully launched to users on 8 February 2021, the HR and Payroll element of Unit 4 ERP launched in November 2021 with the December 2021 payroll being successfully run in the new system.
- 5.65. The progress reports to the Shared Services Joint Committee included the following:
 - Update on developments following go live of the HR and payroll elements
 - Update on a post go-live transition plan and technical close of the programme
 - Proposals for a Member-led Lessons Learned review of the programme
- 5.66. In June 2022, the Shared Services Joint Committee received a further update on the implementation of the Unit 4 ERP System. This report provided an update on each of the three elements detailed above, including that the terms of reference

for the lessons learned review were expected to be agreed by August 2022 and an externally facilitated task group was being established to undertake the review. The Best4Business Future Lessons – Outcome Report was presented to the Shared Services Joint Committee on 23 September 2022.

- 5.67. In preparing the AGS we have examined reports, feedback and action plans from other agencies and inspectorates, which review the services provided by the Council.
- 5.68. The Accounts and Audit Regulations (2015) legislation prescribes the format and timescale of the production of the Annual Governance Statement and the Statement of Accounts for local authorities.
- 5.69. In recognition of the ongoing impact of Covid-19, the Accounts and Audit (Amendment) Regulations 2021 amended the timescales of the publication of the draft statement from the 31 August to not later than the 30 September 2022, the publication of the final statements remains the 30 November. 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 these extended deadlines.
- 5.70. However, due to a national issue regarding accounting for infrastructure assets, it was not possible for the External Auditors to complete and conclude the audit to allow for publication of the final statements by the 30 November 2022. The solution to the issue was issued to the Council on 25 December 2022 and the external auditors are reviewing the Council's response prior to completing their audit.
- 5.71. The Audit and Governance Committee therefore considered the draft statement at the 29 September 2022 meeting. The Committee reviewed the final statement at the meeting held on 9 March 2023 where it was agreed that delegated authority would be granted to the Chief Executive and Leader of Council to sign the Statement following the conclusion of the work of the External Auditors.

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

- 5.72. The Audit and Governance Committee promotes high standards of ethical behaviour by developing, maintaining, and monitoring a Code of Conduct for Members of the Council. Complaints are considered by the Monitoring Officer and an Independent Person. Complaints can be received about Cheshire East Councillors, co-opted members and Town and Parish Councillors.
- 5.73. The promotion of high standards of conduct, and of strong ethical governance among elected members, co-opted Members, and Town and Parish Council Members within the Borough, is critical to the corporate governance of the authority and to the Council's decision-making process across the organisation.

- 5.74. In September 2021, the Audit and Governance Committee received the Annual Report of the Monitoring Officer 2020/21, which provided background and an overview on the Monitoring Officer's statutory duties. The report also advised on the number of complaints received under the Code against each category, the paragraph(s) of the Code alleged to have been breached, and the outcome of each complaint, once completed. The Committee also received the 2021/22 Monitoring Officer Report in September 2022.
- 5.75. The Audit and Governance Committee agreed that a review of the Member Code of Conduct would be added to the Committee's Work Plan for 2020/21 and that it should be linked to the Local Government Association publication of a revised Model Code of Conduct which was published for consultation in July 2020. The Local Government Association published its Model Councillor Code of Conduct in May 2021, and the supporting guidance was published in July 2021. A Councillor Code of Conduct Working Group was established to consider the Model Code and propose a revised Code of Conduct for Cheshire East Council. The review remained on the Committee's work plan for 2021/22, and the draft Code was received by the Committee on 28 July 2022, which was subsequently recommended to and adopted to Council on 19 October 2022.
- 5.76. At the meeting of the Audit & Governance Committee held on 10 March 2022, the Committee received a report summarising recent Member Code of Conduct complaints and associated investigations involving elected members of Handforth Parish Council. Consequential amendments to the Code of Conduct resulting from this report were considered by the Councillor Code of Conduct Working Group.
- 5.77. Section 151 responsibilities for 2022/23 were covered by the Director of Finance and Customer Services. These arrangements complied with the arrangements set out in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 5.78. The Monitoring Officer responsibilities were covered by the Director of Governance and Compliance Services.
- 5.79. Prior to the adoption of the committee system in May 2021, the Staffing Committee received updates on the Brighter Future Together (Culture) Programme. This is the transformation programme established to deliver changes in the organisational culture of the Council following the review undertaken by the Local Government Association (LGA). The LGA's report was received in January 2018 and is available on the Council's website. Following the move to the committee system the Corporate Policy Committee assumed the responsibilities of the Staffing Committee and received an update on the Organisational Culture Change Programme in July 2021. The Committee also approved the Workforce Strategy

in November 2021 and received updates on progress in June and December 2022.

Ensuring openness and comprehensive stakeholder engagement

- 5.80. The Council's open data portal 'Insight Cheshire East' holds the majority of our transparency information and open data together in one place. The site is designed to make inspecting, accessing, and downloading our data easier for everyone, including developers, who may wish to use our data in their own applications or websites. Work is continuing to expand the content on the site, with emphasis on areas that residents most frequently request information about.
- 5.81. As required by the Transparency Code 2015, the Council published the current number of Council employees with basic salaries of £50,000 or over on the Open Data Cheshire East Portal.
- 5.82. Committee meetings continued to be audio cast throughout 2022/23. Recordings can be found on the relevant Committee pages. Meetings are held in public, and agendas, reports, and minutes are published via the Council's website.
- 5.83. The Council publishes delegated officer decisions on its website, demonstrating how the provisions of the Constitution have been exercised.
- 5.84. Engaging with our communities is essential to ensure that we are a resident led Council. Consultation exercises are carried out as appropriate, including statutory consultation processes for areas such as Planning and Licensing. Information is available on the Council's website in relation to current consultations and the feedback received on previous consultations and the subsequent decisions are also available.
- 5.85. Council employees receive a weekly internal newsletter (Team Voice) in addition to service specific communication and briefings. In response to the lockdown restrictions relating to the COVID-19 pandemic, steps were taken to ensure that staff and managers were supported during what was a time of significant change in working arrangements.
- 5.86. Weekly Manager Share and Support sessions were provided throughout 2021/22 and have continued through 2022/23. These sessions cover a wide variety of topics and provide an opportunity for managers to interact, raise any issues and concerns that they may have, and receive briefings and training on new developments such as the effective use of Teams.
- 5.87. In addition to the sessions detailed above, weekly TLC – Time to Listen and Chat sessions have also been provided. The purpose of these sessions is to keep people connected and support wellbeing in work. These 30 minute calls offer an opportunity to take a break from the pressures of work to meet with colleagues from across the organisation for an informal chat.

- 5.88. Wider Leadership Team and Wider Leadership Community sessions were held during the year which facilitated briefing, networking, and development opportunities across the senior officer leadership cohort. Key messages from these sessions are cascaded through department and team management sessions.
- 5.89. Since 2020, the Chief Executive has provided regular video updates to staff via a Vlog. The videos and transcripts are available on the CEntranet. Furthermore, during 2022/23 “Coffee with Lorraine” sessions with the Chief Executive were introduced. These monthly sessions are open to all staff to hear the latest updates from the Council and be able speak openly with the Chief Executive and ask questions.
- 5.90. Members of staff are encouraged to participate in the “Making a Difference” recognition scheme, nominating colleagues for an instant recognition “Made my Day” message, or for nomination in the annual awards which was held in January 2023 after the disruption of the last couple of years. The recognition panel itself includes volunteers from across the organisation.
- 5.91. The Council’s Corporate Leadership Team has continued to meet virtually with staff groups from across the organisation and offer an opportunity for staff to raise any questions or issues they have directly with their Senior Managers.
- 5.92. Council services use various forms of social media, to engage and inform communities and stakeholders. The main Council website has a Media Hub page, where a variety of information about the Council is published. The Communications team also provide related media releases, where appropriate. Statutory public notices are also shared online.

6. Review of Effectiveness

- 6.1. The Council undertakes an annual review of its governance arrangements. This process is informed by a range of sources. The various sources of assurance which inform the annual review are described below and referenced in the Governance Framework in Appendix 2.
- 6.2. Examples of the sources of assurance considered in preparing the Annual Governance Statement include:
- **Line Management** - Assurance on individual line managers’ areas of responsibility are provided by Disclosure Statements and informed by the acceptance and implementation of recommendations from internal and external audit.
 - **Management Review** - Assurance on the effective management of core function activities is provided by reviewing compliance with policies, including how this information is used to drive improvement, and how

relevant risk management information is escalated up or cascaded down through the Council.

- **Internal Review** - The performance of Internal Audit and the Audit and Governance Committee, along with their assessments of the performance of individual service areas, and cross function service areas informs the preparation of the Statement.
- **External Review** - The findings and feedback from external inspectorates and peer reviews of the Council also provide assurance which is considered in preparing the Statement.
- **Reference and review of existing reports and assessments**

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

6.4. Examples might include:

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

6.5. Section 7 sets out the progress made against the issues identified in previous Annual Governance Statements, which have been monitored throughout 2022/23.

6.6. Progress on managing and monitoring the discrete actions identified to manage and resolve these issues has previously been reported upon to the Audit and Governance Committee, through previous Annual Governance Statements, and through regular update reports.

6.7. The following previously included issue has now been addressed and it is therefore proposed that it is removed:

- Report in the Public Interest

- 6.8. The following issues are included again as continuing areas of concern for 2022/23 in the updates in Section 7. This recognises the continuing significance of these specific areas, at national and local levels:
- Council Funding
 - Health and Social Care Integration
 - Planning
 - ASDV Governance
 - Cheshire East Safeguarding Children's Partnership
- 6.9. The Council's assessment of its governance arrangements has identified an additional significant issue arising during 2022/23 relating to Corporate Leadership Team capacity.
- 6.10. The review has considered the effectiveness of the Council's governance arrangements against the principles set out in the Code of Corporate Governance.
- 6.11. **Overall, we can confirm that the Council has appropriate systems and processes in place to ensure effective governance is maintained. Whilst we are satisfied that these generally work well, our Annual Governance review has identified areas where further improvements are underway (Section 7).**

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

Council Funding <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22</i>	
Description of issue at the time of inclusion in AGS	<p>The uncertainty of demand for services, particularly during the pandemic, makes forecasting the adequacy of funding requirements more challenging. This was exaggerated through uncertainty of the potential yield from many of the Council's largest funding sources. For example, Council Tax and Business Rate collections and taxbase calculations were impacted by the pandemic and by government intervention. DSG is impacted by academisation and shortfalls in High Needs funding. Grants are subject to ongoing review and therefore often presented as single year allocations.</p> <p>Without certainty the Council can sometimes be required to make short term decisions which could prove inefficient as well as disruptive.</p> <p>Council received and approved a balanced 4-year MTFS 2022 to 2026 in February 2022. This followed consideration at each service Committee and was recommended to Council by the Corporate Policy Committee. This includes the Budget and Council Tax levels for the 2022/23 financial year.</p> <p>Council further received a balanced 4-year MTFS 2023 to 2027 in February 2023. The consultation process to support this budget received more responses than any previous consultation which was an indication of the process and content of the proposals. Decisions were required to alter several services and introduce new charges to support material growth, particularly in Adult Social Care.</p> <p>The Local Government Finance Settlement published in 2021 was presented as a Three Year Settlement, but the local allocation of total funding was only certain for 2022/23. The MTFS aimed to minimise the medium term risk of reduced funding by assuming lower allocations in later years in line with statements from Ministers. Due to material growth and in-year over-spending the final settlement in 2022 introduced new grants, increased Council Tax referendum levels and delayed Adult Social Care reform. The impact of this caused delays to the MTFS process.</p> <p>Whilst funding from Council Tax and Business Rates has stabilised to a degree there is still uncertainty over any structural changes to these income sources. Material funding issues remain within the High Needs funding block in the DSG, and Cheshire East Council took part in the Delivering Better Value Scheme, although it is clear this will not resolve the material deficits in this area.</p> <p>The legacy impact of the pandemic and other global events continues to cause forecasting issues with the demand for services and the levels of inflation and interest rates.</p>

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Responsibility	Director of Finance & Customer Services
Action proposed at the time of inclusion in the AGS	<p>The Council's approach to the continuing financial challenges, linked to austerity, are being addressed through a range of activities and communication channels.</p> <p>Finance staff and senior leaders are engaging with government officials and professional bodies (such as CCN, CIPFA, LGA, SCT, RSN and UTS), in the review of local government finance. Responses have been provided to consultations and regular seminars and meetings have been attended to ensure that issues relevant to Cheshire East Council are being considered.</p> <p>Funding estimates are transparent and reported to the Finance Sub-Committee. Working Groups from the Sub-Committee have also reviewed estimates in detail. This includes estimates within all financial strategies that make up the over-arching Medium Term Financial Strategy.</p> <p>The Council's increasing level of collaboration and integration with public sector partners, such as health services and neighbouring local authorities, is also subject to significant review.</p>
Progress update for 2022/23 AGS	<p>Outturn for 2022/23 showed that expenditure exceeded income levels, by £6m, a level broadly anticipated in the Council's in-year reporting and reflected in the latest MTFS approved in February 2023. Whilst balancing the position did require utilisation of £5.2m from the MTFS Reserve, the required transfer from the General Fund Balance was £0.8m, being some £1.7m less than planned for.</p> <p>This is a helpful position, but the risks to financial management – from exceptional inflation and rising demand for services; and levels of funding from or enabled by Government – remain. It is worth noting that achieving that outturn position did require significant mitigating measures in-year, including some use of other 'one-off' reserves and actions.</p> <p>The budget for 2023/24 and MTFS 2023/24-2026/27 was approved by Council in February 2023, based on the final settlement. It is still considered that grant allocations and 'flexibilities' afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children's services.</p> <p>Consideration has been given to adding a new strategic risk, reflecting the funding challenges from 1st April 2023, and relating to:</p> <p>Failure to deliver the MTFS 2023/24-27 as agreed by Council in February 2023 – particularly, to manage spending within approved</p>

Cheshire East Council Annual Governance Statement 2022/23

	<p>budgets, and deliver the approved savings/ budget policy changes, as approved in the Budget for 2023/24.</p> <p>Failure to use financial resources available to achieve the approved outcomes.</p>
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Health and Social Care Integration <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22</i>	
Description of issue at the time of inclusion in AGS	<p>Since the 1 July 2022 integrated care systems have been formalised as statutory bodies following changes brought about by the 2022 Health and Care Act and has meant the abolishment of the Clinical Commissioning groups.</p> <p>Cheshire East Council sits within the Cheshire & Merseyside ICS footprint, which comprises of 9 Local Authority Areas.</p> <p>The central aim of ICS's is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and care.</p> <p>The key challenges and risks that this presents are as follows:</p> <ul style="list-style-type: none"> • That the ICS is not a partnership of equals across the broader health, wellbeing and social care system. • Risk that central control remains at central level and decision making and delegations are not devolved to place. • National versus local tensions. • Budget deficits.
Responsibility	<p>Executive Director of Adults, Health and Integration</p>
Action proposed at the time of inclusion in the AGS	<p>Ensuring representation at a Cheshire and Merseyside level</p> <p>All Integrated Care Systems (ICS) are made up of two constituent elements, the Integrated Care Partnership (ICP) and the Integrated Care Board (ICB). For Cheshire and Mersey Integrated Care System (C&MICS):</p> <ul style="list-style-type: none"> • The Leader of the Council represents Cheshire East Council on the Integrated Care Partnership, which in Cheshire and Mersey is called the Health and Care Partnership; • The C&M ICB constitution makes provision for two local authority chief executives to be members of the Board, one from Cheshire and Warrington and one from the Mersey City Region, to represent the views of local authorities. The role will rotate between local authorities on a 3 year cycle. There is also a Director of Public Health on the board. <p>Collaboration with the ICB local representative – Mark Wilkinson-place director.</p>

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	<p>In Cheshire East the Place Director has dotted line accountability to the Chief Executive and routinely attends the Corporate Leadership Team. In addition, joint management arrangements across the local ICB team and the Adults Health and Integration Department are progressing.</p> <p>The Place Director is a permanent and full member of the Cheshire East Health and Wellbeing Board.</p> <p>Ensuring local priorities are understood and communicated.</p> <p>Partners are currently refreshing the Cheshire East Health and Wellbeing Strategy to ensure that aims and ambitions are relevant post-pandemic, and joint outcomes, a joint implementation plan and a shared performance management framework are in development.</p> <p>A shared approach to communicating with residents has yet to be developed.</p>
Progress update for 2022/23 AGS	<p>The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners.</p> <p>The Cheshire East partnership is flourishing and a recent review of hospital discharge arrangements, carried out in Cheshire and Merseyside by the national discharge team, has commented on the strength of Cheshire East leadership and partnership arrangements.</p> <p>However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice.</p> <p>A number of specific interventions have been made, including a letter from the Leader setting out the Council's concerns.</p> <p>We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p>

ASDV Governance

Description of issue at the time of inclusion in AGS	<p>The governance of wholly owned companies across the local government sector has come under the spotlight following failures which have resulted in the publication of Public Interest Reports.</p> <p>Those reports highlighted that failings in the governance of those companies resulted in "institutional blindness" and a failure to recognise, understand, and so address commercial pressures and conflicts of interest. These governance failings resulted in high</p>
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	<p>profile financial losses and reputational damage to those Councils and in some cases external intervention.</p> <p>In the light of these high-profile company failures, CIPFA have recently published guidance aimed at mitigating the risk to local authorities of company ownership. Whilst framed as guidance, its status is such that it will affect reporting and external assessment of the Council. There is therefore merit in being pro-active and taking action in response to these highlighted risks.</p> <p>A comparison of the Council's current governance arrangements against the CIPFA guidance has highlighted risks in the current company structures, and with the levels of transparency and assurance. Improvement in the reporting and assurance can be achieved which will mitigate these risks and bring Cheshire East's arrangements in line with best practice.</p>
Responsibility	Director of Governance and Compliance
Action proposed at the time of inclusion in the AGS	<p>Work has been undertaken to identify proposed changes to the current ASDV governance and reporting arrangements to ensure that they broadly align with the good practice as described in the CIPFA guidance.</p> <p>This has also proposed that a full review of the overall company structures and governance arrangements is undertaken and that a reporting structure is implemented to strengthen insight into the operation of the Council's ASDVs.</p> <p>The review is proposed to include a review of directors, the process for their appointment, and the training and support provided to them.</p> <p>A working group has been established and stage 1 of the review was completed in December 2022.</p>
Progress update for 2022/23 AGS	Work has continued following the commencement of the ASDV governance review, as considered by the Finance Sub Committee in September 2022. The outcome of the review will be brought back to the Sub Committee in the first instance before the end of the 2023 calendar year.

<u>Planning</u>	
Description of issue at the time of inclusion in AGS	<p>In November 21, the Chief Executive and Environment and Communities Committee requested an objective review of the planning application backlog in Planning Services be undertaken. The backlog had accumulated over some time as a result of increasing workloads, vacant posts and impacts on delivering the service from the Covid 19 pandemic. The backlog was significant in number and was attracting complaints about the service from both within and beyond the Council, with potential for reputational damage to both the Local Planning Authority and the Council. An</p>

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	<p>objective Deep Dive review was undertaken, led by the Executive Director of Place.</p> <p>The findings, recommendations and next steps for the service were received and noted by the Environment and Communities Committee on 31 October 22. It was also noted that a range of measures had already been implemented, particularly in relation to reducing the backlog of planning applications.</p>
Responsibility	Executive Director of Place
Action proposed at the time of inclusion in the AGS	<p>The review has produced a detailed Modernisation Plan for the service including a significant number of actions and improvements that have been identified through the review.</p> <p>Workstream leads have been identified and many actions are underway, implemented or partially implemented from the review. Work to remove the applications backlog had advanced in recent months although workloads remain significant in the service. Performance scorecards have been developed to report to the new Modernisation Board - when established this introduces a new level of reporting and governance for the Modernisation Plan. Terms of Reference for the Board are now agreed.</p> <p>Performance reports from the service will continue to be reported to the Environment and Communities Committee with additional regular oversight by CLT also being introduced to monitor progress within the service.</p>
Progress update for 2022/23 AGS	<p>Work continues with the implementation of the recommendations in the Modernisation Plan and significant progress has been made to reduce the backlog of planning applications and a number of other actions. Workloads still remain significantly high across the service – particularly in relation to application caseloads. Work is underway with statutory consultees in other parts of the council (such as greenspace and flood risk) where there are also backlogs which are impacting on planning decision timescales. Teams are working in collaboration to address these challenges and improve performance in these associated areas. The Transformation Board is now established and is due to meet in July – this will bring support, guidance and new governance to the service moving forwards. The implementation of new IT system has been delayed and CEC is in legal discussions with the supplier in this regard. This project is absorbing significant resource from the planning service in order to redesign areas of workflow to enable transition to the new system which is now scheduled for November. This is impacting on available resource to deliver service transformation. Work has started on the restructure of the Planning Service who have been diverted from planning applications to the IT project. A complaints pilot has been completed with a reduction in stage 2 complaints being received in the service. The service is approximately 9 months into an anticipated 18 month period of change required to implement the service review findings.</p>

Cheshire East Safeguarding Children's Partnership (CESCP) Governance	
Description of issue at the time of inclusion in AGS	<p>In July 2022, a joint targeted area inspection (JTAI) of the CESCP was undertaken. The inspection identified strategic weaknesses in the leadership, function, purpose and impact of the work of the local safeguarding children's partnership and its sub-groups and recommended that across the partnership, leaders should ensure that operational practice reduces risk of exploitation of children.</p> <p>An Internal Audit review that was underway at the time of the unannounced inspection also identified weaknesses in the governance arrangements for the Partnership.</p>
Responsibility	Executive Director of Children's Services
Action proposed at the time of inclusion in the AGS	<p>Cheshire East Council as the principal authority for the partnership were required to provide a multi-agency written statement of proposed action by 5 January 2023. This improvement action plan has been submitted.</p> <p>In addition, an Improvement Advisor has been appointed by the Department for Education to support the partnership in meeting its improvement goals.</p> <p>An Improvement Board has been formed to oversee the progress against the action plan. This will be chaired by the independent Improvement Advisor.</p> <p>Progress will be further scrutinised by the Cheshire East Council Chief Executive, Chief Constable and a senior NHS representative. The Board will meet monthly until all the identified improvements have been successfully implemented.</p> <p>Regular reports on progress will be provided to Children and Families Committee.</p>
Progress update for 2022/23 AGS	<p>A comprehensive multi-agency 12-month action plan was developed to address the findings within the inspection letter in October 2022. This was submitted to Ofsted as required on 5 January 2023 and reported to the Children and Families Committee on 16 January 2023. A further progress update will be provided to committee on 10 July 2023.</p> <p>Governance arrangements were established commencing in November 2022 to ensure there is dedicated and senior oversight and scrutiny of progress against the plan. Monthly scrutiny of progress against the plan is provided by a multi-agency Improvement Board. Progress is also scrutinised by the chief officers for the statutory partners.</p>

	<p>The partnership has received support, scrutiny, and challenge around the improvements from a Department for Education (DfE) Children's Improvement Advisor since January 2023. The DfE Children's Improvement Advisor has met with key strategic leads and observed operational partnership meetings which consider the risks to individual children and young people and provides challenge and scrutiny as the independent chair of the partnership Improvement Board.</p> <p>On 7 June 2023 a six-month review took place led by the DfE, and involving the Leader of the Council, the Chief Executive for the Council, Lead Member for Children and Families, key representatives from the partnership, and a group of partnership frontline practitioners, to review progress in making improvements since the inspection. The DfE acknowledged the progress and impact for children and young people at risk of exploitation which had been achieved by the partnership.</p> <p>Concerted effort has been made across the partnership to improve the arrangements to support children and young people, and the partnership is making good progress in delivering the actions within the plan. 82% of the actions are now complete.</p> <p>We have improved arrangements within the front door, ensuring children and young people are referred to the right service swiftly. On 3 May 2023, the JTAI Improvement Board agreed that the priority action around the front door had been addressed and the immediate action taken during the inspection had been embedded within practice. This was a significant milestone.</p> <p>To ensure multi-agency frontline staff understand what good quality practice looks like, the partnership has carried out a significant amount of training and awareness raising sessions, including holding a partnership learning week in January 2023 which included a Child Exploitation Conference, and has launched a new partnership training programme for 2023/24.</p> <p>In January 2023, the partnership launched the Contextual Safeguarding and Serious and Organised Crime Strategy. This ensures there is a clear partnership approach to protecting children, adults and communities from exploitation and serious and organised crime across Cheshire East.</p> <p>We are working with our Sector Lead Improvement Partner allocated by the DfE to create a dedicated multi-agency contextual safeguarding team which will improve coordination of support for children and young people at risk, as well as provide specialist expertise. This will be operational by September 2023.</p> <p>An independent scrutineer was commissioned in October 2022 to undertake a review of the Safeguarding Children's Partnership</p>
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	<p>arrangements; its structure, oversight of outcomes, and effectiveness in driving improved outcomes for children and young people. New partnership arrangements are being developed in line with the findings which will ensure the partnership has a direct line of sight to frontline practice and the impact this has for children and young people. Changes to quality assurance arrangements based on this review have already been implemented.</p> <p>We now have a better understanding of our cohort of children and young people at risk. The number of children and young people at risk of exploitation has reduced as a result of increased scrutiny of this cohort, which is ensuring that children and young people are receiving the right support at the right time.</p> <p>The partnership is currently carrying out a multi-agency audit of children and young people at risk of exploitation which will allow us to assess the quality of partnership practice, and outcomes for children and young people, and will identify the areas we need to continue to focus on and improve.</p>
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Public Interest Report

Description of issue at the time of inclusion in AGS	<p>Following completion of all police investigations into the Council and consideration by the Crown Prosecution Service, the former external auditors, Grant Thornton, completed their work in relation to the outstanding audit certificates under the Local Audit and Accountability Act 2014. This work commenced during 2021/22 and was supported by Internal Audit and the Council as a whole.</p> <p>Having concluded their work, Grant Thornton published a report in the public interest on 17 January 2023.</p> <p>The external auditor's report made three recommendations to Council which were all accepted.</p> <p>The first recommendation set out that the Council should carefully consider this report to ensure all members now understand the events and conditions that led to the issues set out in this report. This consideration could usefully reflect upon what happened; the governance and cultural arrangements that allowed it to happen; the critical success factors that led to the successful resolution of matters; and the key elements of the Council's current arrangements that can reassure members of the Council's ability to protect itself from such threats to its future governance. The Public Interest Report was considered by Council on 1 February.</p> <p>Council agreed that Audit and Governance Committee would receive a further Internal Audit report to conclude Recommendation 2.</p>
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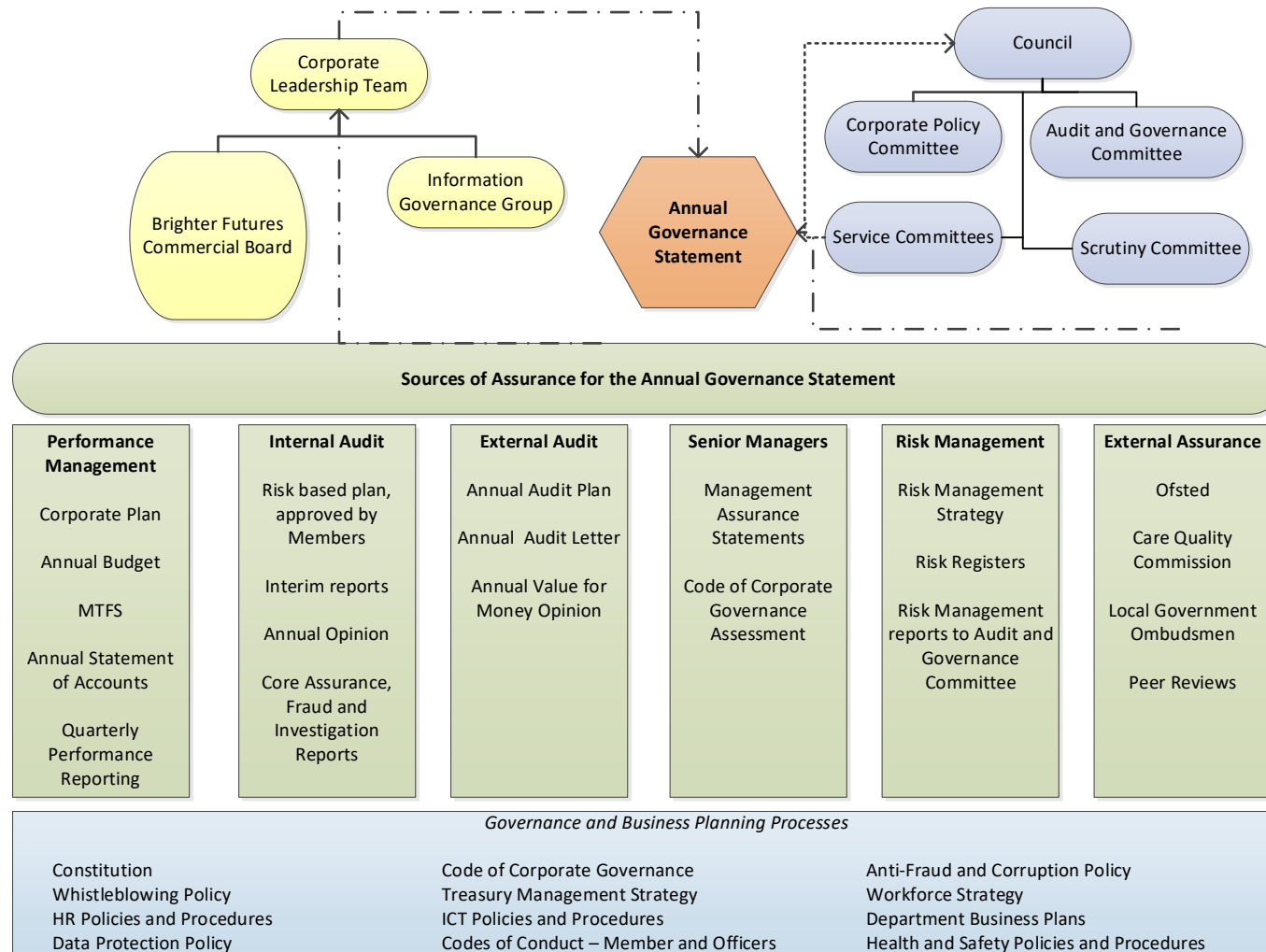
Cheshire East Council Annual Governance Statement 2022/23

	Recommendation 3 required the Council to discuss with its current external auditors whether there are any matters arising from the Public Interest report that should be addressed by the current auditors' statutory external audit.
Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	<p>The terms of reference for the Internal Audit review will be shared with the Audit and Governance Committee for the 9 March 2023 meeting, with the final report coming to a future meeting of the Committee.</p> <p>The Chief Financial Officer, Monitoring Officer and Head of Internal Audit discussed the third recommendation with Mazars ahead of the full Council meeting on 1 February.</p> <p>At that meeting, Mazars had not, as part of their current and prior year audits, highlighted any risks of, or actual significant weakness in respect of the Council's arrangements in relation to its use of resources or value for money which should be brought to the attention of the Audit and Governance Committee</p>
Progress update for 2022/23 AGS	<p>The Audit & Governance Committee received an update on the agreed recommendations in relation to the Public Interest Report at the 9 March 2023 meeting. At the meeting, the Committee also noted the Terms of Reference for the Internal Audit Assurance Review where it was also confirmed that the current External Auditors would consider the work undertaken by Grant Thornton and would collectively seek to close this area of audit work.</p> <p>At the 8 June 2023 meeting, the Committee received the final Internal Audit report which provided a satisfactory assurance opinion.</p> <p>Grant Thornton have now issued the outstanding audit certificates for 2015/16, 2016/17 and 2017/18. The Council has been advised of the proposed fee variation of the work carried out by Grant Thornton, as reported to the Audit and Governance Committee on 8th July and will engage with Public Sector Audit Appointments in due course.</p>

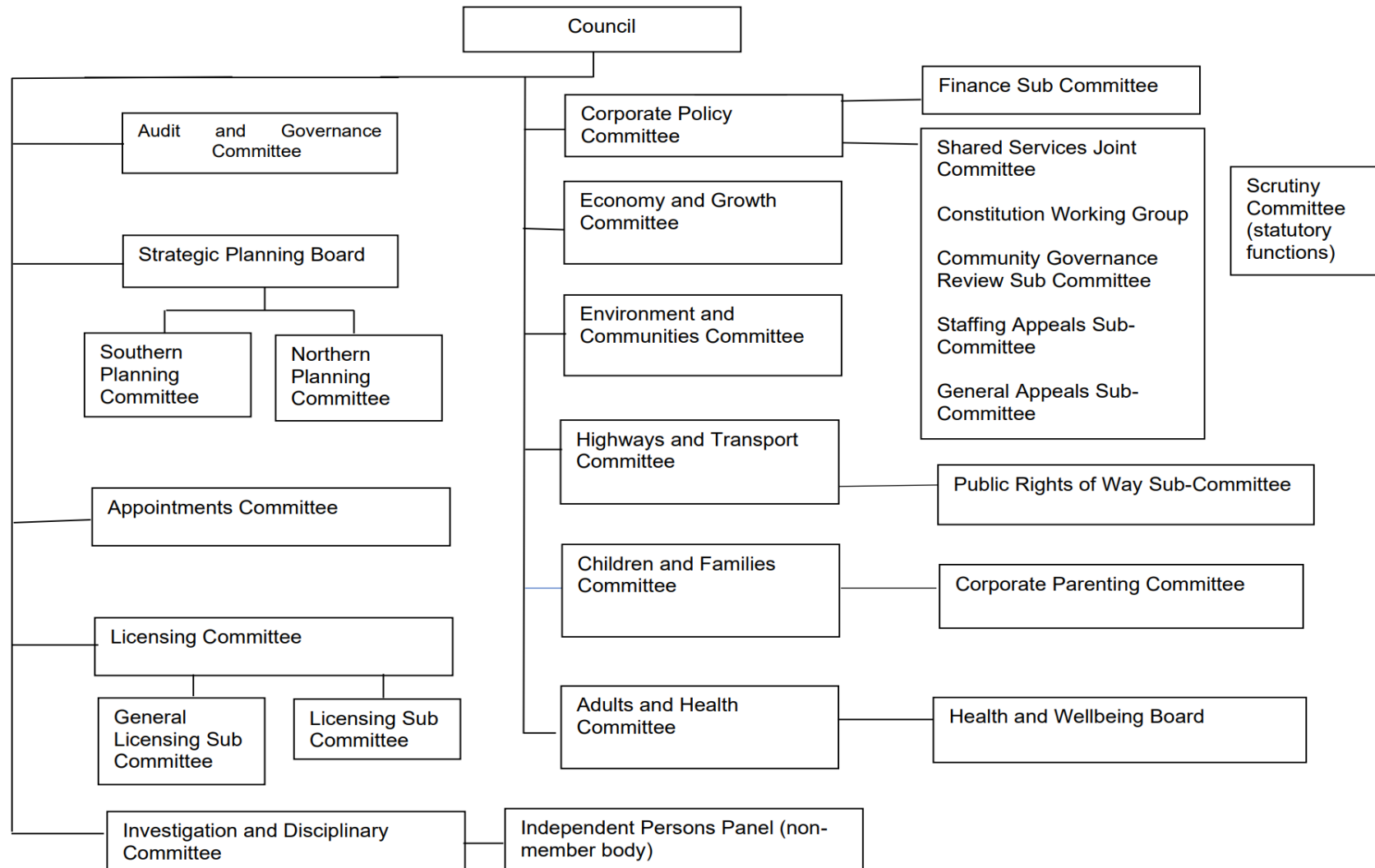
8. Significant Governance Issues 2022/23

- 8.1. The significant governance issues the Council recognises as arising during 2022/23 are detailed below. A description of the issue, along with details of the actions undertaken to date, and any further actions required to manage the issue is also given. These issues will need implementing and monitoring by the Council to ensure that actions are undertaken in line with this plan. Progress will be monitored by the Corporate Leadership Team and reported to the Audit and Governance Committee.

Description	Actions	Responsibility
<p><u>Corporate Leadership Team Capacity</u></p> <p>The Council's Corporate Leadership Team (CLT) comprises the Chief Executive as Head of Paid Service, with the most senior officers of the organisation; Executive Directors for each of the Council's 4 Directorates and the Council's Statutory Officers, (S151 Officer and Monitoring Officer). CLT meetings are also regularly attended by the Cheshire East Place Director (Cheshire and Merseyside Integrated Care Board).</p> <p>During 2022/23, interim arrangements have been introduced to manage the absence of the Executive Director, Place, ensuring that there is senior leadership capacity in the directorate.</p> <p>More recently, the Executive Director, Corporate Services left the organisation, and interim management arrangements are now in place for this directorate, which ensures direct reporting lines between the Head of Paid Service and the Section 151 and Monitoring Officer roles.</p> <p>In July 2023, the Chief Executive was announced as the preferred candidate for the Chief Executive role at Bradford Council and has now been confirmed in that post.</p> <p>Ensuring that there are sufficient and stable senior management arrangements for an organisation the size and complexity of Cheshire East Council must always be balanced against ensuring the arrangements are proportionate and offer effective and efficient use of resources.</p>	<p>Council to recruit a new Chief Executive, whose role includes keeping capacity under review.</p>	<p>Leader, Deputy Leader and Chief Executive.</p>



Appendix 3: The Committee Structure



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OPEN

Audit and Governance Committee

27th July 2023

Review of Audit and Governance Committee Terms of Reference Working Group

Report of: David Brown, Director of Governance and Compliance

Report Reference No: AG/26/23-24

Ward(s) Affected: No specific ward

Purpose of Report

- 1 To consider the establishment of a working group to review and update the Audit and Governance Committee Terms of Reference to progress the action plan in place following CIPFA's review of the committee.

Executive Summary

- 2 In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA, the Audit and Governance Committee endorsed a review of the Committee to be undertaken by CIPFA, against their updated guidance "Audit committees: practical guidance for local authorities and police."
- 3 As agreed by the Committee in March 2023, the CIPFA report was shared at a workshop in April 2023, held with the Members of the Audit and Governance Committee, and the officers who advise and support the Committee. In that workshop, a series of actions were developed in response to the report's action plan which were shared and endorsed by the committee on the 8 June 2023.
- 4 The agreed action was to 'Update the Audit and Governance Committee's terms of reference to set out its purpose, role and position within the governance arrangements at Cheshire East Council and its activities in relation to risk management. In particular, focus on its ability to make a difference and to support the Council to operate more effectively.'

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Appoint a politically balanced working group to review and update the Audit and Governance Committee Terms of Reference
2. Note that the terms of reference for the working group as detailed in Appendix 1
3. Note that the Working Group will report its initial proposals to the Audit and Governance Committee at the 28 September 2023 meeting

Background

- 5 The current terms of reference for the Audit and Governance Committee are available to view in the Council's Constitution – Chapter 2, Part 4, starting on page 31. [Current Terms of Reference](#)
- 6 In July 2022, following the publication of an updated position statement for Audit Committees from CIPFA, the Audit and Governance Committee endorsed a review of the Audit and Governance Committee to be undertaken by CIPFA, against their updated guidance "Audit committees: practical guidance for local authorities and police."
- 7 CIPFA's consultant, Elizabeth Humphrey, met with members of the Committee and officers who regularly support the committee during January 2023. The final report was subsequently shared with Members of the Audit and Governance Committee on the 11 April 2023. Along with the senior officers who regularly support the Committee, the report was discussed at a face-to-face workshop on 17 April 2023. The report was presented by Elizabeth Humphrey, with members and officers then working through the findings to agree a set of actions to be proposed to the new membership of the Committee, post-election.
- 8 Elizabeth Humphrey attended the June meeting of the Audit and Governance Committee to present the report and findings to the current, post-election membership of the Committee.
- 9 11 recommendations were made in CIPFA's report, including a review of the Terms of Reference for the committee. This is to ensure the committee has a clear purpose, role and position within the governance arrangements at Cheshire East Council and its activities in relation to risk management is clear to committee members. In particular, focus should be on the committee's ability to make a difference and to support the Council to operate more effectively.

- 10 The Committee agreed to the implementation of the action plan which had been prepared by officers in response to the report's findings. Many of the individual actions relate to the need to review the Committee's Terms of Reference, and the Committee are now asked to agree to the arrangements for a politically balanced working group to undertake this task.
- 11 The proposed composition, frequency of meetings and Terms of Reference for the Working Group are set out in the Appendix 1 to the report. The Committee could also invite the co-opted independent member to participate in the working group discussions.
- 12 The suggested timescale for the Working Group, in order to meet Council on 27 February 2024, requires initial proposals of any amendments to be brought to the Audit and Governance Committee on 28 September 2023 and its final report to the Committee on 7 December 2023. The final recommendation for any amendments will then be submitted to Council on 27 February 2024 for adoption within the constitution.

Consultation and Engagement

- 13 Members of the Committee endorsed the action plan at the meeting on 8 June 2023, which included the establishment of a working group to review the committee Terms of Reference.

Reasons for Recommendations

- 14 The Committee's current Terms of Reference were informed by the 2018 CIPFA guidance, which has subsequently been updated. The composition and Terms of Reference were updated as the Council moved to the Committee systems of governance, with the Audit and Governance Committee recommending changes in March 2021. A further review of the Committee Terms of Reference was not then undertaken by CEC officers against the 2022 CIPFA guidance, as this was part of the scope of the review carried out by CIPFA.
- 15 Reviewing the existing Terms of Reference ensures the Committee has the opportunity to reflect on the issues raised in the review of the Committee, consider the good practice model and guidance developed by CIPFA and identify changes which will contribute to improving the overall effectiveness of the Council's Audit and Governance Committee.
- 16 The Committee could resolve to establish the working group as recommended, to establish in part, or resolve to continue "as is" and not establish the working group. The implications and risks involved with adopting in part or failing to establish are set out in the options appraisal table below.

Option	Impact	Risk
Do nothing	The effectiveness of the Committee does not improve or worsens.	The Committee performs poorly and undermines the effectiveness of governance in the Council.
Establish a working group and review only part of the terms of reference	Dependent upon which terms are amended, adopted and implemented, aspects may improve, but unlikely to achieve optimum improvements.	The Committee doesn't proactively or consistently improve the effectiveness of the Committee, and therefore wider governance in the Council.
Establish a working group to make recommendations to review and amend the terms of reference	The implementation of amended terms of reference, once embedded and subject to approval by Council, will improve the effectiveness of the Audit and Governance Committee and give assurance that national expectations are being met	This option should provide the most effective mitigation to the risk of the Committee performing poorly and undermining the effectiveness of the Council's governance arrangements.

Implications and Comments

Monitoring Officer/Legal

- 17 The review of the Council's Audit and Governance Committee has been carried out against CIPFA's guidance and view on audit committee practice and principles that local government bodies in the UK should adopt.
- 18 A detailed paper prepared by the Working Group on the changes required to the Committee's Terms of Reference to align it with the good practice set out in the CIPFA guidance will be brought to the Audit and Governance Committee for it to recommend adoption of amendments to Full Council.

Section 151 Officer/Finance

- 19 There are no changes to the Council's medium term financial strategy arising from this report. Changes to working practices and the changes to the Committee's Terms of reference will be part of business as usual for the services which support the Audit and Governance Committee.

Policy

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

An open and enabling organisation

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

Equality, Diversity and Inclusion

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

Human Resources

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

Risk Management

- 24 The establishment of a Working Group to review the terms of reference for the committee will manage the risk that the Council's Audit and Governance Committee is ineffective. The Committee will receive update reports on progress and suggested changes, which will ensure any concerns can be shared, and the Committee will be able to reflect on whether any amendments will achieve the desired outcome.

Rural Communities

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

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

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

Public Health

27 There are no public health implications arising from this report.

Climate Change

28 There are no climate change implications arising from this report.

Access to Information	
Contact Officer:	Jennifer Ashley Democratic Services jennifer.ashley@cheshireeast.gov.uk
Appendices:	Terms of Reference of Working Group – Review of the Terms of Reference for the Audit and Governance Committee
Background Papers:	<p>Work Programme – Addition of the CIPFA review to the Work Programme. (Audit and Governance Committee, 28th July 2023)</p> <p>Update Report – CIPFA Review of Audit and Governance Committee (Audit and Governance Committee 9th March 2023)</p> <p>CIPFA Review of the Audit and Governance Committee (Audit and Governance Committee 8th June 2023)</p>

APPENDIX 1

Terms of Reference of Working Group – *Review of the Terms of Reference for the Audit and Governance Committee*

Composition: 5 members of the Audit and Governance Committee, politically balanced (x 2 Labour, x 2 Conservative, x 1 Independent)

Co-opted Independent Member

Members: To be confirmed

Officer Support: Director of Governance and Compliance, Director of Finance & Customer Service, Head of Audit & Risk Management with additional officers or deputies as required.

Democratic Services Support: To be confirmed

Duration: Creation 27 July 2023 - Dissolution 7 December 2023

Type and frequency of meeting:

Fortnightly, until end of September 2023, thereafter as and when required until December 2023.

Informal meeting which default to remote access unless members indicate a need for in person meeting.

Purpose:

The working group is to progress with the CIPFA action plan recommendation to review the Audit and Governance Committee Terms of Reference, to

- Interim report to Audit and Governance Committee 28 September 2023
- Final report to Committee 7 December 2023
- Final report to Council 27 February 2024

Terms of Reference

1. To consider the findings and recommendations of the CIPFA Review of the Audit and Governance Committee in relation to the Committee's existing Terms of Reference.

2. To consider CIPFA 2022 Guidance 'Audit Committees: Practical Guidance for Local Authorities And Police (2022 edition)'
3. To review the current terms of reference for the Audit and Governance Committee (Chapter 2 Part 4 page 31)
4. To make recommendations to the Audit and Governance Committee in relation to any amendments to the committee terms of reference

OPEN

Audit and Governance Committee

27 July 2023

Recruitment of a Co-Opted Independent Member

Report of: David Brown, Director of Governance and Compliance

Report Reference No: AG/27/23-24

Ward(s) Affected: All

Purpose of Report

- 1 This report sets out the suggested approach for the Audit and Governance Committee regarding recruitment to the second of the co-opted independent members for the Committee. The proposed application pack and timeline are included at Appendix 1 and 2.

Executive Summary

- 2 The Audit and Governance Committee have previously undertaken a recruitment exercise to appoint to the two co-opted independent roles included in the Committee membership after a review of the composition and structure of the Committee. These changes were agreed at Council in April 2021.
- 3 These roles were advertised across the Council's website and social media channels and resulted in the appointment of one candidate: the Council's current co-opted independent member, Mr Ron Jones.
- 4 One of the recommendations arising from the CIPFA review of the Audit and Governance Committee was to complete the recruitment to the second co-opted independent role. The Committee are asked to consider and agree the suggested approach set out in the report, and to nominate members of the Committee to carry out the shortlisting and interviewing of candidates.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to

- 1) Review and agree the proposed approach, including the timeline and application pack at Appendix 1 and 2.
- 2) Nominate members from the Committee to form a panel to carry out the shortlisting and interviewing of candidates and recommend a successful candidate for the Committee.

Background

- 5 The inclusion of co-opted independent members as part of local authority audit committees has long been recommended, recognising the valuable knowledge and experience which can be provided through inclusion of these roles, benefitting the Committee's overall effectiveness.
- 6 CIPFA's Position Statement re Audit Committee in Local Authorities and Police 2022 sets out CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. The Position Statement states

"The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation."

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise."
- 7 There is currently no legislative requirement directing local authorities to have co-opted independent members of the audit committee, however, the Position Statement is supported by the Department for Levelling Up, Housing and Communities and the Home Office.
- 8 The Position Statement, and associated guidance, were used in the assessment of the Audit and Governance Committee carried out by CIPFA and reported back to the Committee in June 2022. Although the Committee composition already included two co-opted independent roles, only one candidate was appointed, hence the recommendation to complete recruitment to the second role.
- 9 Co-opted members to Council committees are not members of the Council itself, therefore other than in limited circumstances (for

example, an advisory committee established under s102(4) Local Government Act 1972) they have no voting rights. Co-opted members would instead be consulted during committee meetings and their views taken into account by voting members of the committee.

- 10 An approach for the advertisement, recruitment and selection to these roles is set out in Appendix 1. A draft timetable is included in Appendix 2. The role profile and advert are based upon those used in the most recent recruitment. The role profile sets out the knowledge and experience requirements which are needed to best support the effective performance of the Committee.
- 11 Information about the roles will be hosted on the Council's website, supported by communications in the local press and across the Council's social media channels. A period of 6 weeks for the roles being advertised is suggested, with the deadline for applications being received at the end of that period.
- 12 Committee members will need to nominate members from the Committee to carry out shortlisting and interviewing the candidates. In the last recruitment to the co-opted independent member role, this was carried out by the Chair, Vice Chair, and a member of the Committee, who were supported in the process by officers.
- 13 Applications will be reviewed by the appointments committee against the role profile in the application pack, and shortlisted candidates will be invited to interview; these can be facilitated virtually if necessary. Following the interview process, and subject to references successfully being obtained, an update will be provided to the September meeting of the Committee, with the candidate being recommended to Council on 18 October 2023.
- 14 The candidate will be invited to meet Committee members informally and receive induction training ahead of the Committee meeting in December.

Consultation and Engagement

- 15 This report provides the Committee with the opportunity to review the proposed approach and identify any recommended amendments.

Reasons for Recommendations

- 16 One of the recommendations arising from the CIPFA review of the Audit and Governance Committee was to complete the recruitment to the second co-opted independent role. The Committee are asked to consider and agree the suggested approach set out in the report to complete this action.

Other Options Considered

- 17 There are limited alternatives for the Committee; either to not proceed at all, to delay the appointment process, or to amend the approach (by changing the role profile etc).
- 18 Whilst CIPFA guidance recognises that it is good practice for Audit Committees to include co-opted members, it is not dictated by legislation. The Committee has, however, agreed to the implementation of actions from the Committee review, which include recruitment to this role, so not proceeding, or delaying the process substantially would need to be carefully considered in the context of not completing actions which have been agreed to.

Option	Impact	Risk
Do nothing	Not recruiting to the second, vacant, role.	The Committee doesn't benefit from additional technical experience and knowledge, and its effectiveness is not improved.
Delay the appointment process	Committee membership is not added to at the earliest opportunity	The Committee doesn't benefit from additional technical experience and knowledge, and its effectiveness is not improved.
Amend the suggested approach	Dependent upon which aspects are amended, adopted and implemented, appropriate candidates may not be attracted to apply.	Criteria set out in the application pack have been designed ensure that candidates for this role can offer the expertise and knowledge to the Committee, balanced with political neutrality. Any changes to approach need to be carefully considered to ensure this would still be the case.
Implement the suggested approach	The implementation of the proposed approach should provide for the best	This option should provide the most effective mitigation to

	possibility of attracting suitable, good quality candidates to which will in due course improve the effectiveness of the Audit and Governance Committee.	the risk of not attracting any or poor-quality candidates for this role.
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Implications and Comments

Monitoring Officer/Legal

- 19 The co-option of independent members to the Audit and Governance Committee is needed to ensure compliance with the membership changes approved by Council and included in the Constitution.
- 20 Any appointments must comply with s102(3) Local Government Act 1972 (power to co-opt from outside Council membership) and s13 Local Government & Housing Act 1989 (which pertains to voting rights).

Section 151 Officer/Finance

- 21 Expense arrangements in place are consistent with those for other non-elected, co-opted committee members. There are no financial implications outside of the Council's Medium-Term Financial Strategy in adopting the recommendations proposed.

Policy

- 22 The arrangements in this report seek to implement the recommendations which have been agreed to, having demonstrated that the Committee has considered best practice, and the findings of the CIPFA review of the Audit and Governance Committee. This is in keeping with the following objective in the Corporate Plan.

An open and enabling organisation

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

Equality, Diversity and Inclusion

- 23 Applications are welcomed from across the Cheshire East Borough and will be assessed in line with the criteria set out to ensure the successful candidate can offer the required expertise and knowledge to the Committee.

Human Resources

- 24 There are no direct Human Resources Implications. Whilst the co-opted independent members are not employees of the Council, the successful applicants will receive specific training to enable them to undertake their new role effectively.
- 25 Whilst operating as a member of the Audit and Governance Committee, co-opted independent members are expected to follow the Nolan Principles of Standards in Public Life, which form the basis of the elected Member's Code of Conduct.

Risk Management

- 26 The risk of not attracting candidates for this role will be managed through the strategy for marketing the role across the Council's social media channels and local press engagement, however, failure to attract candidates will impact on the recruitment of co-opted members within the timescale set out in this report.
- 27 There are clear criteria set out in the application pack to ensure that candidates for this role can offer the expertise and knowledge to the Committee, balanced with political neutrality.

Rural Communities

- 28 There are no direct implications for rural communities.

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

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

Public Health

- 30 There are no direct implications for public health

Climate Change

- 31 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 1 – Proposed application pack including role profile. Appendix 2 – Proposed timeline for recruitment
Background Papers:	None



CESHIRE EAST BOROUGH COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

Appointment of an Independent Member

Application Pack

<p style="text-align: center;">AUDIT AND GOVERNANCE COMMITTEE APPOINTMENT OF CO-OPTED INDEPENDENT MEMBERS</p>

This application pack includes;

- Background to Cheshire East Council
- The Council's Audit and Governance Committee
- Applicant Information; role description and role specification
- Cheshire East Council Member's Code of Conduct
- Application Process

Expectations of applicants

The Council is currently recruiting for a co-opted independent member of the Audit and Governance Committee.

The successful applicant will need to be available to attend approximately 5 meetings of the Committee in any year and any associated training and development events. We expect that applicants will need to be able to attend a combination of virtual and physical meetings. Applicants will need to be contactable throughout the year. The appointment will be made for 4 years.

Applicants must disclose to the Council any matter that might damage the reputation of the Council or indicate a real or perceived conflict of interest with the role of the Audit and Governance Committee.

Previous experience of audit committees may be helpful but is not essential.

Co-opted independent members should not be (or have been, within the last 3 years) an Elected Member or employee of Cheshire East Council; or any of its wholly owned companies; or Everybody.

Co-opted independent members should not be (or have been, within the last 5 years) a Councillor/Elected Member with any other Local Authority (including town or parish councils).

Co-opted independent members should not be affiliated with any political party, or have been affiliated, within the last 5 years.

The council seeks to reflect and represent all of its residents and welcomes applications from the Cheshire East community. The successful candidate will be resident in the Cheshire East area.

The co-opted independent member is not a job vacancy; should you be appointed you will not be an employee of the Council. The successful applicant will receive specific training to enable them to undertake their new role effectively.

The closing date for receipt of applications is Friday 8 September 2023

CHESHIRE EAST COUNCIL

Background

Cheshire East Council was established in April 2009 as part of the structural changes to local government in England. It brought together the boroughs of Macclesfield, Congleton and Crewe and Nantwich which, with part of Cheshire County Council, forming the third largest unitary authority in the North West with around 400,000 residents.

The Council is responsible for, amongst other things, maintaining the roads, providing transport services, commissioning school places and specialist support services for vulnerable children and their families, educating children, providing social care to elderly and vulnerable people and looking after waste and recycling.

Cheshire East is a great place, full of potential. We have strong employment opportunities, attractive places to live and standards of education are high. The challenge is how we maintain our position, continuing to create sustainable growth that will support the wellbeing of our residents and the economy on which that depends, whilst protecting existing residents and green spaces.

Our elected members have a pivotal role in bringing about improvements to the quality of life of people living in the Borough. They do this by making decisions, delivering change, challenging and scrutinising proposed actions and taking up issues raised with them by their constituents.

THE AUDIT AND GOVERNANCE COMMITTEE

The Audit and Governance is a key component of the Council's arrangements to support good governance at Cheshire East Council. It provides

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

The Audit and Governance Committee, like all of the Council's Committees, must be politically balanced. However, the success of the Audit and Governance Committee depends upon its ability to remain apolitical. It must adopt a non-political approach to its meetings and discussions at all times.

The co-option of independent members will help to bring additional knowledge and expertise to the committee and also reinforce its political neutrality and independence.

Co-opted members to Council committees are not members of the Council itself, therefore other than in limited circumstances (for example, an advisory committee established under s102(4) Local Government Act 1972) they have no voting rights. Co-opted members would instead be consulted during committee meetings and their views taken into account by voting members of the committee.

Where the Council has delegated to the Committee decisions such as the adoption of financial statements, the independent member should not be able to vote on those matters.

The detailed functions in respect of governance, risk and control; internal audit; external audit; financial reporting; accountability arrangements; related functions and standards arrangements can be found in the Council's [Constitution](#).

INDEPENDENT MEMBER ROLE PROFILE

1. To promote and support the good governance of the Council and its affairs
2. To promote and support open and transparent government
3. To provide support and encouragement to new Councillors
4. To be committed to the values of the Council, set out in our [Corporate Plan](#)
5. To be committed to the values expected of those in public office, established in the Seven Principles of Public Life:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership

INDEPENDENT MEMBER PERSON SPECIFICATION

The successful candidate will be able to demonstrate the following

1. Good advocacy skills; able to present relevant and well-reasoned arguments, and provide effective and constructive challenge
2. Ability to set aside own views and, at all times, remain open-minded, objective and impartial and act with integrity
3. Ability to analyse, interpret and absorb information and evidence effectively and quickly
4. Good communication and interpersonal skills; a confident public speaker

5. Ability and willingness to challenge ideas and contribute positively to policy development
6. To pay particular attention to the need to avoid predetermination and bias when participating in the decision-making of regulatory committees
7. Understanding the role of officers, members and other agencies and ability to have constructive and challenging dialogue with other Members and Officers
8. Respect for, and desire to work with different groups and individuals with a commitment to supporting continual improvement and development within the Council
9. Practical experience in financial management/accountancy within the public or private sector
10. Understanding and compliance with confidentiality requirements

Demonstrating the following would be desirable:

11. Knowledge and understanding of meeting law, rules and conventions
12. Understanding of delegated powers
13. Understanding of strategic, policy and service contexts for decisions, focusing on material issues
14. Knowledge of and commitment to the values of the Council
15. An understanding of the roles and purpose of Internal and External Audit

BEHAVIOUR and CODE OF CONDUCT

Cheshire East Council adopted its Members Code of Conduct in [October 2022](#).

Whilst operating as a member of the Audit and Governance Committee, co-opted independent members are expected to follow the Nolan Principles of Standards in Public Life, which form the basis of the elected Member's Code of Conduct.

For information, a copy of the current code of conduct can be found here; http://www.cheshireeast.gov.uk/council_and_democracy/your_council/councillor_conduct.aspx

APPLICATION PROCESS

Closing Date

The closing date for receipt of applications is **Friday 8 September 2023**

Please submit your application form to:

Director of Governance and Compliance
Cheshire East Council
C/O Municipal Buildings
Earle Street
Crewe
CW1 2BJ

Or monitoringofficercec@cheshireeast.gov.uk

Selection of candidates will be strictly in accordance with the role description and role specification outlined in this pack and will be based on the information contained in your application only, as supported by references.

Acknowledgements

Your application will be acknowledged and you will be advised as to whether you have been selected for interview or not in due course.

Selection

Short listing for this appointment will be based upon an assessment of how applicants meet the criteria in the 'Person Specification' as evidenced by the application.

It is suggested therefore that you include information on how you meet the criteria.

The Interview Panel will be made up of senior members of the Council.

Referees

Please note that your 2 referees will be contacted without further notice to you unless you indicate to the contrary.

<p align="center">APPLICATION FOR APPOINTMENT AS AN INDEPENDENT MEMBER OF THE AUDIT AND GOVERNANCE COMMITTEE</p>

1 PERSONAL DETAILS
TITLE :
FULL NAME:
HOME ADDRESS:
CONTACT TELEPHONE NO:
EMAIL:
2 Have you ever been a Councillor, co-opted member or officer of Cheshire East Council or a Councillor, co-opted member or officer of a parish or town council which falls within Cheshire East?
YES/NO
<i>If your answer to this question is yes, please give the date on which you <u>ceased to be</u> a Member or employee.</i>
3 Are you related to, or a close friend of, a member or employee of Cheshire East Borough Council?
YES/NO

If your answer to this question is yes, please give details below

4 Are you, or have you been a member of a political party?

YES/NO

If the answer to this question is yes, please give details below

5 Please indicate whether there is any matter concerning your own conduct which, if it were generally known, might affect public confidence in your ability to contribute to the work of the Audit and Governance Committee.

6 Please confirm that you are able to meet the attendance requirements of the role i.e. attending ad hoc meetings (called at short notice) at Council venues or by way of telephone conference.

7 Please say why you wish to be considered for the post of Independent Member and what you could offer the Council. Give brief details of your experience (e.g. employment/business/professional/voluntary/public service) and qualifications, and any other matter which you consider relevant to your suitability for appointment. Please also explain how you meet the role specification outlined in the application pack.

Continue on a separate sheet if required

8 References: Please give the name, address, and telephone number of two referees who are not related to you and are not members of a

borough/town or parish council within Cheshire East and who are able to comment on your suitability for appointment. (Your referees will be contacted without further notice to you, unless you indicate to the contrary).

Referee 1

Name:

Address:

Telephone Number:

Referee 2

Name:

Address:

Telephone Number:

Data Protection Act

Information from this form will be processed in accordance with the Data Protection Act 2018. In signing it you agree to this data being held and processed and if appointed to the position you also agree to further personal information, including sensitive data (e.g. bank details) being held and processed by Cheshire East Council in accordance with the Act.

DECLARATION

I wish to be considered for appointment as an Independent Member of the Audit and Governance Committee and confirm that, if appointed, I will undertake to observe the code of conduct for councillors and co-opted members of Cheshire East Council, as adopted by the Council.

The information which I have given is true and complete to the best of my knowledge and belief.

SIGNATURE

DATE

Please return the completed application form to:

Director of Governance and Compliance
Cheshire East Council
C/O Municipal Buildings
Earle Street
Crewe
CW1 2BJ

Or monitoringofficercec@cheshireeast.gov.uk

Deadline for receipt of applications: **Friday 8 September 2023**

Appendix 2

Proposed timeline for recruitment of co-opted independent members of the Audit and Governance Committee

For Council to approve candidate at 18 October 2023 meeting

w/c 24 July 2023	Report on suggested approach including draft application pack to be considered and approved by Audit and Governance Committee (27 July)
w/c 31 July 2023	Web page to be launched, press release published by Communications team, social media campaign begins Application period opens
w/c 4 September 2023	Application deadline: Friday 8 September
w/c 11 September 2023	Shortlisting of candidates to take place by a panel including the Chair of Audit and Governance Committee supported by officers if needed.
w/c 18 September 2023	Interviews to be held
w/c 25 September 2023	Provisional offers to be made to successful candidates subject to reference check Update to be provided to Audit and Governance Committee – 28 September 2023
w/c 10 October 2023	Report to be submitted to Council nominating successful candidates
w/c 15 October 2023	Thursday 18 October 2023 - Council
w/c 22 October 2023 onwards	Subject to Council appointment, Induction training for co-opted independent members Co-opted independent members introduced to Committee.
w/c 4 December 2023	Thursday 7 December 2023 – Audit and Governance Committee

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Audit and Governance Committee Work Programme 2023 - 2024

Report Reference	Audit & Governance Committee	Title	Purpose of Report	Lead Officer	Consultation & Engagement Process & Timeline	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item and Paragraph Number
AG/15/23-24	27/07/2023	Annual complaints report 2022/23	To provide an update on Complaints and customer contact for the period 1st April to 31st March and to provide assurance that actions arising from complaints and improvements identified are being actioned	Head of Customer Services	No	No	Open	No	No
AG/08/23-24	27/07/2023	Annual Procurement Update	To update the Audit and Governance Committee on Procurement activity during the previous financial year	Director of Finance and Customer Services	No	No	Open	No	Yes
AG/16/21-22	27/07/2023	External Audit - Value for Money Report	To receive the Value for Money report from the External Auditors in relation to the Statement of Accounts	Head of Finance	No	No	Open	TBC	No
AG/09/23-24	27/07/2023	Information Governance Update 22/23	To provide 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	Director of Finance and Customer Services	No	No	Open	No	No

OFFICIAL

			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						
AG/13/23-24	27/07/2023	Annual Internal Audit Opinion 2022/23	To accept the assurance provided by the details of the work undertaken by Internal Audit during 2022/23 and how this contributes to the Annual Opinion on the Council's control environment	Head of Audit and Risk	No	No	Open	No	No
AG/12/23-24	27/07/2023	RIPA Policy and Inspection Plan Update	To provide an update on the implementation of actions from the RIPA Inspection in November 2022, and receive the updated policy and procedures	Head of Audit and Risk	No	TBC	Open	No	No
AG/11/23-24	27/07/2023	Annual Risk Management Report 2022/23	To consider the Annual Risk Management Report for 2022/23	Head of Audit and Risk	No	No	Open, Fair, Green	No	No
AG/10/23-24	27/07/2023	Draft Annual Governance Statement 2022/23	To receive the draft Annual Governance Statement (AGS) for 2022/23	Head of Audit and Risk	No	No	Open	No	No
AG/17/23-24	27/07/2023	Section 106 Key Findings - Internal Audit Report	To provide the Committee with the key findings from Internal Audit's review of arrangements for the management and monitoring of Section 106 funds	Head of Audit and Risk	No	No	Open, Fair, Green	No	TBC

AG/26/23-24	27/07/2023	Review of Audit and Governance Committee Terms of Reference	To agree the approach to be taken by the Committee in updating their Terms of Reference, to progress the action plan in place after CIPFA's review of the Committee	Director of Governance and Compliance	No	No	Open	No	No
AG/27/23-24	27/07/2023	Recruitment of Co-Opted Independent Member for the Audit and Governance Committee	To consider and agree the approach and timetable for the recruitment of the second co-opted independent member for the Committee	Head of Audit and Risk	No	No	Open	No	No
AG/05/23-24	28/09/2023	Final Statement of Accounts 2022/23	The purpose of this report is to present to committee the final version of the Statement of Accounts for 2022/23, the statements will incorporate the agreed changes reported in the Mazars Audit Findings report 2022/23. There will be a recommendation to committee approve the Statement of Accounts for 2022/23	Director of Finance and Customer Services	No	No	Open	Yes	No
AG/06/23-24	28/09/2023	Companies Audited Financial Statements 2022/23	The purpose of this report is to present the audited financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2022/23	Director of Finance and Customer Services	No	No	Open	Yes	No

AG/14/23-24	28/09/2023	Annual Monitoring Officer Report 2022/23	To accept the assurance outlined within the Annual Monitoring Officer Report, on key aspects of the Monitoring Officer's responsibilities over the previous financial year; this includes Information Governance, Code of Conduct, Member Training and Development, Declarations of Interest and Gifts and Hospitality	Director of Governance and Compliance	No	No	Open	No	No
AG/24/23-24	28/09/2023	Annual Report of Audit and Governance Committee 2022-23	To report in line with the requirements of the Council's Constitution and the Audit and Governance Committee's Terms of Reference, which require a report to full Council on a regular basis	Head of Audit and Risk	No	No	Open	No	No
AG/25/23-24	28/09/2023	Final Annual Governance Statement 2022/23	To present to Committee the final version of the Annual Governance Statement for 2022/23	Head of Audit and Risk	No	No	Open	No	No
AG/19/23-24	28/09/2023	Internal Audit Update - Progress against Internal Audit Plan 2023-24	To provide Committee with an update on work undertaken by Internal Audit in line with the Internal Audit Plan for 2023/24	Head of Audit and Risk	No	No	Open	No	No
AG/03/23-24	07/12/2023	Six Monthly Complaints Report	To provide an update on Complaints and customer contact for the period 1st April to	Head of Customer Services	No	No	Open	No	No

			30th September 2023 and to provide assurance that actions arising from complaints and improvements identified are being actioned						
AG/15/21-22	07/12/2023	Whistleblowing Policy	To present proposals for an updated whistleblowing policy to the Audit and Governance Committee	Director of Governance and Compliance	Yes	No	Open, Fair	No	No
AG/20/23-24	07/12/2023	Risk Management Update	To provide the Committee with an update on the effectiveness of risk management arrangements in the Council	Head of Audit and Risk	No	No	Open	No	No
AG/21/23-24	07/12/2023	Audit and Governance Committee - Progress Against CIPFA Review Actions	To provide a Committee with progress on the implementation of actions agreed after the CIPFA review of the Audit and Governance Committee	Head of Audit and Risk	No	No	Open	No	No
AG/22/23-24	07/03/2024	Internal Audit Update - Progress against Internal Audit Plan 2023-24	To provide the Committee with an update on progress against the Internal Audit Plan 2023/24	Head of Audit and Risk	No	No	Open	No	No
AG/23/23-24	07/03/2024	Draft Internal Audit Plan 2024/25	To present the Committee with the proposed Internal Audit Plan for 2024/25 for approval	Head of Audit and Risk	No	No	Open	No	No

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OPEN

Audit and Governance Committee

27 July 2023

Annual Procurement Update

Report of: Alex Thompson, Director of Finance and Customer Service, S151

Report Reference No: AG/08/23-24

Ward(s) Affected: All

Purpose of Report

- 1 The purpose of this report is to provide Audit and Governance Committee with an update on procurement activity during 2022 – 2023 financial year. This report will provide an update on the number of tenders completed, number of contracts awarded and the number of cases where, and reasons why, procurement activity has required the use of waivers and/or non-adherences (WARNs).
- 2 The report will also provide an update on the Councils Contract Management System (Atamis), Contract Management Training, Procurement Regulations and the key deliverables for 2023-2024.
- 3 This report supports the Council being open and working transparently with its residents, businesses, and partners.
- 4 **Ensuring that there is transparency in all aspects of Council decision making** (page 3 and 13 Corporate Plan 2021 to 2025) by publishing a pipeline of procurement activity and contracts awarded on the Councils Open Data.
- 5 **Ensuring that there is transparency in all aspects of Council decision making** (page 3 and 13 Corporate Plan 2021 to 2025) by implementing a contract management system to provide greater governance and transparency in the way the council manages its contracts.

- 6 **Support a sustainable financial future for the council, through service development, improvement and transformation** (page 3 and 13 Corporate Plan 2021 to 2025) by improving the visibility of contracts ensuring that outcomes are met or exceeded, contract and supply chain risk is managed, and efficiency savings are secured.

Executive Summary

- 7 The report provides an overview of procurement activity across the council during 2022 – 2023 financial year. This includes all contracts awarded (which is also available on the Councils transparency pages), the number and reasons for waivers to the Contract Procedure Rules and the number of non-adherences to the Contract Procedure Rules.
- 8 This report also provides an update on the Councils Contract Managements system which is a cloud-based system that supports the commissioning, procurement and contract management life cycle.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the reason for 24 waivers approved between 1st April 2022 and 31st March 2023.
2. Note the reason for 4 non-adherences between 1st April 2022 and 31st March 2023.
3. Note the update on the contract management system, contract management training and Procurement Regulations.

Background

- 9 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 procurement process. The CPRs promote good procurement and commissioning practice, transparency, and clear public accountability.
- 10 Procurement is the process of acquiring goods, works or services from third parties including wholly owned subsidiary bodies of the Council. The process spans the whole commissioning cycle and is generally covered by the Public Contract Regulations 2015 (PCR's) 2015.

- 11 To ensure compliance with the PCR's, the Constitution and the Commissioning Framework a procurement pipeline of work is maintained within the new Contract Management System.
- 12 The procurement pipeline provides a list of all the Council's scheduled procurement activity. The pipeline is also available on the [Cheshire East Transparency Pages](#).
- 13 Oversight is important because in a normal operating year the Council spends more than £350m with external parties which need to be procured in accordance with the PCRs 2015, ensuring value for money and that the Council's Social Value principles and objectives are achieved.
- 14 The Local Government Transparency Code was published in 2015 which details, amongst other things, the procurement information local authorities are required to publish. Cheshire East Council publishes a monthly spend report which details the previous months spend and on a quarterly basis contracts awarded, a procurement pipeline and purchase card spend. This is all available on [Cheshire East Transparency Pages](#).
- 15 Appendix 1 provides a list of all contracts awarded over £5000 for 2022-2023 financial year. The Council also complies with the Public Contract Regulations and publishes all contracts above £25k on Contracts Finder and Find a Tender.
- 16 The contract procedure rules set out the necessary controls that are used to manage related spending. There are occasions where it is appropriate to waive these rules with the proper authority. Waivers are pre-approved variations from the Contract Procedure Rules, and these form part of the procurement process. The total number of waiver during 2022-2023 was 24.

Waivers	2016-2017	2017-2018	2018-2019	2019-2020	2020 - 2021	2021-2022	2022-2023
	40	20	16	17	25	37	24

- 17 Any breach of, or non-adherence to, the Contract Procedure Rules is reported to the Chief Finance Officer and Monitoring Officer on discovery. The relevant Director or their delegated representative are required to outline the reasons for the breach and the steps taken to prevent recurrence. The total number of non adherences for 2022-2023 is 4.

Non-Adherence	2016-2017	2017-2018	2018-2019	2019 - 2020	2020-2021	2021-2022	2022-2023
	33	10	5	1	3	3	4

- 18 The Council procured and implemented a new contract management system during 2022. The system is now fully operational and is currently being rolled out to Contract Managers across the council. So far there are 139 colleagues out of 238 Contract Managers named on the register who have been trained and are using the system, 58%.
- 19 The system is a cloud-based software which supports the commissioning, procurement and contract management lifecycle. It is a centralised digital repository for all council contracts with audit trails that provide access to the whole contract. It provides automatic alert notifications to increase contract renewal awareness and contains all contract compliance and accountability.
- 20 Training sessions will continue for Contract Managers and Heads of Service during 2023. These are delivered by a mixture of in person and online training sessions. There is also a suite of eLearning training to support Contract Managers along with new process and procedure documentation. These are all available on Centrnet and the Learning Lounge.
- 21 Foundation contract management training has also been launched in July via learning lounge. This is through the Government Commercial College and is available for all public sector colleagues. The course provides a certificate on completion which needs to be uploaded to learning lounge so professional development can be monitored.
- 22 The new Public Procurement Regulations are due to get Royal Assent in September 2023, with the regulations coming into force October 2024. Procurement is developing a communication and training plan for Cheshire East Council to ensure all colleagues who undertake commissioning, procurement and contract management activity have the required knowledge before go live.

Consultation and Engagement

- 23 Consultation and engagement have been undertaken with Cheshire East Council staff who have a role within Commission, Procuring and Contract Managing goods, services or works for the Council.

Reasons for Recommendations

- 24 To ensure compliance with the Public Contract Regulations 2015 (PCRs), the Constitution and the Commissioning Framework a procurement pipeline of work is maintained and published on [Cheshire East Transparency Pages](#).
- 25 The Contract Procedure Rules set out the necessary controls that are used to manage related spending. There are occasions where it is appropriate to waive these rules with the proper authority.
- 26 Waivers are pre-approved variations from the Contract Procedure Rules, and these form part of the procurement process.

Other Options Considered

- 27 There is an option not to publish a pipeline of procurement activity and other information such as the past spend, review of waivers and non adherences and contracts awarded. This option is not recommended as the Corporate Plan supports transparency which is enhanced by providing additional context around procurement activity.

Implications and Comments

Monitoring Officer/Legal

- 28 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.
- 29 The Councils commercial legal team will work with procurement and seek to ensure that the Council's procurement activity complies with the PCRs and the Council's contract rules; and will look to advise on the appropriate form of contracts to be used.

Section 151 Officer/Finance

- 30 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.
- 31 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.

Policy

- 32 New policies regarding Contract Management and the roles and responsibilities

Equality, Diversity and Inclusion

- 33 All tenders issued by the Council include a Selection Questionnaire which asks bidders to confirm obligations in environmental, social and labour laws. This is a self-declaration which provides a formal statement that the organisation making the declaration has not breached any of the exclusion grounds, including Equality Legislation. If a serious misrepresentation is found in the Selection Questionnaire, bidder may be excluded from the procurement procedure, and from bidding for other contracts for three years.
- 34 All Cheshire East Council contracts have a clause stating “the supplier shall perform its obligations under the Contract in accordance with all applicable equality Law and the Council’s equality and diversity policy as provided to the Supplier from time to time”.

Human Resources

- 35 There are no direct implications for HR.

Risk Management

- 36 Contract and supplier risks and issues will be managed through the new Contract Management System ensuring supply chain risks are monitored and managed appropriately with visibility across the Council.

Rural Communities

- 37 There are no direct implications for rural communities.

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

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

Public Health

- 39 There are no direct implications for public health.

Climate Change

- 40 Carbon and the environment form part of the Council’s Social Value Policy and Framework. How the Council measures the outcomes and

performance from the supply chain will be through the Contracts Management Framework.

Access to Information	
Contact Officer:	Lianne Halliday, Senior Manager Procurement lianne.halliday@cheshireeast.gov.uk
Appendices:	Appendix 1 Waivers and Non Adherences – part 2 Appendix 2 CPR Waive Categorisations
Background Papers:	None

Appendix 2

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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