

Corporate Policy Committee

Agenda

Date: Thursday, 18th January, 2024
Time: 10.00 am
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

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

1. Apologies for Absence

To note any apologies for absence from Members.

2. Declarations of Interest

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

3. Minutes of Previous Meeting (Pages 3 - 12)

To approve as a correct record the minutes of the meeting held on 30th November 2023.

4. Public Speaking/Open Session

In accordance with paragraph 2.24 of the Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), 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 to speak; 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.

Contact: Paul Mountford, Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Third Financial Review 2023/24** (Pages 13 - 50)

To consider a report on the third review of the Cheshire East Council forecast outturn for the financial year 2023/24.

6. **Performance Report - Quarter 2 2023/24** (Pages 51 - 102)

To consider a report which provides an oversight of organisational performance for quarter 2 of 2023/24 against the priorities and vision set out in the Council's Corporate Plan 2021-25.

7. **Strategic Risk Register - Assurance Report Q2 2023/24** (Pages 103 - 158)

To consider a report which provides an update on the activity of the Council's Strategic Risk Register for Quarter 2 2023/24.

8. **Pay Policy Statement 2024/25** (Pages 159 - 172)

To consider a report which outlines the Pay Policy Statement for 2024/25 for the Corporate Policy Committee to recommend to Council.

9. **Work Programme** (Pages 173 - 176)

To consider the work programme and determine any required amendments.

10. **Minutes of Sub-Committees** (Pages 177 - 178)

To receive the minutes of the following sub-committee:

General Appeals Sub-Committee – 12th December 2023

11. **Reporting of Urgent Decisions** (Pages 179 - 180)

To note an urgent decision taken on behalf of the Committee.

THERE ARE NO PART 2 ITEMS

Membership: Councillors C Browne (Vice-Chair), C Bulman, D Clark, J Clowes, S Corcoran (Chair), M Goldsmith, A Harrison, N Mannion, C O'Leary, J Pearson, J Rhodes, J Saunders and M Warren

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Policy Committee**
held on Thursday, 30th November, 2023 in the Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Corcoran (Chair)
Councillor C Browne (Vice-Chair)

Councillors C Bulman, D Clark, J Clowes, M Goldsmith, A Harrison,
N Mannion, C O'Leary, J Pearson, J Rhodes, J Saunders and M Warren

OFFICERS IN ATTENDANCE

David Parr, Interim Chief Executive
David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Paul Mountford, Democratic Services
Janet Witkowski, Head of Legal Services
Brian Reed, Head of Democratic Services and Governance
Sara Barker, Head of HR
Alan Ward, Complaints Manager

46 DECLARATIONS OF INTEREST

There were no declarations of interest.

47 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 5th October 2023 be approved as
a correct record.

48 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

49 SECOND FINANCIAL REVIEW 2023/24

The Committee considered a report on the second review of the Cheshire
East Council forecast outturn for the financial year 2023/24.

The report outlined the serious financial challenges facing the Council (and
other councils) and the activities aimed at minimising the impact on
services.

The Committee had regard to the report to the Finance Sub-Committee on
2nd November which considered Council expenditure as a whole. That

report highlighted the ongoing negative impact of high inflation, rising interest rates and increasing demand for services since the Council set its budget in February 2023. The second financial review of 2023/24 was forecasting a pressure of £18.7m by 31st March 2024, an increase of £5.9m compared to the first financial review. This figure exceeded general reserves but not usable reserves. Officers were pursuing a range of measures to reduce the forecast overspend.

The Committee report focussed on that part of the budget for which the Corporate Policy Committee was responsible as detailed in the appendix to the report.

In response to members' questions and comments, the Director of Finance and Customer Services advised that:

- The Corporate Leadership Team met weekly to review recruitment to essential posts.
- The MARS scheme referred to in the report was essentially the same scheme as last year.

RESOLVED

That the Committee

1. notes the report of the Finance Sub-Committee on 2nd November 2023;
2. notes the factors leading to a forecast Net Revenue financial underspend of (£0.5m) against a revised budget of £41.2m (1.2%);
3. notes the forecast and any further mitigations to be identified;
4. notes the in-year forecast Capital Spending of £11.7m against an approved MTFS budget of £12.8m, due to slippage that has been re-profiled into future years; and
5. notes the contents of Annex 1 and Appendix 3 of the report and notes that any financial mitigation decisions requiring approval will be made in line with relevant delegations.

50 MEDIUM-TERM FINANCIAL STRATEGY CONSULTATION 2024/25 - 2027/28 (CORPORATE POLICY COMMITTEE)

The Committee considered a report on the indicative financial envelope for the Corporate Policy Committee to support consultation on the development of the Cheshire East Medium-Term Financial Strategy 2024/25 to 2027/28.

The Chief Executive thanked the Council's staff for the efforts they were making to achieve financial savings, efficiencies and new ways of working.

Members suggested a number of measures which could be explored as a means of reducing costs, including converting library spaces into community hubs to provide a range of services, the use of artificial intelligence in relation to activities such as report writing, and reducing the size of committee memberships. Officers noted the suggestions for further consideration.

RESOLVED (unanimously)

That the Committee

- 1 notes the indicative budget envelope for the Committee, as approved at the Finance Sub-Committee on 2nd November 2023, as a way of setting financial targets in support of achieving a balanced budget for 2024/25;
- 2 notes that officers will develop further proposals in consultation with Members to enable wider stakeholder consultation prior to approval by Council; and
- 3 notes that Committees will be presented with the opportunity to further review financial proposals, designed to achieve a balanced budget, as part of their January cycle of meetings prior to recommendations being made to Council for approval.

51 COUNCIL TAX BASE 2024/25

The Committee considered a report on the Council tax base calculation 2024/25 for recommendation to Council in December 2023.

In response to members' questions and comments, the Director of Finance and Customer Services advised that:

- The remaining unspent Covid support grant received from the Government was not subject to claw-back.
- A property which was uninhabitable until renovation works had been undertaken was exempt from Council tax for a specific period, further details of which were set out on the Council's website.
- A family home would not be treated as a second home for Council tax purposes during the period that the individual concerned was in a care home.

RESOLVED (unanimously)

That the Committee

1. recommends to Council that
 - (a) in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount to be calculated by Cheshire

East Council as its Council tax base for the year 2024/25 is 160,151.52 for the whole area; and

- (b) the Council Tax Landlord discount previously applied to empty rental properties be removed.
- 2. notes that the Council Tax Support scheme is agreed for 2024/25 as unchanged other than the increases in line with CPI as agreed in the last consultation.

52 PROPOSED CHANGES TO THE CONSTITUTION

The Committee considered a report on proposed changes to the Constitution, as recommended by the Constitution Working Group, in relation to various administrative, procedural and staffing matters. The changes were set out in paragraph 8 of the report, together with the reasons for them.

With regard to a delegation to Directors to implement changes to staffing structures involving the loss of 10 or more posts not currently vacant, members commented that they would wish to know if any such changes involved redundancies. Officers suggested that the delegations relating to staffing as set out in paragraph 8(a) of the report could be subject to consultation with the chair and vice-chair of the relevant committee in addition to other relevant parties.

With regard to a proposal that a committee may delegate to the relevant Executive Director a financial limit for the allocation of grants, donations and other contributions to outside bodies, members commented that they would wish to see the details of any internal, Council-led grant. Councillor M Warren, Chair of the Constitution Working Group, advised that all grants this year were funded externally but that if a grant was above a certain threshold, it would be reported to the appropriate committee.

RESOLVED (unanimously)

That the Committee recommends to Council

1. the changes to the Council's Constitution in relation to Officer Delegations and Staffing as set out in paragraph 8 - a) of the report subject to an amendment to the revised paragraph 36 to require that any decisions taken under these delegations are taken in consultation with the chair and vice-chair of the relevant service committee;
2. the changes to the Council's Constitution in relation to Officer Delegations to Executive Directors only and settlement agreements as set out in paragraph 8 - b) of the report;

3. the changes to the Council's Constitution in relation to decision-making with regard to early retirement and severance packages as set out in paragraphs 8 - c) of the report;
4. the changes to the Council's Constitution to allow the inclusion of provisions to allow for electronic signing and sealing of documents as set out in paragraph 8 – d) of the report; and
5. the changes to the Council's Constitution to the provisions regarding approvals of grants schemes as set out in paragraph 8 – e) of the report.

53 REVIEW OF THE COMMITTEE SYSTEM AND MEDIUM-TERM FINANCIAL STRATEGY SAVING

The Committee considered a report on proposed changes to the committee system to achieve financial savings of £135,000 identified in the MTFS.

A previously deferred proposal to reduce the number of planning committees from three to two was due to be considered by Council on 13th December 2023.

The Committee was asked to consider a number of additional proposals:

- Reducing the number of Place service committees from three to two.
- Merging the functions of the Corporate Policy Committee and Finance Sub-Committee to create a Corporate Policy and Resources Committee.
- Incorporating the functions of the Scrutiny Committee into the relevant service committees.

Officers advised that the Council would need to remove two main committees from the committee structure to achieve the required savings. Reducing the number of meetings instead would not achieve the savings, and reducing the frequency of planning committee meetings would be problematic.

In general, there was no support among members for a reduction in the number of Place service committees.

There was also wide agreement that the Finance Sub-Committee should be retained, particularly in the present financial climate, given its pivotal role in overseeing the Council's budget.

With regard to the functions of the Scrutiny Committee, members felt that these might be better placed with the Audit and Governance Committee rather than a service committee. Officers saw no issue with this in principle but advised that future meetings of the Audit and Governance Committee would need to be structured in such a way as to enable scrutiny functions and audit-related functions to be dealt with at separate times during the

meeting. It was also recognised that different skill-sets were required for audit and scrutiny functions.

In addition to the options identified in the report, members asked that consideration be given to incorporating the functions of the Licensing Committee into the Environment and Communities Committee or the Audit and Governance Committee. Officers advised that a distinction was usually drawn between regulatory committees and service committees. However, they undertook to consider the feasibility of the proposal.

Members also suggested that in future, visiting members, non-core officers and members of the public wishing to speak at committee meetings could be encouraged to attend meetings remotely rather than in person. Officers undertook to consider the implications of the suggestion.

Officers undertook to provide members with a briefing paper on the various options identified and suggestions made during the debate, in time for the Council meeting on 13th December.

RESOLVED

That the Committee recommends to Council that

1. Council note its agreed MTFS saving of £135,000 to reduce the costs of democracy;
2. the Finance Sub-Committee be retained as a Sub-Committee of the Corporate Policy Committee;
3. the three Place service committees be retained;
4. the functions of the Scrutiny Committee be transferred to the Audit and Governance Committee;
5. a further annual review of the committee system be undertaken and a report on its findings be presented to the first scheduled meeting held after the Council AGM in 2024; and
6. the Monitoring Officer be authorised to make such consequential changes to the Council's Constitution as he deems necessary to give effect to the decision(s) of Council.

Note: At 12.20 pm, the meeting adjourned for a ten minute break.

54 CHESHIRE EAST COUNCIL ELECTORAL REVIEW

The Committee considered the recommendations of the Electoral Review Sub-Committee in relation to the future council size of Cheshire East Council.

This was in response to a review being conducted by the Local Government Boundary Commission for England of the electoral arrangements of Cheshire East Council. As part of that review, the Council was being consulted and invited to make a submission on council size to the Commission. The Sub-Committee had prepared the Council's submission which was appended to the report. The Committee was being asked to recommend the submission to full Council for approval.

This was the first stage of the review, which would go on to consider future warding arrangements. The Electoral Review Sub-Committee would, over the next few weeks, prepare a draft submission on warding arrangements which would be recommended to the Corporate Policy Committee in February for recommendation to full Council.

RESOLVED (unanimously)

That the Committee recommends to Council

1. that the council size submission attached as an appendix to the report be approved for submission to the Local Government Boundary Commission for England; and
2. that authority be delegated to the Electoral Review Sub-Committee to make any final changes to the council size submission and related documentation which may be required following Council approval, prior to submission to the Boundary Commission.

55 WORKFORCE STRATEGY 2021-2025

The Committee considered a report on progress with the delivery of the Council's Workforce Strategy 2021-2025 up to October 2023.

Officers were congratulated on the initiative to encourage agency workers to join the Council as permanent members of staff, which had resulted in financial savings to the Council.

RESOLVED (unanimously)

That the Committee

1. notes the progress in delivering the Workforce Strategy;
2. agrees to receive further updates every six months to monitor progress; and
3. agrees with the implementation of the strategy as set out in the report.

56 **SIX MONTHS COMPLAINTS REPORT**

The Committee considered a report which provided a summary and analysis of complaints and compliments received by the Council during the period 1st April 2023 to 30th September 2023.

In response to members' questions and comments, officers advised that:

- A new themes and trends tracker had been introduced which would improve the accuracy of reporting and provide comparison data for future reports.
- With regard to an apparent shortage of drivers for school transport, officers undertook to take this up with the relevant service.
- With regard to response times in responding to complaints, managers were now required to confirm, within 24 hours, that they would be picking up and responding to the complaint.
- Complaints with regard to SEND were primarily from parents and not schools which followed a different process.

RESOLVED (unanimously)

That the Committee

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

57 **WORK PROGRAMME**

The Committee reviewed its work programme for 2023-24.

Members asked for an item to be included on the work programme for a future meeting on the business case and implementation timetable for the introduction of community hubs as discussed earlier in the meeting. It was suggested that the report should include a review of the current community centres and Sure Start centres.

The Director of Governance and Compliance reminded members that the date of the February Committee meeting had recently changed from 8th to 9th February. He advised that it may be necessary to slip the meeting back further to allow sufficient time for members to be briefed on the budget and to allow officers time to assimilate the feedback from members before the budget Council meeting on 27th February. It was anticipated that there

would be additional reports to the Committee's March meeting arising from consideration of the budget at full Council.

RESOLVED

That subject to the inclusion of an additional item on community hubs, the work programme be noted.

58 MINUTES OF SUB-COMMITTEES

RESOLVED

That the following sub-committee minutes be received and noted:

Finance Sub-Committee – 2nd November 2023
General Appeals Sub-Committee – 10th October 2023
General Appeals Sub-Committee – 7th November 2023

59 WORKPLACE (ESTATE RATIONALISATION)

The Committee considered a report which proposed the closure of the Westfields offices in Sandbach as part of the rationalisation of the Council's office space, following consultation with Cheshire East Council recognised trade unions, employees and members.

Members had regard to confidential legal advice which had been circulated to members with the agenda.

Officers advised that the timing of staff vacating Westfields would depend on the timing of the repurposing of the building.

Members commented that they would wish to see the repurposing of Westfields as soon as possible to achieve the financial savings and establish a new income stream.

RESOLVED (unanimously)

That the Committee

1. notes the results from the consultation with Cheshire East Council recognised trade unions, employees and members provided at Appendices 1a and 1b;
2. approves the option to close the Westfields offices in Sandbach;
3. notes that the Head of Human Resources and Head of Democratic Services will progress further consultation with trade unions, employees, third parties and members, on the impact of closing the Westfields offices in Sandbach on those groups as it relates to relocation within other areas of the corporate estate;

4. notes the findings of the market testing at paragraph 21 of the report, and that the Head of Estates/Executive Director of Place will report to the appropriate committee on the future use of the Westfields site in a timely manner to achieve best consideration from the asset; and
5. notes that the Monitoring Officer will carry out all necessary communications to alert relevant individuals and organisations that the Post Room, located at Delamere House, Crewe, will be the registered address for all statutory correspondence.

60 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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

61 ERP SUPPORT CONTRACT EXTENSION

The Committee considered a report which proposed an extension to the Council's current Enterprise Resource and Planning (ERP) Support Contract for a period of up to 2 years commencing September 2024.

RESOLVED (unanimously)

That the recommendations in the report be approved.

The meeting commenced at 10.00 am and concluded at 1.35 pm

Councillor S Corcoran (Chair)

OPEN

Corporate Policy Committee

18 January 2024

Third Financial Review 2023/24

Report of: Alex Thompson, Director of Finance and Customer Services (s151 Officer)

Report Reference No: CP/37/23-24

Ward(s) Affected: All Wards

Purpose of Report

- 1 This report provides Members with the third review of the Cheshire East Council forecast outturn for the financial year 2023/24. Members are being asked to consider the serious financial challenges being experienced by the Council (and other councils) and to recognise the important activities aimed at minimising the impact on services.
- 2 Members of the Committee are being asked to consider the financial performance of the Services relevant to their terms of reference.

Executive Summary

- 3 The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle and provides a forecast outturn position for the 2023/24 financial year. The information in this report also supports planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.
- 4 The full report was received by Finance Sub Committee on 11 January 2024. Service Committees will receive the sections relevant to their committee (see Appendices).

RECOMMENDATIONS

The Corporate Policy Committee:

1. Consider the report of the Finance Sub Committee: [Finance Sub Committee, 11th January, 2024](#)
2. Consider the factors leading to a forecast Net Revenue financial underspend of (£1.0m) against a revised budget of £41.7m (2.4%), for Corporate Policy Committee services.
3. Consider the forecast and any further mitigations to be identified.
4. Consider the in-year forecast Capital Spending of £10.6m against an approved MTFS budget of £12.8m, due to slippage that has been re-profiled into future years, in respect of Corporate Policy Committee projects.
5. Scrutinise the contents of Annex 1 and Appendix 3 and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations.

Reasons for Recommendations

- 5 Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Head of Service responsibilities as far as possible.
- 6 Budget holders are expected to manage within the budgets provided by full Council. Committee and Sub-Committees are responsible for monitoring financial control and making decisions as required by these rules.

Access to Information

Contact Officer:	Alex Thompson, Director of Finance and Customer Services (s151 Officer) alex.thompson@cheshireeast.gov.uk Paul Goodwin, Head of Finance & Deputy Chief Finance Officer paul.goodwin@cheshireeast.gov.uk
Appendices:	1 Third Financial Review 2023/24 2 Annex 1 – Third Financial Review 2023/24
Background Papers:	Medium Term Financial Strategy 2023-27 First Financial Review 2023/24 Second Financial Review 2023/24 Third Financial Review 2023/24

OPEN

Finance Sub Committee

11 January 2024

Third Financial Review 2023/24

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

Report Reference No: FSC/29/23-24

Ward(s) Affected: All Wards

Purpose of Report

- 1 This report provides Members with the third review of the Cheshire East Council forecast outturn for the financial year 2023/24. Members are being asked to consider the serious financial challenges being experienced by the Council (and other councils) and to recognise the important activities aimed at minimising the impact on services.
- 2 The report highlights the ongoing negative impact of high inflation, rising interest rates and increasing demand for services since the Council set its budget in February 2023. Annex 1 of the report highlights in detail what the Council is forecasting to achieve as part of the 2023/24 budget. Tables include updates to items identified in the MTFS plus further items identified in-year.
- 3 Reporting the financial forecast outturn supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of Council decision making.
- 4 The report also requests Member approval for amendments to the Council's budget in-line with authorisation levels within the Constitution.

Executive Summary

- 5 The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle and provides a forecast outturn position for the 2023/24 financial year. The information

in this report also supports planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.

- 6 The Council set its 2023/24 annual budget in February 2023. The budget was balanced, as required by statute, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2023 to 2027.
- 7 The MTFS for 2023/24 included £70m of service growth and £42m of service savings. The equivalent figures for 2022/23 were £21m of growth and £7m of savings. This highlights the challenge of delivering the 2023/24 budget even before the impact of increased demand, prevailing high inflation and rising interest rates.
- 8 Prices, and demand, for services to support children and adults that require Council services continue to rise, reflecting complexity of care needs and market conditions.
- 9 The third financial review of 2023/24 is forecasting a pressure of £13.0m by 31 March 2024, an improvement of £5.7m compared to second financial review.
- 10 Improvements since second financial review include:
 - (a) Increased use of flexible capital receipts.
 - (b) Increased income.
 - (c) Holding vacant posts.
 - (d) Reducing non-essential spend.
- 11 As the Council continues to monitor the position closely, the aim is to reduce the financial pressure to Nil in 2023/24. This will ensure that the Council's reserves will be protected for future years.
- 12 The Council's General Fund Reserve balance is currently at £14.1m. A forecast outturn of £13.0m deficit would nearly eradicate the Council's remaining General Fund Reserve balance, severely reducing the ability of the Council to produce a balanced MTFS for the next financial year(s). There is also limited scope in the Council's other earmarked reserves to help mitigate the current forecast pressure as they have been set aside for specific purposes such as: funding the capital programme, future changes in funding Local Authorities by central government, and Insurance claims.
- 13 The Reserves balances are still lower than the Council would like, so the Council will be looking at opportunities to increase the General Fund Reserve, or to not draw down on an earmarked reserve where that is

possible, to ensure the Council has a robust level of reserves moving forward and is financially resilient.

- 14 In October 2023, the Cheshire East Budget Response Team (CEBERT) was set up to lead on coordinating this work across the organisation. Weekly meetings are chaired by the Chief Executive with updates relating to the workstreams identified in the review. These workstreams include Establishment Management, Spending Control Panel, Pricing Strategies and Capital Spending. The impact of this work, as well as focused activity on services within each committee is reflected in Annex 1. The Chief Executive has arranged for frequent Member updates on progress.
- 15 The financial pressures being experienced by Cheshire East Council are not unique. A recent [Local Government Association \(LGA\) Survey](#) reported that almost one in five council leaders and chief executives in England surveyed think it is very or fairly likely that their chief finance officer will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running. The LGA estimates that councils in England face a £4 billion funding gap over the next two years just to keep services standing still.
- 16 The LGA survey of council leaders and chief executives also reported:
 - (a) Half are not confident they will have enough funding to fulfil their legal duties next year (2024/25). This includes the delivery of statutory services.
 - (b) Nearly two thirds of council leaders and chief executives said there were no announcements in the Autumn Statement that they thought would help them deal with their council's financial position.
- 17 The LGA said the circumstances that have led to a Section 114 notice so far have been unique to each local area and the pressures they face. However, all those that have had to curb spending in this way have faced the same underlying pressures - councils' core spending power falling by 27 per cent in real terms from 2010/11 to 2023/24, the impact of the pandemic, rising demand for services, in particular statutory services like social care and homelessness support, and the extra costs to provide them.
- 18 The UK Parliament's Levelling Up, Housing and Communities Committee opened up a new inquiry [Financial distress in local authorities](#) in early November 2023 to "examine the current landscape of financial resilience in local authorities in England, what lessons can be learned from the recent issuers of section 114 notices, and how the various responsible bodies are fulfilling their responsibilities to ensure effective and sustainable local government". The Committee has

considered oral and written evidence on the subject over various hearings in November/December 2023. It is usual for a report to be published following such an inquiry.

- 19 Local authorities that have committed, or are likely to commit to, financial activities beyond their legal means must issue a s.114 notice. This has already happened for various reasons at eight local authorities to date (Birmingham, Northamptonshire, Nottingham, Northumberland, Croydon, Woking, Thurrock, and Slough). The pressures quoted in these councils are between £35m and £1.5bn.
- 20 Please see Financial Implications section for risks and consequences relating to a s.114 notice.
- 21 Press articles continue to report that more councils are concerned about further s.114 notices being issued. Further Councils identified since [Second Financial Review](#) include Dudley, Hampshire and Windsor and Maidenhead. The pressures quoted in these councils reported range from £8.5m to £47m.
- 22 Local authorities, including Cheshire East Council, therefore continue to liaise with Government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks. The focus of this lobbying for Cheshire East Council is on the following important local issues:
 - (a) High needs / special educational needs deficit.
 - (b) Capital Funding and HS2.
 - (c) Children's Services.
 - (d) Local Government Settlement.
- 23 **Annex 1: Third Financial Review 2023/24**
- 24 **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.
- 25 **Appendices:**
 - Appendix 1** Adults and Health Committee.
 - Appendix 2** Children and Families Committee.
 - Appendix 3** Corporate Policy Committee.
 - Appendix 4** Economy and Growth Committee.

Appendix 5 Environment and Communities Committee.

Appendix 6 Highways and Transport Committee.

Appendix 7 Finance Sub-Committee.

Appendix 7a Update to the Treasury Management Strategy.

Appendix 7b Update to the Investment Strategy.

RECOMMENDATIONS

The Finance Sub Committee:

1. Consider the factors leading to a forecast adverse Net Revenue financial pressure of £13.0m against a revised budget of £353.1m (3.7%).
2. Consider the forecast and further mitigations needing to be identified, aimed at bringing spending back in-line with budget.
3. Consider the in-year forecast Capital Spending of £171.1m against an approved MTFS budget of £214.7m, due to slippage that has been re-profiled into future years.
4. Scrutinise the contents of Annex 1 and each of the appendices and note that any financial mitigation decisions requiring approval will be made in-line with relevant delegations.
5. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2 Children and Families Committee, Section 2 Corporate Grants Register, Table 3.**
6. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 5 Environment and Communities Committee, Section 2 Corporate Grants Register, Table 2.**
7. As recommended by the Economy and Growth Committee on the 12th September 2023, approve a virement of £6.8m from the North Cheshire Garden Village project to create a separate project for the S106 Development obligations that is required by the Local Planning Authority to fund the initial infrastructure works on the site. As detailed in **Appendix 7 Finance Sub Committee, Section 5 Capital Strategy, Table 5.**

Background

- 26 Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest local authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £750m, with a revised net revenue budget for 2023/24 of £353.1m.
- 27 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.
- 28 The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2023/24 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee

2023/24	Revised Budget	Forecast Outturn	Forecast Variance FR3	Forecast Variance FR2	Movement from FR2 to FR3
	(NET) £m	£m	£m	£m	£m
Service Committee					
Adults and Health	136.5	141.5	5.0	4.7	0.3
Children and Families	80.3	90.3	10.0	10.8	(0.8)
Corporate Policy	41.7	40.7	(1.0)	(0.5)	(0.5)
Economy and Growth	24.8	22.0	(2.8)	(1.9)	(0.9)
Environment and Communities	48.7	51.8	3.1	3.5	(0.4)
Highways and Transport	11.2	11.0	(0.2)	1.2	(1.4)
Sub-Committee					
Finance Sub	(343.2)	(344.3)	(1.1)	0.9	(2.0)
TOTAL	-	13.0	13.0	18.7	(5.7)

National Key issues causing the pressures

- 29 The national economic position of the UK has seen prevailing high inflation. The Office for Budget Responsibility (OBR) forecast, in March 2023, that inflation should reduce to 2.9% by quarter 4 of 2023.

However, that forecast has been updated (in November 2023) to 4.8%. The Council is affected by inflation in wages (for Council staff and staff of contracted services), utilities and fuel. But the Council cannot inflate in-year income from Council Tax, Business Rates or Government Grants. The forecast impact of additional pay inflation above the estimates in February is £2.8m.

- 30 The national economic position of the UK is seeing increasing interest rates. In January 2023, when the current MTFS was drafted, interest rates were at 3.5%. Current interest rates are 5.25%. The Council has loans of £303m, mainly acquired to support important Highway and Regeneration schemes, and is therefore exposed to financial pressure from increasing borrowing costs. The Council is receiving more money from investments, but this does not offer adequate compensation. Interest rates are forecast to reduce once inflation is controlled which means a shift to long-term borrowing at this point is not a favourable option.
- 31 In November 2023, the Chancellor presented the Autumn Statement. There were no direct announcements on funding for Local Government that changed the announcements already made. The Chancellor will use the new powers to de-couple the business rates multipliers, to freeze the small business rating multiplier, and to index the standard multiplier. This will complicate the settlement, but it will not significantly affect the funding that is received by local authorities.
- 32 Details of the funding allocations for each local authority will be confirmed at the provisional settlement due w/c 18th December 2023 but will mainly focus on allocations for 2024/25. Council tax referendum limits were confirmed as part of the Policy Statement 2024/25 made on 5th December. Limits for “core” Band D council tax have been set once again at 2.99% for base increases, plus 2% ringfenced for Adult Social Care. The Policy Statement also confirmed the continuation of the New Homes Bonus grant for another year, again, attracting no legacy payments.
- 33 Demand for public services, particularly those that are required to support the health and wellbeing of local residents, has increased since the pandemic. Temporary grants associated with the pandemic have ended though. The Council is experiencing demand for care for more individuals, which is driving up costs, as well as experiencing more complex demand that requires more hours of support in each case.

Consultation and Engagement

- 34 As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on

the Council's Budget proposals. The budget proposals described in the consultation document were Council-wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

Reasons for Recommendations

- 35 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 36 The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the Constitution any changes to the budgets agreed by Council in the MTFS require approval in-line with the financial limits within the Finance Procedure Rules.
- 37 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 38 In approving the Cheshire East Council Medium-Term Financial Strategy Members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

Other Options Considered

- 39 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.
- 40 Do nothing. Impact – Members are not updated on the financial position of the Council. Risks – Not abiding by the Constitution to provide regular reports.

Implications and Comments

Monitoring Officer/Legal

- 41 The legal implications surrounding the process of setting the 2023 to 2027 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2023/24. Implications arising from individual proposals regarding service growth and savings have and will continue to be the subject of ongoing advice and support.
- 42 Implications arising directly from this report relating to the internal processes of approving supplementary estimates and virements referred to are governed by the Constitution and in particular the Finance Procedure Rules.
- 43 In relation to the proposed review to ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans, it should be noted that local authorities are creatures of statute. They are created by statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

Section 151 Officer/Finance

- 44 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 45 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 46 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and/ or revise the level of risks associated with the development of the Reserves Strategy in future.

- 47 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
- 48 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.
- 49 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
- i) Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
 - ii) Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.
- 50 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 51 Further consequences would be highly likely and could include the appointment of Commissioners from the DLUHC, and potential restrictions on the decision-making powers of local leaders.

Policy

- 52 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.
- 53 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2024 to 2028 Medium-Term Financial Strategy.
- 54 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

Equality, Diversity and Inclusion

- 55 Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Human Resources

- 56 This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Risk Management

- 57 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2022/23 budget and the level of general reserves were factored into the 2023/24 financial scenario, budget, and reserves strategy.

Rural Communities

- 58 The report provides details of service provision across the borough.

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

- 59 The report provides details of service provision across the borough and notes the pressure on Children in Care.

Public Health

- 60 This report is a backward look at Council activities at the third review and provides the forecast year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Climate Change

- 61 There are no direct implications for climate change.

Access to Information	
Contact Officer:	<p>Alex Thompson</p> <p>Director of Finance and Customer Services (Section 151 Officer)</p> <p>alex.thompson@cheshireeast.gov.uk</p> <p>01270 685876</p>
Appendices:	<p>Annex 1 including:</p> <p>Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices.</p> <p>Appendix 1 Adults and Health Committee.</p> <p>Appendix 2 Children and Families Committee.</p> <p>Appendix 3 Corporate Policy Committee.</p> <p>Appendix 4 Economy and Growth Committee.</p> <p>Appendix 5 Environment and Communities Committee.</p> <p>Appendix 6 Highways and Transport Committee.</p> <p>Appendix 7 Finance Sub-Committee.</p> <p>Appendix 7a Update to the Treasury Management Strategy.</p> <p>Appendix 7b Update to the Investment Strategy.</p>
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium Term Financial Strategy 2023-2027</p> <p>First Financial Review</p> <p>Second Financial Review</p>



Third Financial Review 2023/24

January 2024

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

RandC@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £750m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation and interest rates. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in a forecast outturn of £13.0m against a net revenue budget of £353.1m. The most significant impact is within the rising costs of Children's Social Care. Further activity is required to identify other mitigating measures.

When the 2023/24 budget was set, in February 2023, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation, interest rates and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2024 to 2028.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with

detailed information about allocation and management of public money during 2023/24.

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, Council Tax and Business Rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Highways and Transport Committee.
- **Appendix 7** Finance Sub-Committee.
- **Appendix 7a** Update to the Treasury Management Strategy.
- **Appendix 7b** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

Contents

Introduction 1

2023/24 Outturn Forecast - Financial Position 3

Appendices to Third Financial Review 2023/24 5

 Appendix 3: Corporate Policy Committee 6

2023/24 Outturn Forecast - Financial Position

2023/24	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adults, Health and Integration	136.5	141.5	5.0	Appendix 1
Children's Services	80.3	90.3	10.0	Appendix 2
Place - Directorate/Growth & Enterprise	24.8	22.0	(2.8)	Appendix 4
Place - Environment & Neighbourhood Services	48.7	51.8	3.1	Appendix 5
Place - Highways & Infrastructure	11.2	11.0	(0.2)	Appendix 6
Corporate Services	41.7	40.7	(1.0)	Appendix 3
Total Services Net Expenditure	343.2	357.3	14.1	
CENTRAL BUDGETS				
Capital Financing	19.0	19.0	-	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	Appendix 7 Section 6
Transfer from MTFs Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	Appendix 7
TOTAL NET EXPENDITURE	353.1	366.1	13.0	
Business Rates Retention Scheme	(55.3)	(55.3)	-	Appendix 7 Section 2
Specific Grants	(26.8)	(26.8)	-	Appendix 7 Section 3
Council Tax	(271.1)	(271.1)	-	Appendix 7 Section 2
Net Funding	(353.1)	(353.1)	-	
NET (SURPLUS) / DEFICIT	-	13.0	13.0	

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of inflation, the legacy impact of the Coronavirus pandemic on people and on the economy and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. The affects of inflation on contracts, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £14.1m over budget in the current year which includes mitigating actions identified to date. The 2023/24 Approved Budget Policy Changes and Forecast Variances provide further details and changes to service net budgets since the Medium-Term Financial Strategy (Section 2 in the **Appendices 1-6**).
4. It also shows that central budgets are forecast to be £1.1m below budget resulting in an overall forecast outturn of £13.0m against a net revenue budget of £353.1m.
5. Further items impacting on the level of the Council's balances are detailed in **Appendix 7**.

Table 1 - Service Revenue Outturn Forecasts

2023/24	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR2 to FR3
	(NET)				
	£m	£m	£m	£000	£000
SERVICE DIRECTORATES					
Adult Social Care - Operations	137.9	142.9	4.9	4.7	0.3
Commissioning	(1.4)	(1.4)	0.1	0.1	0.0
Public Health	-	-	-	-	-
Adults and Health Committee	136.5	141.5	5.0	4.7	0.3
Directorate	0.7	0.5	(0.2)	0.1	(0.3)
Children's Social Care	49.0	58.1	9.2	9.4	(0.3)
Strong Start, Family Help and Integration	7.4	6.4	(1.0)	(0.6)	(0.4)
Education & 14-19 Skills	23.2	25.2	2.0	1.8	0.2
Children and Families Committee	80.3	90.3	10.0	10.8	(0.8)
Directorate	0.3	0.1	(0.2)	(0.2)	-
Growth & Enterprise	24.5	21.9	(2.6)	(1.7)	(0.9)
Economy and Growth Committee	24.8	22.0	(2.8)	(1.9)	(0.9)
Environment & Neighbourhood Services	48.7	51.8	3.1	3.5	(0.4)
Environment and Communities Committee	48.7	51.8	3.1	3.5	(0.4)
Highways & Infrastructure	11.2	11.0	(0.2)	1.2	(1.3)
Highways and Transport Committee	11.2	11.0	(0.2)	1.2	(1.3)
Directorate	0.6	0.3	(0.26)	(0.1)	(0.2)
Finance & Customer Services	13.3	13.1	(0.19)	0.2	(0.3)
Governance & Compliance Services	10.8	10.4	(0.37)	(0.4)	0.1
Communications	0.7	0.7	0.01	0.0	0.0
HR	2.6	2.2	(0.35)	(0.2)	(0.1)
ICT	11.8	12.1	0.28	0.4	(0.1)
Policy & Change	2.0	1.9	(0.08)	(0.3)	0.2
Corporate Policy Committee	41.7	40.7	(1.0)	(0.5)	(0.5)
TOTAL SERVICES NET EXPENDITURE	343.2	357.3	14.1	17.8	(3.6)
CENTRAL BUDGETS					
Capital Financing	19.0	19.0	-	0.4	(0.4)
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	-	-
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	0.5	(1.6)
Finance Sub-Committee - Central Budgets	9.9	8.8	(1.1)	0.9	(2.0)
TOTAL NET EXPENDITURE	353.1	366.1	13.0	18.7	(5.7)
Business Rates Retention Scheme	(55.3)	(55.3)	-	-	-
Specific Grants	(26.8)	(26.8)	-	-	-
Council Tax	(271.1)	(271.1)	-	-	-
Finance Sub-Committee - Net Funding	(353.1)	(353.1)	-	-	-
NET (SURPLUS) / DEFICIT	-	13.0	13.0	18.7	(5.7)
General Reserves Balance					
2023/24 Budget					
	£m				
Opening Balance April 2023	14.1	Actual			
2023/24 Impact on Reserves (see above)	(13.0)	Forecast			
Closing Balance March 2024	1.1	Forecast			

Appendices to Third Financial Review 2023/24

January 2024

Appendix 3: Corporate Policy Committee

Contents

1. Changes to Revenue Budget 2023/24 since Second Financial Review
2. 2023/24 Approved Budget Policy Changes and Forecast Variances
3. Corporate Grants Register
 - Table 1: Corporate Policy Committee Grants
 - Table 2: Delegated Decision Additional Grant Funding (Specific Purpose) £500,000 or less
 - Table 3: Delegated Decision Additional Grant Funding (Specific Purpose) previously named in the MTFS
 - Table 4: Delegated Decision Additional Grant Funding (General Use) previously named in the MTFS
4. Debt Management
5. Capital Strategy
6. Reserves Strategy

Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2023/24 since Second Financial Review

	Second Review Revised Net Budget	Adjustments to FR2 Budget	Third Review Revised Net Budget	Unringfenced Grants to be Actioned
	£000	£000	£000	£000
CORPORATE				
Directorate	570	-	570	-
Finance & Customer Services	12,764	493	13,257	115
Governance and Compliance Services	10,766	-	10,766	-
HR	2,588	-	2,588	-
ICT	11,804	12	11,816	-
Communications	696	-	696	-
Policy and Change	2,014	-	2,013	-
Corporate Policy Committee	41,202	505	41,706	115

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all third financial review approvals have been given.

Corporate Policy Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The Corporate Policy Committee has responsibilities across the Corporate Directorate. Services cover support functions such as Finance, Legal, HR and ICT as well as front line services such as Customer Services, Revenues and Benefits, Registrations and Consultation Services. Services across the directorate are important in enabling activities, for example providing ICT Systems, project management, legal advice and HR support.

The forecast outturn for Corporate Services is an underspend of £1.0m, which is a £0.7m improvement over the £0.3m underspend reported at second financial review. The Directorate has improved its forecast by building on the staffing savings achieved through a review of vacancies at second review, by further vacancy and contract management, and regular review of non-staffing spend. Holding vacancies has considerably reduced forecast spend on staffing meaning that budget pressure relating to higher than forecast pay inflation can be met from in-year vacancies underspending. The main pressure continues to be from a shortfall in Rent Allowances income however, there is also a large reduction in commissioned hours within the shared ICT service, this has slightly improved since FR2 but continues to impact on income levels. Most of the financial changes identified within the 2023/24 budget are on track, although further work continues to be required to achieve the cost of democracy savings.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Corporate Policy Committee	2.551		
46	Pay inflation	2.587	-	The total cost of pay inflation will exceed 5% based on national pay negotiations. Figures produced at FR3 suggest that this will be mitigated in-year through management of vacancies. A budget pressure remains though.
47	Shared Services Review – move to hybrid model	0.39	-	Project has mobilised and identified appropriate resources. Financial profile is being analysed. NOTE: these costs are being funded from Capital Receipts which are shown outside of Corporate Services.

48	Revenue implications of capital: IT Procurements and Application Lifecycle Management	0.511	-	On track, subject to ongoing monitoring.
49	Infrastructure Investment Programme	0.239	-	On track, subject to ongoing monitoring.
50	Accelerate digital transformation / robotics and related Digital Savings	0.15	-	Structure of digital transformation is being reviewed. No growth incurred to date whilst plans are being developed.
51	Mitigation of reduction in the Dedicated Schools Grant	0.122	-	On track, subject to ongoing monitoring.
52	Remove Commercial Workstream Income Target	0.1	-	Action complete – budget adjusted.
53	Coroners Restructure Costs	0.06	-	Action complete – budget adjusted.
54	Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	0.013	-	On track, subject to ongoing monitoring.
55	Pension Costs Adjustment	-0.996	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
56	ICT Operational Efficiencies	-0.31	-	Reduction in end user licence costs achieved. Further review of resources and third party contracts. Subject to ongoing monitoring.
57	Reduce cost of Democracy	-0.135	0.084	Report to Corporate Policy Committee on 15 June 2023 provided latest position.
58	Elections Act 2022 additional costs (funded by New Burdens grant funding)	-0.132	-	Action complete – budget adjusted.
59	Elections Act 2022 additional costs (funded by New Burdens grant funding)	0.132	-	Action complete – budget adjusted.

60	Revenue implications of capital: Vendor Management Phase 3 to drive improvements in procurement	-0.089	-	On track, subject to ongoing monitoring.
61	Brighter Futures Together Programme Customer Experience	-0.081	0.081	Savings relate to staffing reductions. These may not be appropriate in 2023/24 due to significant change projects requiring support to customers.
62	Across the board efficiencies, including procurement and income generation etc	-0.01	-	On track, subject to ongoing monitoring.
63	Review of leadership and management, including MARS and redefine 'core offer'	-	-	On track, subject to ongoing monitoring.
	In-year Directorate		-0.263	Chief executive appointed on 3 rather than 5 days a week and lower daily rate plus some assumptions re non-pay spend in this centre and the Executive Director centre. This figure takes no account of the announcement of the newly appointed Chief Executive starting during 2023/24 - start date to be confirmed.
	In-year pressure Finance & Customer Services		-0.272	Transactional services forecast to overspend by £143k (£47k improvement since FR2), Finance overspending by £126k mainly as a result of increased External Audit Fee Spend. CSC overspend reduced to £42k from £88k at FR2, mainly as a result of vacancy management (NOTE: Service assuming certain cost will be met from Brighter Futures Reserve). R&B - Pressure in Systems Development & small pressure (£4k) in BIDs offset by underspends in HB Admin and Revenues Service. Improvement in forecast outturn caused by grant related costs incorrectly forecast in FP&A at FR1 and FR2 as incurred, Service now identified that this years costs have been met from elsewhere - this has resulted in a reduction of £329k. NOTE: HoS is looking to create a reserve from these grants to cover ongoing future year revenue costs relating to the project, this would reduce the outturn forecast if agreed.

	Rent Allowances Under-recovery (Included in F&CS Team Plan)		-	Rent allowances under-recovery of £1.074m to be funded by Collection Fund Reserve.
	In-year Governance & Compliance		-0.458	Registration Services forecast to over-recover the income budget by £210k (£235K at FR2) due to increased number of ceremonies at approved premises. Elections overspent the budget/reserve available by £4k due primarily to increased costs of printing and postage. Members budget underspent by £53k on transport, communications and SRAs. £84k overspend due to inability of service to achieve MTFS savings on costs of democracy. Audit & Risk is forecast to underspend by £202k against a forecast underspend of £305k at FR2. The main reason for the change is due to unachievable Fraud income of £100k mistakenly being included in previous forecast figures. The service has shown some further improvements to the staffing underspend due to keeping vacancies open however, this has been offset by a forecast fall in CHESS income in Health & Safety. Legal Services overspend has reduced to £66k from £137k at FR2. Main reason for the overspend due to counsel fees £72k (no change since FR2), income shortfall of approx £85k (£88k at FR2), and staffing now forecast to underspend by approx £88k (£22k at FR2).
	In-year Policy & Change		-0.082	PMO balanced due to use of reserves, Business Intelligence People overspending by £45k, Business Int Research & Consultation underspent by £63k (£72k at FR2), Subscriptions overspent by £55k (£50k at FR2) partially offset by equality and diversity underspend of £5k (was £21k at FR2) - change due to spend on Corporate Plan. Underspend on P&C management costs due to vacant post, restructure planned to go out to consultation in 2023/24.
	In-year pressure Communications		0.007	Overspending on salaries - potentially increased due to return of fostering budget to Children's Services.
	In-year HR		-0.350	Underspending on central training and organisational development budgets is predicted at £244k (£103k at FR2) with the remainder primarily due to part and full year vacancies.

	In-year Pressure ICT		0.279	ICT Strategy anticipating fully utilising the funding given for ALM (shown above) due to dependencies on the hybrid programme and cyber security risk noting that this budget accommodates for growth in shared service contracts. £200k underspend due to Gemini project. Further mitigations include transformational work being undertaken within ICT at management level which could potentially be supported by Capital Flexible Receipts. ICT Shared Service CEC 50% share of overspend is £480k due to forecast for commissioned hours reducing to 63,000 from 70,000 previously. This has lead to a worse position on income however this has been partially mitigated by underspends identified within premises and contracts.
	REVISED FORECAST VARIANCE		-0.974	

Corporate Policy Committee

3. Corporate Grants Register

3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.

3.3 The increase in specific purpose and general use grants relates mainly to a forecast increase in Housing Benefit-related grants. Other additional specific purpose grants have also been received, reflecting the latest allocations, and are detailed in **Table 2** and **Table 3**.

3.4 **Table 1** provides a detailed listing of all Corporate Policy related grants, their movements between the reporting period and the treatment of the grant.

3.5 **Table 2** shows additional **specific purpose** grant allocations that have been received which are £500,000 or less and are for noting only.

3.6 **Table 3** shows delegated decisions for additional **specific purpose** grants previously named within the MTFS.

3.7 **Table 4** shows delegated decisions for additional **general use** grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast Mid-Year	Revised Forecast FR3	Change from Mid-Year Forecast	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CORPORATE POLICY					
Specific Purpose (Held within Services)					
Revenues and Housing Benefits:					
Housing Benefit Subsidy	46,652	52,633	53,221	588	SRE
Discretionary Housing Payments Grant	314	349	349	0	
Housing Benefit (HB) Award Accuracy Initiative	29	30	30	0	
LADS - VEP (RTI) funding	24	22	21	(1)	
LADS - Internet Protocol Access	0	0	1	1	SRE
New Burdens: Universal Credit, maintenance & natural migration	8	8	8	0	
LADS - New Burdens - Discretionary Housing Payments (DHP)	0	60	60	0	
LADS - New Burdens - Benefit Cap	0	1	1	0	
LADS - New Burdens - Single Fraud Investigation	0	0	1	1	SRE
LADS - New Burdens - Welfare Reform Changes (S4/2022)	62	1	0	(1)	
LADS - New Burdens - Supported & Temporary Accommodation Change Request	2	0	0	0	
LADS - New Burdens - Supported & Temporary Accommodation	5	0	0	0	
LADS - New Burdens - Single Housing Benefit Extract Automation	5	10	16	6	SRE
LADS - New Burdens - Changes to Universal Credit Stop Notice	0	0	1	1	SRE
Incapacity Benefit Reassessment (S5/2022)	2	0	0	0	
Council Tax Rebate Scheme - New Burdens on Account Payment	0	94	94	0	
Energy Bills Support Scheme Alternative Funding	0	325	325	0	
Democratic Services:					
Police and Crime Commissioner's Panel grant	65	65	65	0	
Electoral Integrity Programme - New Burdens (Voter ID)	132	132	132	0	
Electoral Integrity Programme - New Burdens (Postal Votes)	0	8	8	0	
Total Corporate Policy - Specific Purposes	47,300	53,739	54,334	594	

Grants 2023/24	Original Budget	Revised Forecast Mid-Year	Revised Forecast FR3	Change from Mid-Year Forecast	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CORPORATE POLICY					
Specific Purpose (Held within Services)					
Revenues and Housing Benefits:					
General Use (Held Corporately)					
Revenue Support Grant	388	388	388	0	
Housing Benefit Administration Subsidy	626	626	741	115	SRE
NNDR Administration Allowance	587	578	578	0	
New Homes Bonus	3,794	3,794	3,794	0	
Services Grant	1,720	1,720	1,720	0	
Council Tax Support Fund	0	521	521	0	
Council Tax Support New Burdens	0	25	25	0	
Business Rates Reliefs Grant 2023/24	0	21,039	21,039	0	
Total Corporate Policy - General Use	7,115	28,692	28,807	115	
TOTAL CORPORATE POLICY	54,415	82,431	83,140	709	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

Table 2 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	LADS - Internet Protocol Access (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). To cover IT costs for the LA data sharing programme initiatives
Corporate Policy	2023/24	LADS - New Burdens - Single Fraud Investigation (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). This New Burden funding is for costs associated with providing information to the DWP to support fraud investigations. The funding has been allocated based on the forecasted FYE March 2024 HB admin subsidy caseloads.
Corporate Policy	2023/24	LADS - New Burdens - Changes to Universal Credit Stop Notice (Specific Purpose)	1	This is a new grant from the Department for Work and Pensions (DWP). LA's receive stop notices from DWP when Housing Benefit (HB) is due to end due migration to Universal Credit. DWP proposed new types of stop notices to identify the reason HB should stop. Software changes were required to meet this criteria.
Total Specific Purpose Allocations less than £500,000			3	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Subsidy (Specific Purpose)	588	Increase on MTFS 2023-27 estimate and Financial Review 2 revised forecast. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Corporate Policy	2023/24	LADS - New Burdens - Single Housing Benefit Extract Automation (Specific Purpose)	6	Increase on MTFS 2023-27 estimate and Financial Review 2 revised forecast. This grant is from the Department for Work and Pensions (DWP). This is a change request for a new IT field for supported and temporary accommodation information.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			594	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Administration Subsidy (General Use)	115	Increase on MTFS 2023-27 estimate. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			115	

Corporate Policy Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Sep-23	Oct-23	Increase / (Decrease)	Sep-23	Oct-23	Increase / (Decrease)
Corporate Policy Committee						
Finance and Customer Services	95	83	(12)	53	55	2
Governance and Compliance	13	2	(11)	-	-	-
Human Resources	9	2	(7)	-	1	1
ICT	8	188	180	1	1	-
	125	275	150	54	57	3

Note: Finance and Customer Services - £81,000 of outstanding invoices is for overpayment of salaries and the majority of these are being paid in installments.

Governance and Compliance - outstanding debt has reduced due to 12 invoice being paid, and 3 invoices remain outstanding

HR - only 2 invoices remain outstanding

ICT - Increase in outstanding debt mainly due to 3 local authority invoices (£183,000 total) falling in 1-3 months overdue

Corporate Policy Committee

5. Capital Strategy

Corporate Policy								CAPITAL					
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes in progress													
ICT Services													
Care Act Phase 2	6,314	4,130	826	1,358	0	0	2,184	0	0	0	0	2,184	2,184
Digital Customer - Delivery Programme Phase 1	250	129	121	0	0	0	121	0	0	0	0	121	121
Digital Customer Enablement	2,874	1,010	1,390	474	0	0	1,864	0	0	0	0	1,864	1,864
ICT Device Replacement	1,912	453	459	1,000	0	0	1,459	0	0	459	0	1,000	1,459
IADM (Information Assurance and Data Management)	19,465	15,183	1,601	1,281	1,400	0	4,282	0	0	0	0	4,282	4,282
Infrastructure Investment Programme (IIP)	36,370	30,068	1,673	1,996	1,804	830	6,303	0	0	0	0	6,303	6,303
Unified Communications Project	1,216	1,008	208	0	0	0	208	0	0	0	0	208	208
Vendor Management	1,006	743	163	100	0	0	263	0	0	0	0	263	263
Finance & Customer Services													
Core Financials	11,317	8,813	701	808	698	297	2,504	0	0	0	0	2,504	2,504
Strategic Capital Projects	17,518	8,578	2,852	2,390	2,300	1,397	8,939	0	0	0	0	8,939	8,939
Vendor Management - Phase 2	320	19	0	0	301	0	301	0	0	0	0	301	301
Total Committed Schemes	98,562	70,134	9,994	9,407	6,503	2,524	28,428	0	0	459	0	27,969	28,428
New Schemes													
ICT Services													
ICT Hybrid Model	1,552	0	581	971	0	0	1,552	0	0	0	0	1,552	1,552
Total New Schemes	0	0	581	971	0	0	1,552	0	0	0	0	1,552	1,552
Total Corporate Policy	98,562	70,134	10,575	10,379	6,503	2,524	29,980	0	0	459	0	29,521	29,980

Corporate Policy Committee

6. Reserves Strategy

Corporate Policy Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March '24 £000	Notes
<u>Directorate</u>				
Corporate Directorate	1,356	(421)	935	To support a number of widespread projects within the Corporate Directorate.
<u>Finance and Customer Services</u>				
Collection Fund Management	17,819	(6,610)	11,209	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	12,886	(7,900)	4,968	To provide for financing of capital schemes, other projects and initiatives.
MTFS Reserve	5,147	(4,761)	386	To support the financial strategy and risk management.
Section 151 Revenue Grants	558	(558)	0	Unspent specific use grant carried forward into 2023/24.
<u>Governance and Compliance</u>				
Insurance Reserve - CCC Fund	(647)	0	(647)	To settle insurance claims and manage excess costs. Additional work required by Insurance Service, but reserve cannot be given up.
Insurance Reserve - CEC Fund	5,623	0	5,623	To settle insurance claims and manage excess costs. Additional work required by Insurance Service, but reserve cannot be given up.
Elections General	640	(640)	0	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	To be reviewed.
<u>Human Resources</u>				
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	To fund HR expenditure in relation to the Care4CE review, culture change programme, pay realignment and the Learning Management System.
Pay Structure (M Grade Review)	306	(306)	0	To fund ongoing changes to pay structure.

Corporate Policy Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March '24 £000	Notes
<u>Policy and Change</u>				
Brighter Future Transformation Programme	1,789	(1,271)	518	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance. £1.271m drawn down to date as per MTFS budget. However, there is some uncertainty regarding who controls this reserve and cannot get details of committed spend. To be reviewed.
CORPORATE POLICY TOTAL	45,549	(22,467)	23,064	

OPEN

Corporate Policy Committee

18 January 2024

Performance Report – Quarter 2 2023/24

Report of: Sarah Bullock, Director of Policy and Change

Report Reference No: CP/30/23-24

Ward(s) Affected: All

Purpose of Report

- 1 To provide the Committee with an oversight of organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25.
- 2 This report covers quarter 2 of 2023/24, 1 July 2023 – 30 September 2023.
- 3 This report supports the responsibility of the Corporate Policy Committee to have a co ordinating role across all other committees and to exercise corporate oversight of outcomes, performance, budget monitoring and risk management.
- 4 Appendix 1 provides the detail of performance and progress against priorities.

Executive Summary

- 5 This report gives an update on performance against the priorities in the Council's Corporate Plan. It describes performance in quarter 2 (July-September 2023) against the objectives within the Corporate Plan.
- 6 During quarter 2, there were continued national challenges such as continuing high inflation, continuing cost of living pressures, and recruitment and retention challenges.
- 7 Despite these challenges continuing, there were some positive areas of performance in quarter 2, including evidenced improvements in childrens services and progress in planning. As requirements have been implemented to tackle the councils financial challenges, such as tight management of recruitment, this has impacted on some areas of performance in respect of timeliness of responses.
- 8 The Council continues look at ways to manage the impact to its financial position. However, in doing so, it is anticipated that performance across the Council will require greater focus over the next period.
- 9 Anticipated future inspections in both Adults Health and Integration and Childrens Services will likely place additional pressure upon the Council, with a risk that recommendations from these inspections will lead to further demands being placed upon already pressured services.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Confirm understanding of organisational performance in quarter 2 of 2023/24.
2. Consider any amendments in performance reporting, and/or additional data and intelligence that should be included within performance management reporting.

Background

- 10 The Council's Corporate Plan 2021-25 outlines 20 priorities for the Council, 6 aligned with the "Open" aim, to be an open and enabling organisation, 8 priorities are aligned to the "Fair" aim, a Council which enables and cares about people and 6 priorities are aligned to the "Green" aim, a thriving and sustainable place. The 20 priorities are as follows:

An open and enabling organisation

- Ensure that there is transparency in all aspects of council decision making
- Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
- Support a sustainable financial future for the council, through service development, improvement and transformation
- Look at opportunities to bring more income into the borough
- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
- Promote and develop the services of the council through regular communication and engagement with all residents

A council which empowers and cares about people

- Work together with residents and partners to support people and communities to be strong and resilient
- Reduce health inequalities across the borough
- Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
- Be the best Corporate Parents to our children in care
- Support all children to have the best start in life
- Increase opportunities for all children and young adults with additional needs
- Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential
- Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services

A thriving and sustainable place

- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025

- 11 This report reviews performance against priorities in the Corporate Plan and focuses upon a “One Council” approach to performance management. This includes a balance of quantitative and qualitative data. The full quarter 2 performance report is at **Appendix 1**. This gives further details on progress made against delivery of the Corporate Plan during the first quarter of the 2023/24 municipal year.
- 12 Additional levels of risk are being borne across many parts of the organisation as the challenges of the current financial situation continue to develop. This is reflected in the sensitivity and complexity of decisions being taken across the organisation at strategic, operational and individual levels. For example, the tighter management of vacancies is having some impacts on our ability to deliver in a timely manner. There are increasing costs in relation to actions required to achieve our net zero target and the ongoing affordability of this target will require ongoing scrutiny.
- 13 Members will need further assurance in understanding how individual decision recommendations seek to manage risks, as well as using the quarterly risk and performance reports to receive assurance that effective and robust actions are being taken to manage risk and performance in the current climate.
- 14 Cheshire East Council delivers around 500 services to around 398,800 residents. There are 2,847 full time equivalent staff in quarter 2. After a dip last quarter, this figure is now similar to our average during 2022/23. The vacancy rate has increased this quarter, to 12%, reflecting the agreed action to support management of financial pressures, by

reviewing all vacancies and only recruiting to posts which are crucial to statutory service delivery.

- 15 Service committees receive performance information on a regular basis through their subject matter expert officers, specific to the subject of the committee. This performance report offers an oversight of progress against the Corporate Plan and should complement the more detailed performance, service specific dashboards that are considered at service committees.

16 Open – An open and enabling organisation

Priorities

- Ensure that there is transparency in all aspects of council decision making
- Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
- Support a sustainable financial future for the council, through service development, improvement and transformation
- Look at opportunities to bring more income into the borough
- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
- Promote and develop the services of the council through regular communication and engagement with all residents

- 17 Although the vacancy rate has increased, the number of agency staff has reduced during Q2, reflecting the start of a focused piece of work to reduce the number of agency staff. There has been a reduction of around 90 FTE agency staff between quarter 1 and quarter 2 and we expect that this figure will continue to decrease in future quarters.
- 18 Quarter 2 was a period of continued financial challenge and during the period proposals were managed to implement the Medium-Term Financial Strategy and to manage demand. 98.1% of local taxation (council tax and business rates) were collected in quarter 2, a slight increase on the previous quarter.
- 19 There were some performance issues identified in relation to the timeliness of responses during quarter 2, with 31% of Stage complaints being resolved within timescales. Timeliness was also identified as an issue in relation to freedom of information act responses, with a slight decline to 88% this quarter, compared to 92% in the previous quarter of responses delivered within the timescales.

- 20 There has been a slight decrease in the performance given by corporate contact centres customers for “perceived effort” of resolving their queries. This score has increased to 4.6 in quarter 2 against a score of 4 in quarter 1 (lower is better). This is largely due to increased call volumes and queries around the introduction of charges for the collection of green waste.

21 **Fair – A Council which empowers and cares about people**

Priorities

- Work together with our residents and partners to support people and communities to be strong and resilient
 - Reduce health inequalities across the borough
 - Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
 - Be the best Corporate Parents to our children in care
 - Support all children to have the best start in life
 - Increase the opportunities for children, young adults and adults with additional needs
 - Ensure all children to have a high quality, enjoyable education that enables them to achieve their full potential
 - Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services
- 22 Challenges of cost and demand remain in both Adults and Childrens social care. However, the qualitative performance measures have indicated some positive progress in relation to childrens social care this quarter. The rate of Education, Health and Care Plans completed within 20 weeks continues to exceed the national average and has increased by a further 9% this quarter. The percentage of childrens social care assessments completed within 45 days has increased to 80% (compared to 63% in quarter 1). This is seen as an early indicator that, when needed, individuals are receiving a support in a timely fashion. The rate of children in need remains steady. The rate (and numbers) of cared for children has reduced.
- 23 In terms of education the percentage of good and outstanding primary and secondary schools remain above the national average. The number of children missing from education has reduced. One of our poverty indicators is to monitor the numbers of pupil eligible for free school meals, and it is noted that an increase in this area has been evidenced this quarter.

- 24 In relation to adult social care the rate of residential admissions for over 65 years old people has increased this quarter. This is due to people being discharged from hospital into short term care, and then the placement becoming a permanent placement. Adult Social care are progressing initiatives to support people transitioning from hospital and predict performance in this area should become steadier going forward.

25 **Green – A thriving and sustainable place**

Priorities

- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- To reduce the impact on our environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- To be carbon neutral by 2025

- 26 There are 6 priorities under the “Green” aim for a thriving and sustainable place.
- 27 At the end of 2022/23, it was reported that the backlog of applications in hand with the planning service had started to reduce. There has continued to be progress in this area during quarter 2, as was evidenced in quarter 1, the backlog is steadily falling, with a reduction of around 50 this quarter. The number of applications in hand in quarter 2 was 350. A new process implemented as part of the detailed work into planning now means that each application is allocated a named contact officer on arrival into the service.
- 28 The number of affordable homes delivered has decreased this quarter. However it is reported that this target should be achieved by the end of the year.
- 29 The percentage of waste collected sent for recycling and reuse remains steady at 56%.
- 30 Progress towards the net zero target has reduced to 48% (from 56% in quarter 1). This is due to a reduction in the amount of carbon inset reducing by 4% since quarter 1. The installation of new electric charging

points remains on track, with 16 new charging points installed in quarter 2, totalling 20 so far this year against a target of 28.

- 31 No trees have been planted during the quarter, as the tree planting work is seasonal, so this was planned and expected. Work continues to be progressed to develop the action plan to support the wider borough target of net zero by 2045.

Consultation and Engagement

- 32 Not applicable.

Reasons for Recommendations

- 33 The Corporate Policy Committee is responsible for reviewing and scrutinising performance against the strategic aims and objectives in the Council's Corporate Plan 2021-25.
- 34 The performance management framework continues to be developed and seeks to provide a robust, customer focussed view of performance. Member input into this development is valued to ensure that performance management reports are of use.
- 35 Performance management is a tool to allow oversight of the Council's key activities and to enable transparency and understanding around where the Council is performing well, and what are the areas of challenge and improvement.

Other Options Considered

- 36 Not applicable.

Implications and Comments

Monitoring Officer/Legal

- 37 There are no legal implications arising from this report.

Section 151 Officer/Finance

- 38 There are no direct financial implications arising from this report. Financial implications arising from performance requirements are detailed within the separate financial review reports aligned with the Medium-Term Financial Strategy.

Policy

- 39 This report demonstrates progress against all priorities within the Cheshire East Council Corporate Plan 2021-25.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place

Equality, Diversity and Inclusion

- 40 The range of council activities covered in the Corporate Plan aim to meet the Public Sector Equality Duty and the obligations under the Equality Act 2010.

Human Resources

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

Risk Management

- 42 Performance and risk are intrinsically linked. Where risks are identified, performance data can evidence the likelihood of the risk and can also show if risks materialise. The performance report identifies areas where performance is strong and areas for development and improvement. This supports the risk management process by providing the opportunity to review progress and identify areas for improvement and any necessary mitigating actions.

Rural Communities

- 43 The Corporate Plan aims to support greater inclusion for rural communities. In 2022/23 a Rural Action Plan was approved by the Economy and Growth committee, which includes priorities around digital connectivity, access, housing, visitor economy and support for rural based businesses.

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

- 44 Performance management of the priorities relating to children and young people and cared for children ensure that there is a focus on

children receiving the best start in life and that we deliver on our commitments to children and young people in Cheshire East.

Public Health

- 45 This report supports our Public Health priorities using the Joint Strategic Needs Assessment and Tartan Rug to ensure that we work with partners to address issues of poor housing, poverty, employment and education across urban and rural communities.

Climate Change

- 46 Performance against the Corporate Plan contributes to overall achievement of the net zero targets for the council and for the borough.

Access to Information	
Contact Officer:	Sarah Bullock, Director of Policy and Change Sarah.bullock@cheshireeast.gov.uk
Appendices:	Appendix 1 – Performance Report Q2
Background Papers:	Performance Report Q1 2023/24 CP/17/23-24 CEC Report Template (cheshireeast.gov.uk)

This page is intentionally left blank

Cheshire East Council

Corporate Plan 2021-2025

Performance Report – Quarter 2 2022/23



Page 61

Open

Fair

Green

An open and enabling organisation

By 2025 we want: Performance 2023/24 – Quarter 2 Update	
Priority: Ensure that there is transparency in all aspects of council decision making	
<p>The council to be seen as being a fair open and transparent organisation and able to demonstrate it.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Implement a new committee system • Demonstrate commitment to open data 	<ul style="list-style-type: none"> • 88% of Freedom of Information requests were responded to within statutory timescales. This is a decrease on Q1 (92%) and falls into the "Unsatisfactory" category of compliance as set out by the Information Commissioner (ICO). The ICO has a minimum expectation of 90% compliance. This decrease in compliance has been due to an increase in requests and challenges in resource and capacity, both within the Information Rights team and throughout the Council.
<p>To increase local democracy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Working with town and parish councils • Virtual meetings 	<ul style="list-style-type: none"> • A Town and Parish Council network was established in 2022/23. This network is managed by the Communities team.
<p>Our communities will be well informed about things they can do to prepare for emergencies.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Enhanced emergency preparedness in communities 	<ul style="list-style-type: none"> • Emergency preparedness is led by a Joint Emergency Planning Team across Cheshire East and Cheshire West and Chester councils. Information is regularly shared through our communication channels to inform people of things they can do to prepare for emergencies.

By 2025 we want: Performance 2023/24 – Quarter 2 Update	
<p>The council is seen by residents as responsive.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Consultation on key plans and strategies 	<ul style="list-style-type: none"> • In Quarter 2, engagement on developing the Cheshire East Plan began. This is planned to continue throughout quarter 3, with the Plan aiming to be approved and launched during quarter 4.
<p>Customer services to offer support and guidance and be accessible to people who need them.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review where and how technology can assist and enable 	<ul style="list-style-type: none"> • The CX One telephony platform continues to be developed to enable easier access to council services. Emails from customers are received directly into the CX One platform with an improved response time from 3 days to 0.5 days average. <ul style="list-style-type: none"> • During busier periods, the take up of an automatic call back request has increased from 389 to 3246 since Q1. • Automatic speech recognition (ASR) has reduced the number of customers having to wait in a queue for a customer service advisor to transfer them to their department of choice
<p>Receive the Ministry of Defence's (MoD) Employer Recognition Scheme Gold Award.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Award of silver standard prior to award of gold standard 	<ul style="list-style-type: none"> • The Silver award was achieved in the 2022/23 municipal year. A report is planned for Corporate Policy Committee in quarter 3 to outline the requirements of the Gold Award and the outstanding actions to be implemented to achieve the gold standard.
<p>A financially sustainable council which has increased levels of reserves.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a 4-year MTFS • Develop a sustainable reserves strategy • Successful delivery of savings programme 	<p>The Corporate Policy committee regularly receive a separate financial review report. Like most local authorities, the financial challenges are high due to the current economic climate.</p>

By 2025 we want:

Performance 2023/24 – Quarter 2 Update

Our Alternative Service Delivery Vehicles (ASDV) delivering for our residents and generating a profit (with shareholder dividend) from commercial activities, reducing financial pressures on the council.

Key actions:

- Complete programme of reviews of ASDVs

- ASDVs remain under regular review. Governance arrangements have been reviewed and a programme of regular reporting to the corporate leadership team is now established.

A committed and motivated workforce. Cheshire East Council seen as an employer of choice.

Key actions:

- Undertake staff surveys and act on the results
- Implement Best4Business Unit 4 ERP system

- A Pulse staff survey has been developed and will be launched in quarter 3 of 2023/24. Results of the survey are anticipated to be available to inform the Q4 Performance Report.

A workforce that can work remotely and flexibly using the latest technology.

Key actions:

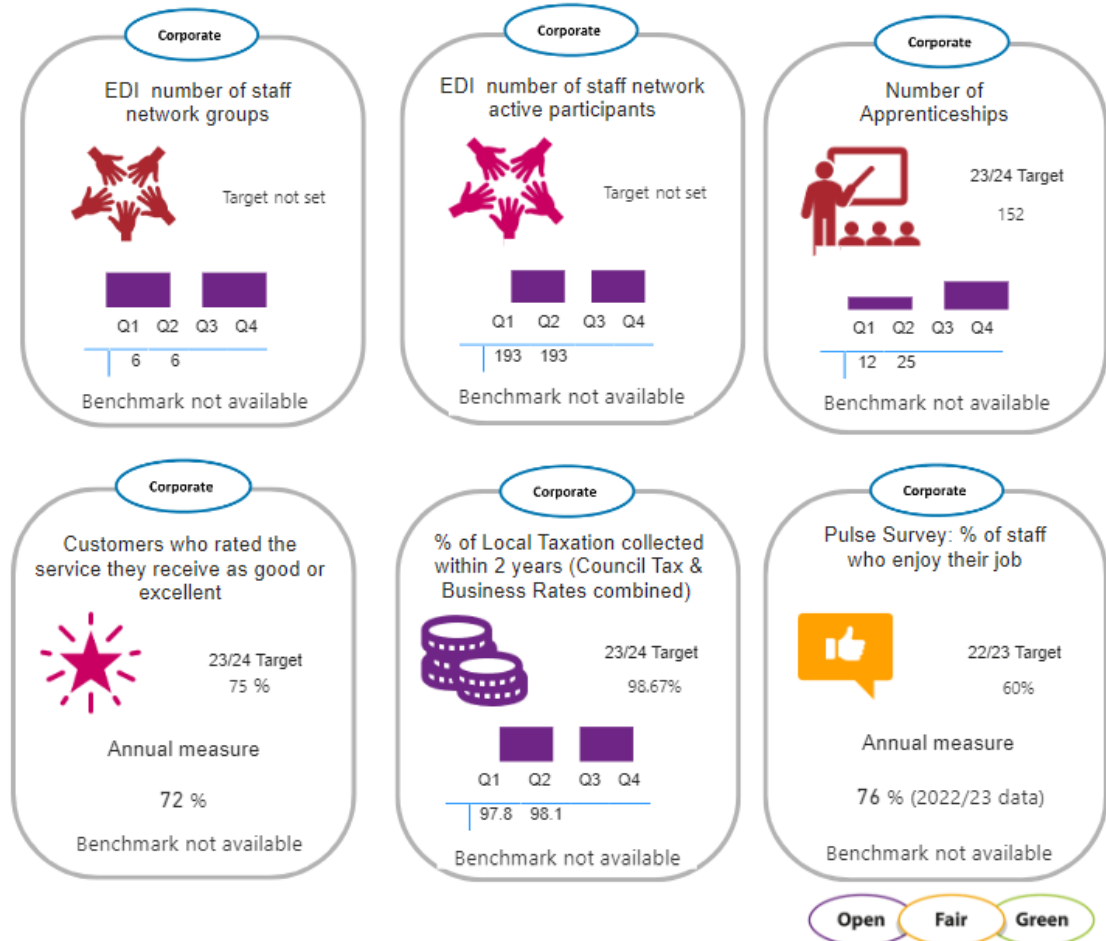
- Clear guidance and support to staff and managers.
- Accelerate roll-out of mobile working

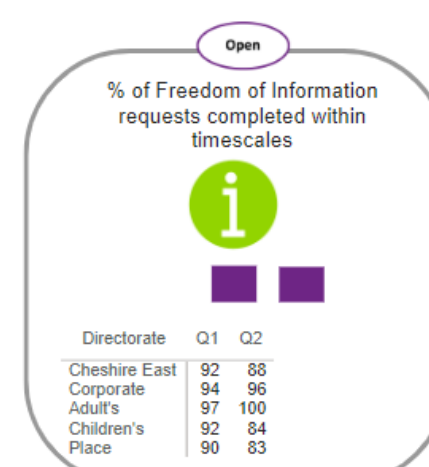
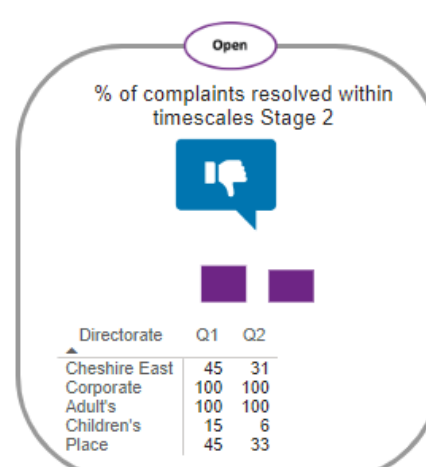
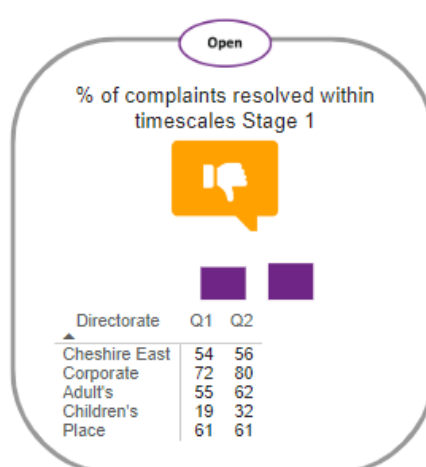
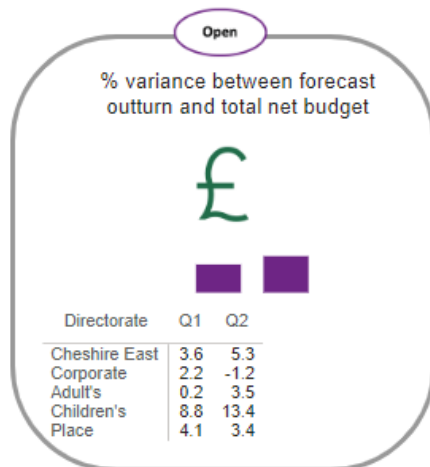
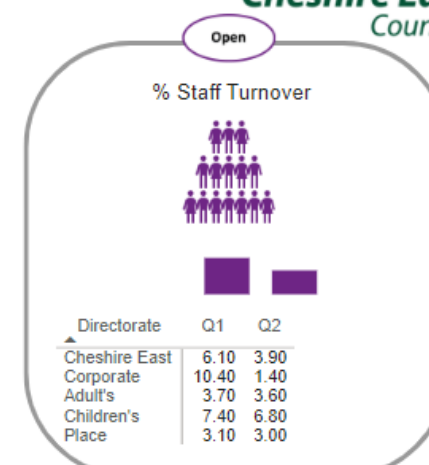
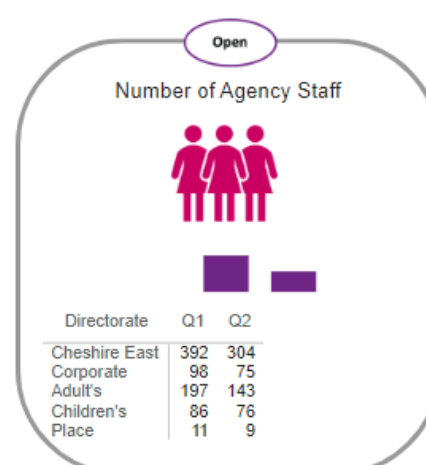
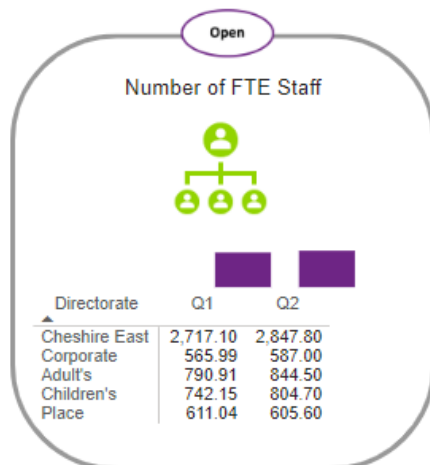
Workforce requirements are being reviewed under the “WorkplaCE” programme. This programme will inform the volume and nature of corporate buildings in future, and how staff will be equipped and supported in their roles.

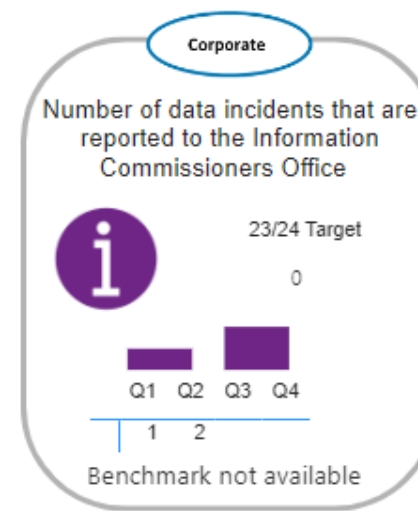
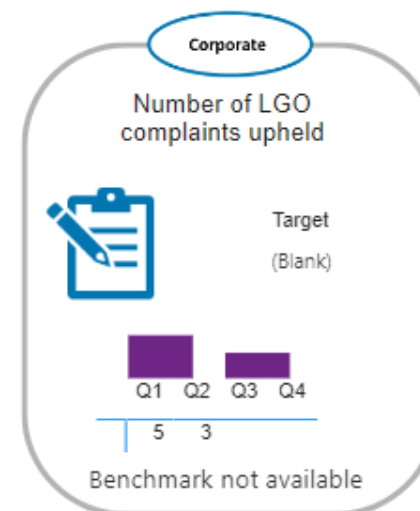
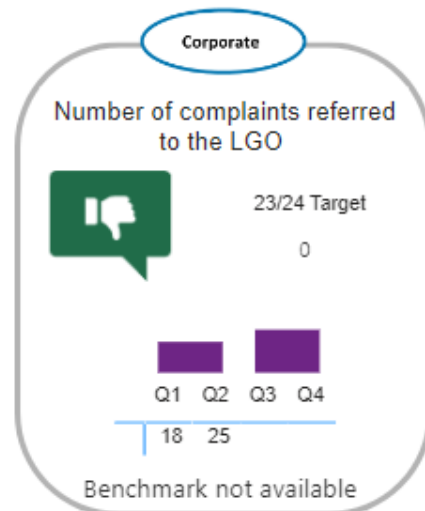
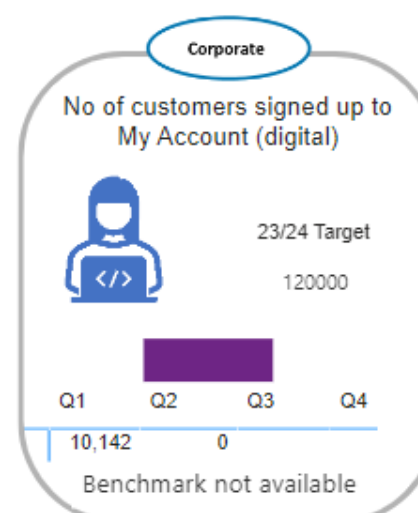
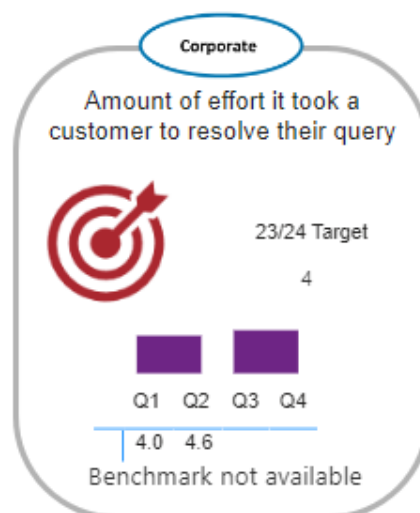
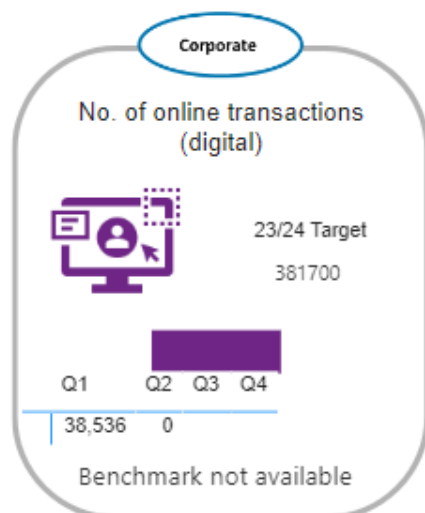
By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<p>Residents and staff to be aware of the council and the services we provide.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Review communications plans and style 	<p>Regular media releases are published and engagement is reviewed and reported upon.</p> <p>The internal e-Newsletter “Team Voice” is circulated to staff on a weekly basis.</p> <p>A Members Bulletin is regularly produced for Councillors.</p>
<p>Resident satisfaction with the council to be in line with similar councils.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Undertake regular communications with residents Develop new Customer Experience strategy 	<p>A report is being produced in quarter 3 to update against the implementation of the Customer Experience strategy. The key area outstanding is the implementation of a new target operating model for the first point of customer contact.</p> <p>Regular communications with residents, members and staff are undertaken through the communications and media team.</p>
<p>The council to be regarded as a good partner.</p>	<ul style="list-style-type: none"> The council is a member of a number of key partnerships. An internal review of partnerships took place during quarter 1 and the findings of the review will be considered following recruitment of a new Chief Executive.

Performance measures supporting An open and enabling organisation

- Ensure that there is transparency in all aspects of council decision making
- Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
- Support a sustainable financial future for the council, through service development, improvement and transformation
- Look at opportunities to bring more income into the borough
- Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
- Promote and develop the services of the council through regular communication and engagement with all residents







A council which empowers and cares about people

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
Priority: Work together with our residents and our partners to support people and communities to be strong and resilient	
<p>All services to be developed together with our residents and communities, so they are based on what works for people in Cheshire East.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Embed our vision for children and young people, and working together • Work with residents to understand the continuing impact of Covid 	<ul style="list-style-type: none"> • In Quarter 2 the adults and health committee considered a report which detailed the engagement and coproduction that underpinned commissioning intentions and provided evidence to demonstrate the need to invest in early help and emotional wellbeing support services for children and young people. Members agreed to recommission the programme which a focus on early help and prevention for children and young people, to ultimately reduce demand on statutory social care and mental health services.
<p>Families and communities are strong and resilient.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a strong, local, social impact structure • Develop a locality model of working 	<ul style="list-style-type: none"> • The communities team lead a regular series of meetings with the voluntary, community and social enterprise sector. Community Officers are allocated to particular areas of the borough to ensure that effective relationships are developed. This model has been developed around the footprints of care communities.
<p>Cheshire East is a welcoming and supportive place, where equality, freedom, fairness and opportunities are available to all.</p> <p>Key actions:</p>	<ul style="list-style-type: none"> • Work is underway on a gypsy and traveller transit site, work is underway to progress one site in the SADPD.

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Identify a suitable location within the borough and develop a traveller transit site • Increase collaboration with marginalised groups • Secure social value benefits 	
<p>Work with partners for the benefit of our communities inspiring confidence in public services developing community cohesion and community resilience.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver evidence based early intervention and prevention services • Reduce loneliness and isolation 	<ul style="list-style-type: none"> • Work across the council continues to work with communities to inspire confidence in public services. This is a core aim of the communities team within Adult Social Care and Health.
Priority: Reduce health inequalities across the borough	
<p>Work with partners to address the issues of poor housing, poverty, employment and education opportunities across urban and rural areas.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Implement the Cheshire East Partnership Five Year Plan 	<ul style="list-style-type: none"> • Data gathered through the JSNA and engagement around CYP mental health has revealed the lack of support for CYP and their families experiencing self-harm and suicide ideation. With this in mind, a requirement within the specification for the new EHCYP service is the provision of education in this area, to equip CYP, their families and professionals with the knowledge they need to intervene and support with

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Promote regular screening and take up of preventative health opportunities • Improve the mental health of all people working and living in Cheshire East • To continue to support a zero-suicide approach 	
Priority: Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation	
<p>Children receive the right support, by the right people, at the right time, so they are effectively protected from harm, and are supported to stay within their families and communities.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Continued investment in Early Help and Prevention services • Work with our partnerships to ensure there is a joined-up approach to safeguarding children 	<ul style="list-style-type: none"> • Childrens and young peoples services continue to work with partners across Cheshire East to develop family hubs, funded by the Department for Education. • Family hubs support children and young people from birth until they reach the age of 19 (or up to 25 for young people with special educational needs and disabilities). They bring council, health and community services together so that families can access the right support at the right time. • The first childrens centres in Cheshire East to be developed into hubs are: <ul style="list-style-type: none"> • Oakencrough Family Hub • Oak Tree Family Hub • Monks Coppenhall Family Hub • Ash Grove Family Hub • Congleton Family Hub
<p>People and organisations to work together to prevent and stop the risk and experience of abuse and neglect, whilst promoting the well-being of adults with care and support needs.</p> <p>Key actions:</p>	

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Prevent harm and reduce the risk of abuse and neglect to adults with care and support needs • Safeguard adults at risk • To address causes of abuse, neglect or exploitation • To ensure that officers are adhering to legislation and promoting best practice 	
Priority: Be the best corporate parents to the children in our care	
<p>Always deliver on our pledges to care for children and young people, and those who are cared for will have an experience, that we will:</p> <ul style="list-style-type: none"> • Be a good corporate parent • Improve education, training and employment outcomes • Work to achieve permanence and keep children safe • Improve health and wellbeing outcomes • Prepare young people for adulthood 	<ul style="list-style-type: none"> •
Priority: Support all children to have the best start in life	
All children enjoy access to high quality childcare and support programmes that maximises their	

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<p>development in terms of speech and language, resilience and ability to learn and play.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Maintain high numbers of children placed in high quality childcare settings • Promote and improve access to the parenting journey, with additional support offered to the most vulnerable families 	
Priority: Increase opportunities for children, young adults and adults with additional needs	
<p>Great services and provision across the partnership for children and young people with special educational needs and/or disabilities (SEND) which means children's needs are met effectively and efficiently.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Ensure that all recommendations from Ofsted inspections have been addressed and improvements are embedded in practice. • Focus on further improving communication across the SEND partnership 	<ul style="list-style-type: none"> •

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Review the pathways for transition to adulthood • Expand the local provision of SEND places to enable more children to attend a school 	
<p>Provision for young adults to live independently within in the community.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Leisure, life and meaningful employment opportunities are developed to improve life chances for young adults • Promote citizen engagement and participation 	<ul style="list-style-type: none"> • .
<p>Priority: Ensure all children have a high quality, enjoyable education that enables them to achieve to their full potential</p>	
<p>All children enjoy the best education which prepares them to thrive in adulthood.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Ensure we have sufficient school places locally to meet the differing needs of children and respond to our growing population. • Support and challenge all education settings to deliver our key priorities with a focus on addressing inequalities. 	<ul style="list-style-type: none"> •

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Provide support and challenge where children are not attending school or receiving an appropriate education. • Support children to catch up on the learning they lost during Covid • Support children and young people's mental health and wellbeing to resolve problems as early as possible 	
<p>Priority: Reduce the reliance on long-term care by improving services closer to home and providing more extra care facilities, including dementia services</p>	
<p>Vulnerable and older people live safely and maintain independence within community settings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Work with partners to develop appropriate accommodation and extra care housing models 	<ul style="list-style-type: none"> • In Quarter 2 the Adults and Health committee endorsed the adoption of a new Cheshire East Falls Prevention Strategy for 2023-2026. The strategy has been co-produced by a multi-agency partnership steering group and refined via a formal consultation process that took place in quarter 4 of 2022/23.
<p>People are cared for and valued by a professional and caring workforce.</p> <p>Care4ce to become an exemplar high quality trading company.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a quality trading company 	<ul style="list-style-type: none"> •

By 2025 we want:	Performance 2023/24 – Quarter 2 Update
<ul style="list-style-type: none"> • Recruit and train a skilled and motivated workforce. • Provide a professional pathway for progression 	
<p>To prioritise Home First for patients discharged from hospital. Where possible patients are discharged to a home of their choice.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Expand and develop the Home First service to support people to stay at home longer • Work to develop integrated health and social care teams • Carers Strategy to be implemented • Develop the Shared Lives service • Increased use of technology 	<ul style="list-style-type: none"> •
<p>Adults receive quality assessments of need and support planning and good quality services to keep them safe and maintain their physical and mental wellbeing.</p> <p>Key actions:</p>	

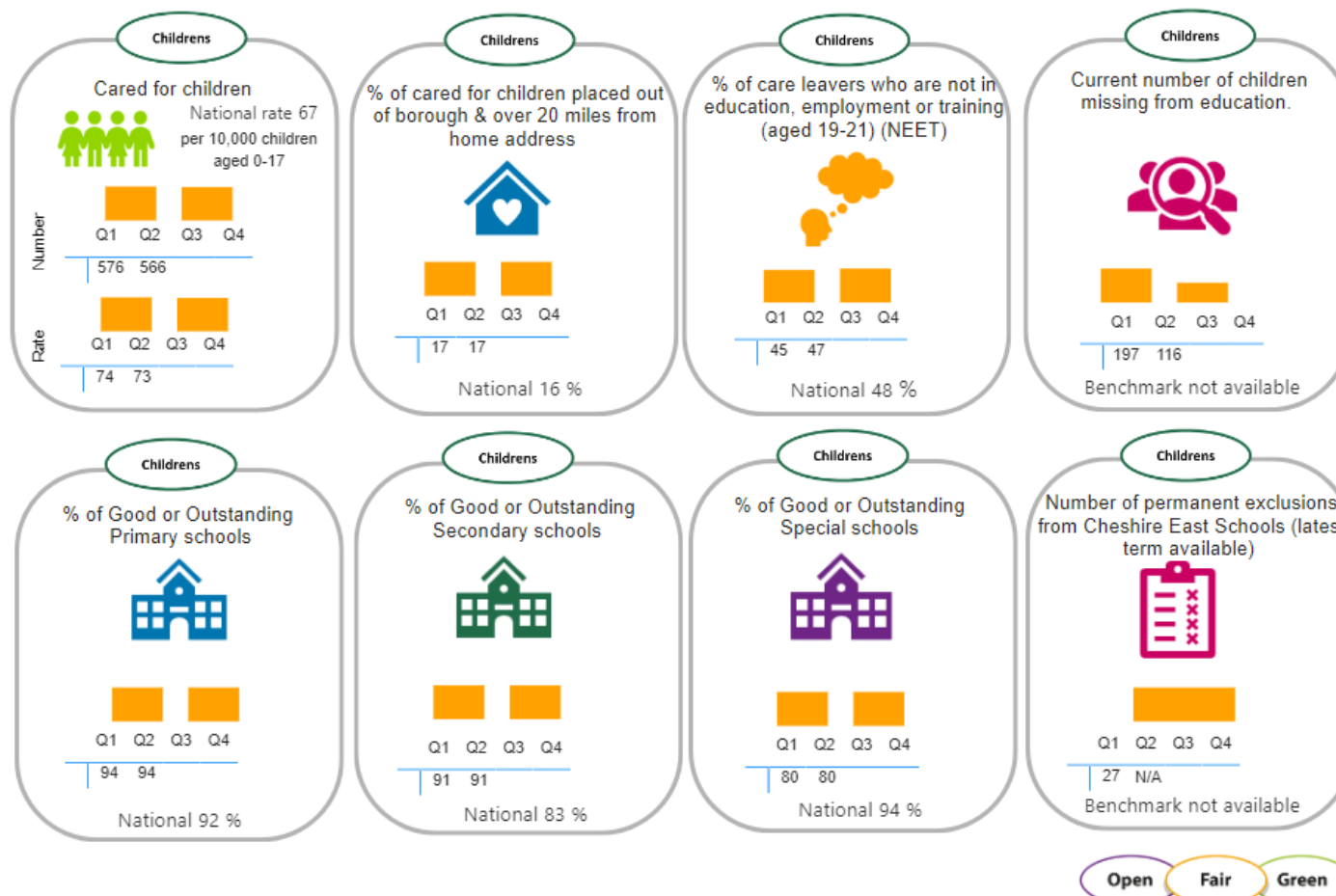
By 2025 we want:

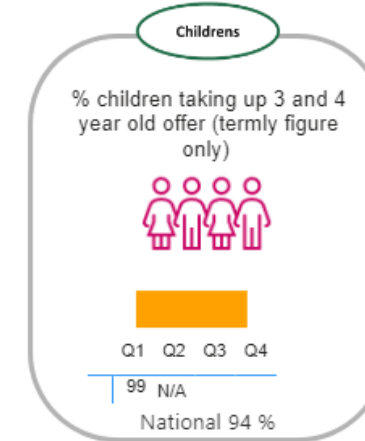
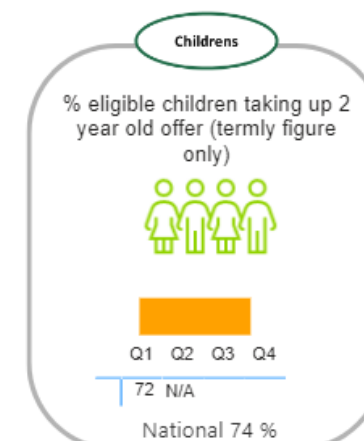
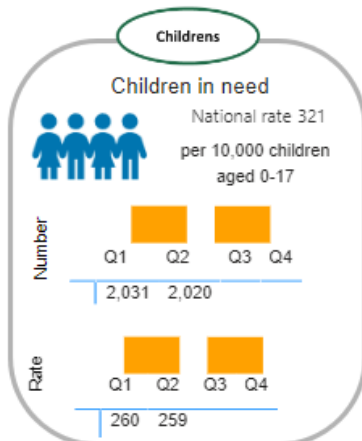
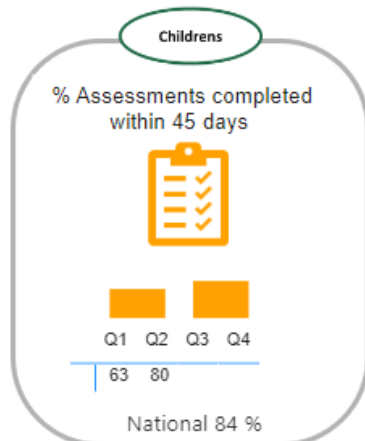
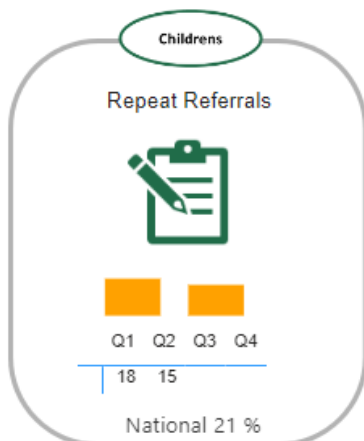
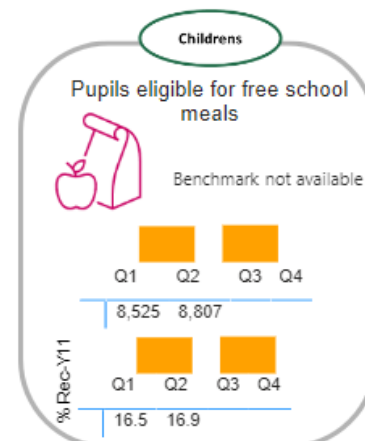
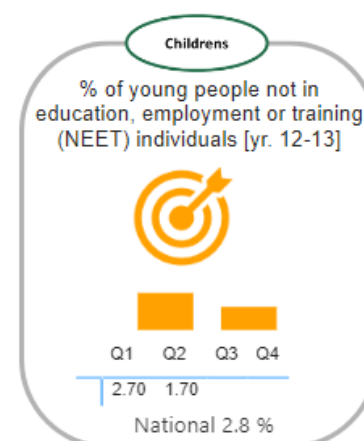
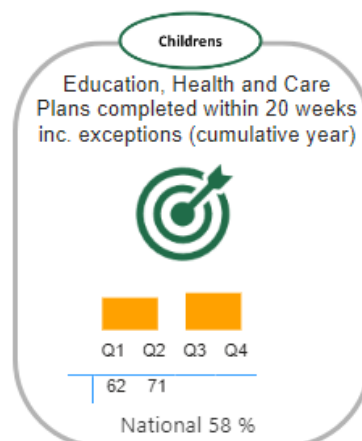
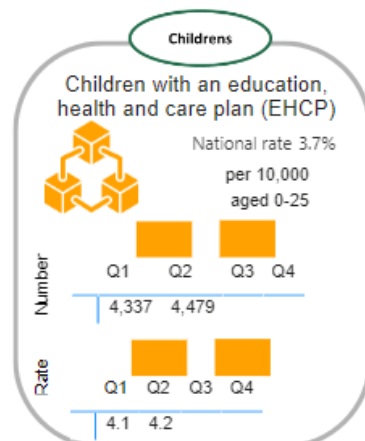
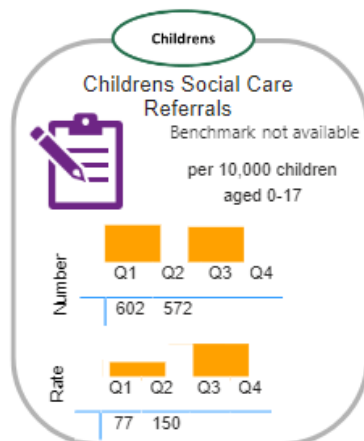
Performance 2023/24 – Quarter 2 Update

- Fully implement social work practice within adult social care
- Maintain and improve the quality of care and support services

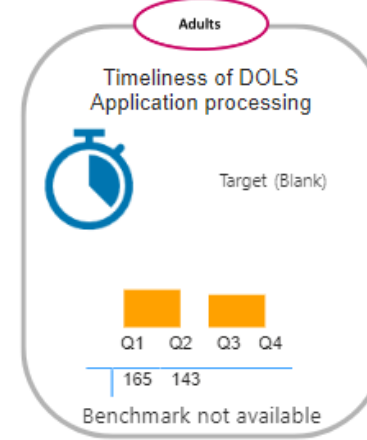
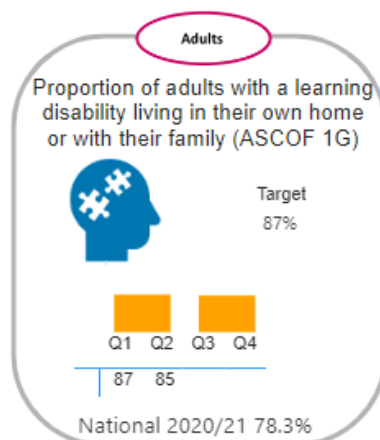
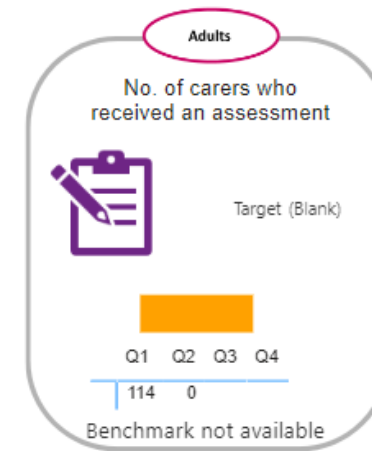
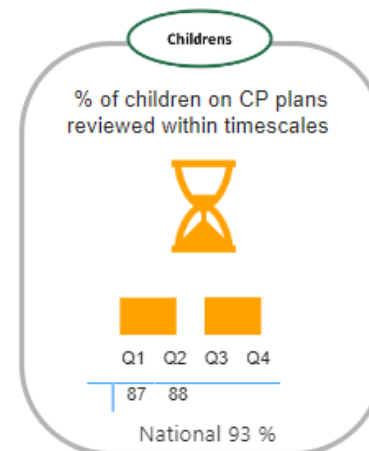
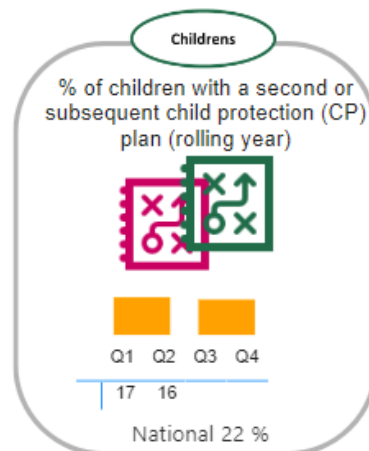
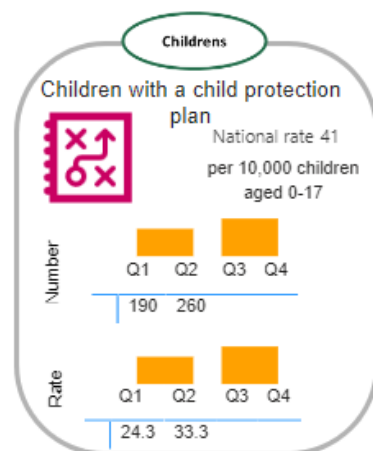
Performance measures supporting A council which empowers and cares about people

- Work together with residents and partners to support people and communities to be strong and resilient
- Reduce health inequalities across the borough
- Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation
- Be the best Corporate Parents to our children in care
- Support all children to have the best start in life
- Increase opportunities for all children and young adults with additional needs
- Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential
- Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services

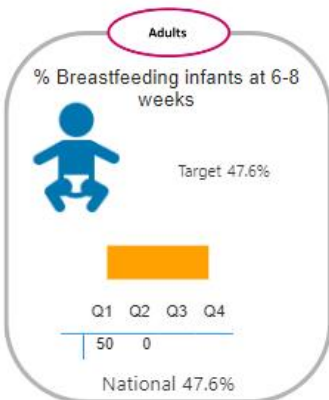
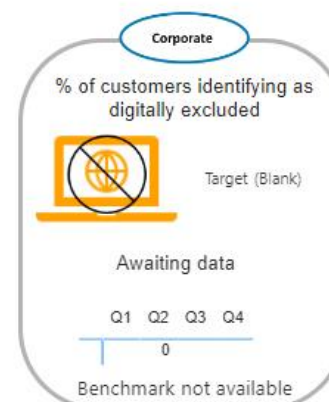
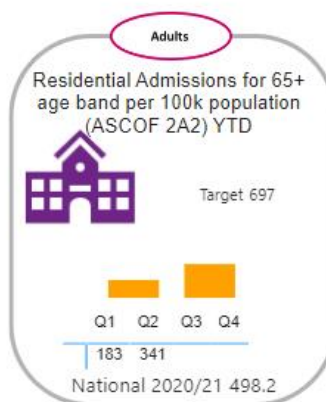
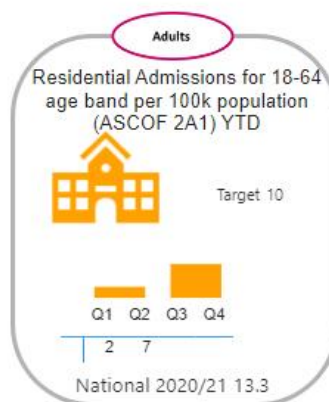




Open Fair Green



Open Fair Green



A thriving and sustainable place

By 2025 we want:

Performance 2023/24 – Quarter 2 update

Priority: A great place for people to live, work and visit

Enable access to well designed, affordable and safe homes for all our residents.

Key actions:

- Deliver housing to meet the needs of all residents including vulnerable and older people in the borough
- Review and evaluate the need for a private rented sector licensing scheme
- Ensure affordable homes are “tenure blind” and focussed on quality

We continue to work in partnership with our Registered Housing Providers to increase the number of affordable homes within Cheshire East – A total of 219 new homes have now been completed (Q1 and Q2) with projections indicating that we will exceed the annual target of 355 affordable homes.

A Market engagement session was undertaken to enable the progression of the procurement of council owned land assets to bring forward new affordable homes.

Work has now started on the Gypsy and Traveller transit site, which will provide a safe place for the travelling community to stay whilst in the area, reducing the level of unauthorised encampments.

A high-quality accessible library service, that remains relevant to the changing needs of Cheshire East residents and delivers value for money.

Key actions:

- Improve and adapt our libraries to meet any changing needs which offer value for money

In July the Council’s Environment and Communities Committee approved a set of revised opening hours for the libraries service and provided delegations to officers to implement those changes.

In parallel with those discussions the team has also been proactively engaging with Town and Parish Councils around top up for library services and can confirm that the following local councils have now confirmed that they intend to fund these services for the next 3 years;

- Crewe Town Council – top up to maintain opening hours of 9.30am – 6pm each weekday (7.5 hours per week)
- Nantwich Town Council – top up to maintain opening hours of 9.30am – 6pm each weekday (4 hours per week)

OFFICIAL

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<ul style="list-style-type: none"> Update and refresh the Library Strategy 	<p>The scheme remains open to other Town or Parish Councils who may wish to sign up.</p> <p>Works to secure immediately available income opportunities have also progressed with the following now in place;</p> <ol style="list-style-type: none"> Alexander clinic- Health and wellbeing Barclays Bank – Macclesfield, Wilmslow and Holmes Chapel NatWest bank Popup service- Knutsford Weight watchers- Holmes Chapel <p>As per the Committee resolution at the point that the current review is fully implemented work will commence on a Library Strategy which will focus on how the Library Service becomes more financially self sustaining via a medium to long term view on income generation opportunities.</p>
<p>High quality leisure and sports provision across the borough that delivers good value for money.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Improve our leisure centres Provide walking and cycling recreational routes and outdoor recreational space 	<p>Strategic Leisure Review – officers working with the Council’s appointed delivery partner Everybody Health and Leisure have continued to bring forward the review which is the subject of a report to the Environment and Communities Committee in November, seeking permission to consult on proposals for the future of Council funded leisure services.</p> <p>The redevelopment of Congleton Leisure Centre now been completed with an official opening ceremony held in late June. Initial monitoring of use suggests that the investment will as planned achieve a wide range of benefits.</p> <p>The Learn to Swim scheme has grown to 9,700 swimmers participating in weekly lessons and leisure memberships have exceed 20,000 for the first time, with over 2.5 million individual visits to our leisure centre sites.</p> <ul style="list-style-type: none">
<p>To reduce the number of long-term empty dwellings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Establish baseline and review current strategy and policies 	<ul style="list-style-type: none"> We continue to work with owners of empty properties to try and bring properties back into use. The level of long term empty homes continues to be maintained at below 1% of the total number of residential properties

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<p>New development to be appropriately controlled to protect and support our borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • To keep the Local Plan Strategy under review • Provide an effective Planning Service with capacity to efficiently determine planning applications • Robust and effective planning enforcement • • Implementation and maintenance of additional supplementary policy documents • Effective and competitive Building Control Service • Continued application of CEC Design Guide principles and focus on Place 	<p>Planning application performance against statutory performance measures is above target for major applications (97%) but below (82%) for minors. This includes extensions of time. A backlog of planning applications remains with staff retention and recruitment difficulties across all aspects of the Planning service.</p> <p>The number of applications in the backlog continues to reduce (approximately 350 over normal 'on hand' levels). Fast track days continue to provide focused sessions for the backlog bringing consultees together with a particular focus on the older applications. The number of applications now being determined within 8 weeks is also improving.</p> <p>The number of enforcement notices has increased over the quarter reflecting good work to address some the backlog of cases seeking to protect the Borough from unlawful developments.</p> <ul style="list-style-type: none"> • The Modernisation Plan focus continues to be directed to reducing the backlog; the pending staffing restructure; the implementation of the new IT system; and improvements to the customer experience – all being monitored by Transformation Board. Both the restructure and the IT system implementation have revised timeframes due to various delays including issues with the IT supplier, which have added to existing challenges.
<p>To make best use of our surplus buildings and assets to support the borough and our partners.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review the community asset transfer policy 	<p>The Council continues to use its revised community asset transfer policy advising partners and services on the process to be followed.</p> <p>The Council continues to release assets as appropriate to support the Capital Programme. In Q2 service is on target to deliver anticipated credit for the financial year.</p> <ul style="list-style-type: none"> •

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<p>Continue to grow the Cheshire East visitor economy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver Cultural Strategy and Place Marketing Action Plan • Deliver Tatton Park business plan 	<p>The value of the Visitor Economy for Cheshire East has recovered well since the Covid pandemic decimated the sector in 2020. The most up to date STEAM tourism economic impact modelling data shows an increase of 60% on 2020 figures and over 44% on 2021 figures. This provided a total of £879m of value to the Cheshire East economy in 2022, with almost 13 million visitors enjoying Cheshire East last year.</p> <p>Cheshire’s Destination Management Organisation, Marketing Cheshire, have recently been awarded LVEP status (Local Visitor Economy Partnership). This will enable greater partnership working with Visit Britain/Visit England national tourism agency, as well as opening up opportunities to new funding.</p> <p>Since the pandemic, hospitality businesses have had significant issues around recruitment and a partnership with the Department for Work and Pensions and Cheshire College to develop a renewed focus and approach to hospitality recruitment, retention, and skills has been progressed. This work is now starting to see results, giving local people new career opportunities and helping local businesses access potential employees to cover their vacancies. An innovative school's partnership with hotels has also been initiated, enabling training and experience opportunities for young people in the hospitality sector.</p> <p>The shared service ‘Archives - A Story Shared’ programme, including the building of the new History Centre in Crewe, was successful in achieving a £4.9 million grant from the National Lottery Heritage Fund. The project is now at detailed technical design stage with specifications being agreed for tendering.</p> <p>Following the commissioning of a series of mural artworks in Macclesfield, an interactive art map has been produced which has generated positive publicity and additional footfall for the town. In Crewe, the Heritage Wall public art piece has been installed on the façade of the new multi-story car park as part of the Royal Arcade scheme and a Cultural Education Partnership (LCEP) has been established, bringing together 20 schools and educational organisations, across the surrounding areas, together with cultural organisations to improve cultural experiences and opportunities for children and young people.</p> <p>A programme of events and activities on Lyceum Square in Crewe was delivered over the Summer 2023 period with new groups, audiences and individuals using the space. The Lyceum Theatre, along with theatres across the UK, still face challenges with audiences yet to return to pre-covid levels. The Rocky Horror Show was well received by audiences however, and Panto ticket sales are currently ahead of last year.</p> <p>Tatton Park, which has received ‘Green flag’ and ‘Green Heritage site’ awards this year, continues to be an important driver of the borough’s visitor economy, and an important environmental and community resource. The financial year 2023/24 continues to provide challenges to the operating of visitor attractions across the UK, with remaining shifts in visitor dynamics post-pandemic, the effects of the national economic situation including inflation</p>

By 2025 we want:	Performance 2023/24 – Quarter 2 update
	<p>rates and the cost of living, all having an impact on visitor numbers to the park and its attractions along with secondary spend.</p> <p>Tatton has held a number of established and new events this year; the Easter Festival performed well and a partnership with publishers Harper Collins has enabled a refreshed offer to the important family audience through 'Tiger who came to Tea' and 'Mog the Cat' themed interactive experiences in the Gardens, Mansion and Farm. High and low season planning to review activity ensures new approaches to refresh the offer and stimulate visitor demand: both Halloween and Christmas events at Tatton involve new themes and external partnerships. Pricing and promotional initiatives are ongoing and include flexible ticket pricing for peak and off-peak periods, online admission discounts and targeted promotional incentives. Catering and Retail continue to report brisk trading during good weather periods and Parkland admission entries are holding up against budget targets.</p>
Priority: Welcoming, safe and clean neighbourhoods	
<p>Crime and anti-social activity and anti-social behaviour to be reduced.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Use our full range of education, engagement and 	<p>The CCTV wireless project is progressing on a town-by-town basis across the Borough in conjunction with our contracted provider. The project, which is set to complete by the end of the calendar year, will improve performance and security and greater functionality capitalising on technological advances.</p> <p>Working with colleagues from Staffordshire County Council, officers from the Animal Health and Welfare Team have helped to secure a successful prosecution involving animal welfare, cattle identification and movement offences involving individuals from both Macclesfield and Biddulph. Penalties included lifetime bans from keeping animals, 280 hours of unpaid work, a suspended jail sentence and fines and costs in excess of £45,000.</p>

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<p>enforcement tools to protect our communities.</p> <ul style="list-style-type: none"> • Take formal enforcement action as appropriate • Clear and integrated enforcement approach with relevant fit for purpose policies • Investment in technology to enhance CCTV delivery 	<p>Following evidence of smoking in a smokefree premises, contrary to the Health Act 1996, the Commercial Services team were successful in seeking the revocation of the premises licence earlier this year. The premises subsequently appealed the revocation to the Magistrates Court but were unsuccessful. The District Judge dismissed the appeal, quoting the evidence of officers as both credible and reliable.</p> <p>In a joint venture, officers from Regulatory Services, Planning Enforcement and Cheshire Police took action against an illegal airport parking operation in Styal. Ultimately it was the health and safety prohibition notice that brought operations to a close, served as a result of the poor site conditions and the imminent risks to health.</p> <p>As part of service activities to tackle illicit tobacco, five test purchases were undertaken at identified retail premises. All five businesses failed requirements and are to be subject to further investigation.</p> <ul style="list-style-type: none"> •
<p>Victims of crime and exploitation to be supported effectively by the council and partners through collaboration.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Work with the police and partners to share intelligence and problem solve local issues • Refresh the Safer Cheshire East Partnership Plan for 2020-23 • Raise awareness around safeguarding <p>Raise awareness around safeguarding and community safety issues</p>	

By 2025 we want:

To protect residents and improve our environment.

Key actions:

- Review local air quality through our Annual Status Reports, taking action to respond to areas of poorer air quality
- Air Quality Management Areas have an action plan outlining planned measures to improve quality
- A regulatory service that balances advice and education
- Provide a robust licensing regime for alcohol, gambling and hackney carriage private hire vehicles
- Proactive inspection and surveillance programmes

Performance 2023/24 – Quarter 2 update

The 2023 Annual Status Report (ASR) on Air Quality for the whole of Cheshire East has been approved by Defra. The report provides an overview of air quality across the whole Borough as well as detailing specific actions aimed at improving air quality in conjunction with our internal and external partners. This latest ASR also identifies a number of our existing Air Quality Management Areas where concentrations of nitrogen dioxide have been consistently below the Air Quality Objective for nitrogen dioxide paving the way for revocation work in 2024.

The AQ Team has recently submitted a bid to Defra for additional grant funding to support further work around particulates including monitoring equipment, improved website information and also awareness raising around the causes of poor indoor air quality. Defra will announce successful bids in March/April 2024.

The service continues to work to established monitoring and inspection programmes across areas such as food and feed, animal welfare, permitted processes, etc. Performance is monitored internally and as part of statutory returns to organisations including the Food Standards Agency (FSA), Defra with resources realigned as appropriate in year.

Following the implementation of the new Private Hire and Hackney Carriage Licensing Policy, we have been working with our colleagues in Adult Safeguarding to deliver specific safeguarding training to our licensed drivers. To date over 550 drivers have completed the mandatory training and delivery sessions continue to be arranged into the new year.

Following requests from the taxi and private hire trade, the Licensing Team have arranged meetings to discuss any issues and areas of concern. The plan is for structured meetings with the production of an FAQ document to be shared with all licence holders following the events.

The Trading Standards Team are currently taking part in a funded surveillance project to determine whether sales of vapes online are supported by the necessary age restricted checks both at point of sale and delivery. The results of the project will feed into national intelligence to determine whether more enforcement-based project work is required.

Under the Safety of Sports Grounds Act 1975 sites with a capacity of more than 5000 (football) or 10,000 (other sports) require a safety certificate issued by the local authority. This work is overseen by the Sports Ground Safety Authority and Cheshire East were subject to an Audit back in July 2023. Feedback provided by the auditor stated, *'Overall I have confidence in the ability of the authority to perform its role in respect of safety at sports grounds and recognise the good progress that has been made over the past year which has led to an improved safety culture'*.

By 2025 we want:

Improved green spaces for all. Enabling people to exercise and socialise in our parks and open spaces.

Key actions:

- Review and improve our play areas and parks
- Work with partners to provide a more welcoming environment
- Secure funding for additional recreation provision along with improvements to the current provision
- Increase the number of rewilded areas within our parks and open spaces

Performance 2023/24 – Quarter 2 update

The Council continues to inspect, repair and where investment is available improve our play areas and parks. A major project funded by the Crewe Towns Fund will refurbish 8 pocket parks as key green spaces amongst densely populated areas of Crewe. This quarter projects are underway to a value of £800k on four pocket parks located at McLaren Street Playing Fields; School Crescent; Derby Docks; and Queens Street Recreation Ground with works completing in quarter 4 of this year. The improved parks will offer health, wellbeing and amenity enhancement to these vibrant green spaces amidst densely populated areas of Crewe.

We have completed as part of the Councils Medium Term Financial Strategy (MTFS) an operational review of the grounds maintenance programme for our parks, public open spaces, and other green spaces and developed a draft policy and proposals for future maintenance on our green space. These were approved for consultation at September Environment and Communities Committee, with the consultation due to close on the 24th of November 2023. [16/10/2023 - Consultation launched on green spaces maintenance \(cheshireeast.gov.uk\)](https://cheshireeast.gov.uk). Following review of consultation feedback we intend to bring revised policy and maintenance proposals for a final decision in February 2024.

Priority: To reduce our impact on our environment

To have minimised overall waste generated in the borough and maximised our levels of recycling.

Key actions:

- Introduction of the Municipal Waste Strategy
- To review and consult on the household waste recycling provision

The Council's official recycling rate for 2021-22 is 56.3%. This is a slight reduction from the 2020-21 at 57.5%. We expect to see this drop further with the introduction of the Councils Garden waste subscription charge in Q4 of this year. The Council will therefore need to look to additional measures to increase reuse and recycling in future years to achieve the current 50% target and the national recycling target of 60 % by 2035. To contribute to this for the first time the council is working with its contractor to offer mattress recycling as part of its household waste recycling centre service.

We will continue to monitor the key measure of 'kg residual waste per household'. It will be important to reduce residual waste per household to achieving recycling targets through continuing waste and recycling education and campaigns as well as potential service changes. As part of this work the council through Ansa undertakes a large-scale waste prevention program with over 100 volunteer hours last quarter. Key highlights include Primary School Junior recycling officer of the year event held at Reaseheath College, attending talks and shows such as Refresh Knutsford, Nantwich show and ongoing programs such as textile workshops, 'Love Food, Hate Waste', Home Composting and 'Life with less plastic'.

By 2025 we want:	Performance 2023/24 – Quarter 2 update
	<p>The Council is undertaking a review of the boroughs Household Waste Recycling Centre provision and procuring a new service operating contract for provision from 2025. This was approved at September Environment and Communities Committee for works on feasibility, public consultation and to undertake operating contract procurement for a succinct list of options for future service delivery.</p>
<p>To improve biodiversity and natural habitats in the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Increased rewilding • Embed biodiversity, including offsetting, across Cheshire East Council estate • Deliver the tree planting programme 	<p>As part of our Carbon Natural Inset program the Council is working in partnership with Mersey Forest to deliver tree planting for the next two planting seasons 2023/24 and 2024/25 as part of our commitment to a 120ha of natural carbon offset. We are also developing a catchment-wide approach to the Bollin Valley, with a range of partners, and developing proposals to improve the Crewe Valley Brook corridor as well as supporting the Local Nature Partnership.</p> <p>Elements of the farms estates has been identified for tree planting in year and work is underway to achieve this.</p>
Priority: A transport network that is safe and promotes active travel	
<p>Improvements in the strategic infrastructure that support sustainable and inclusive growth across the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Delivery of major infrastructure programmes 	<ul style="list-style-type: none"> • Poynton Relief Road opened in March 2023. A public event was facilitated to open the road which included local politicians/press to a resounding success. • The North West Crewe highways package that improves safe access to the hospital and enables economic growth remains on programme for completion in Spring 2024. • The Middlewich Eastern Bypass Compulsory Purchase and Side Road Orders were conformed following a public inquiry and the Full Business Case was submitted to the Department for Transport for their approval to release their grant to allow construction to start in early 2024.
<p>Safer and well-maintained roads.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver planned investment to maintain the highway network 	<ul style="list-style-type: none"> • Delivery of planned investment programmes for highway assets progressing. In year challenges relating to changes in asset condition being managed within programme/budget. Highway service is mindful of emerging Council financial challenges and assessing potential changes as part of the Place Directorate response. • Development of new pedestrian crossing strategy ongoing. • Adoption of Speed Management Strategy, further process to manage requests being developed.

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<ul style="list-style-type: none"> • Review of appropriate strategies, such as speed management 	<ul style="list-style-type: none"> •
Investment in electric vehicle infrastructure in our key service centres	<ul style="list-style-type: none"> • Preparation of our bid to the Local Electric Vehicle Infrastructure (LEVI) Fund is well advanced, through liaison with the advisory body set up by OZEV. We expect to submit this business case at the end of November 2023 to secure funding. • Following confirmation of funding, the Council will run a competitive procurement process to invite bids for providing circa 250 public EV charge points throughout the borough. • In addition, the Council is currently procuring chargepoints in 15 locations using funds from the On-Street Residential Chargepoint Scheme as approved at Highways Committee in July 2022.
<p>To increase parking provision close to local transport hubs.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Complete Local Transport Plan parking reviews 	<ul style="list-style-type: none"> • The Council's review of public car parking has completed in 6 week consultation stage (as of 1st November 23). • Over 5,000 representations were received on the proposals put out to consultation. These will be analysed and options to respond will be developed over the autumn to inform a report to Highways and Transport Committee in January 2024. •
<p>To promote uptake of cycling in our local service centres.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Installation of cycle storage facilities in Cheshire East car parks • Invest in new cycle routes and improve existing ones • Prohibit parking in existing cycle lanes 	<ul style="list-style-type: none"> • The Council is pursuing 2 strategic cycle routes, both with a funding contribution from the DfT's Active Travel Fund. • Manchester Road, Tytherington has been re-scoped to focus on some key junction/crossing provisions in the vicinity of local shops and the high school. • Manchester Road, Wilmslow has been awarded funding for the northern section of the scheme (Wilmslow cemetery to Handforth) – detailed design work is proceeding • Manchester Road, Wilmslow (southern section) has been subject to a design review involving Active Travel England to define a number of alternative options. Further community consultation will take place later in the year.
To improve the speed and efficiency of public transport and	<ul style="list-style-type: none"> • Opportunities for development of rapid bus corridors is discussed at the Bus Partnership Board.

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<p>encourage more residents to make fewer car journeys.</p> <ul style="list-style-type: none"> • Feasibility studies into the creation of rapid transit routes connecting existing infrastructure with key employment sites 	<ul style="list-style-type: none"> • Initial options are to upgrade facilities to complement bus company investment in new vehicles. A programme will be confirmed in the spring drawing on recent BSIP+ funding announcements and integrated transport funding announcements by Government following on from the publication of the Network North strategy.
<p>To reduce areas of the borough not served by public transport.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Submit proposals to Rural Transport Fund • Develop quality bus partnerships with operators and town councils 	<ul style="list-style-type: none"> • Consultation on proposals to update the framework for prioritising funding for local supported (subsidised) buses has been completed. Highways and Transport Committee will consider a report in November 2023 recommending a revised approach. • The Enhanced Partnership Board meets quarterly to steer how investment in local bus network is used. This will include options for the recently announced BSIP+ funding to Cheshire East (circa £1.18M pa) for 2023/24 and 2024/25 • The Council hosted the first annual Bus Partnership Forum at Alderley Park on 26th October 2023. The meeting included representative of bus operators, passenger groups, local businesses and Councillors to debate how we identify priorities for the partnership over the coming year.
<p>To encourage an increase in the use of public transport (especially buses).</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Operators work together to share real time information • Bus routes planned to provide multi-modal connectivity • Cheshire East bus app developed 	<ul style="list-style-type: none"> • Information is shared using DfT's open data procedures. • Cheshire east council monitors bus patronage on a monthly basis. The most recent figures (September/October) record numbers down by 4%, likely due to the influence of recent severe weather events. The number of Farepayers were just above pre covid levels whilst concessionary travel remains at circa 85% of pre-covid numbers. •
<p>More residents to use walking routes.</p>	<p>The Green Infrastructure team continue to work with partners on the Bollin Way and to develop and promote shared routes where possible. The promotion of trails at Cheshire East's countryside sites and Tatton Park is ongoing.</p>

By 2025 we want:	Performance 2023/24 – Quarter 2 update
<p>Key actions:</p> <ul style="list-style-type: none"> • Promote existing routes and nature trails • Create new walking routes between service centres 	<p>Maintaining the Public Rights of Way network through resolving issues and obstructions on paths and supporting local communities to develop opportunities for permissive paths to avoid road walking is ongoing. Progressing s106 funded improvement schemes to increase accessibility on routes between development sites and service centres and the wider path network, plus working with landowners and developers to accommodate, divert and improve Public Rights of Way continues.</p>
Priority: Thriving urban and rural economies with opportunities for all	
<p>Delivery of a strategic regeneration plan for Crewe.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Successful delivery of the regeneration programmes 	<p>Challenging times exist in the regeneration and property sectors, and the team responsible for delivering and overseeing the regeneration of Crewe town centre are continuing to progress all projects despite the significant and persistent cost inflation in the construction sector which represents a major risk to all capital projects.</p> <p>With support from the Government's Future High Streets Fund (FHSF) for Crewe, the Council has made progress with:</p> <ul style="list-style-type: none"> • Flag Lane Link: a highways and cycle scheme improving connectivity into the town centre from the west of Crewe. The main part of this scheme completed in summer 2023 and is now operational; • Adaptive Signals: innovative new traffic signalling technology installed to the south of the town centre. This is expected to become operational by December this year; • Southern Gateway: the creation of a new pedestrian and cycle link between Oak Street/High Street and Forge Street, as part of a wider scheme to improve connectivity between the railway station and the town centre. Progress has been made in acquiring the necessary land and site works are expected to start in early 2024;

- Civic Centre/History Centre preparation: as part of a linked project to deliver a new History Centre, technical and legal work has progressed in relation to the demolition of the former library, deck and undercroft car park. Work is expected to commence in November this year;
- Technology and Digital Innovation Campus (TADIC): plans have advanced for the creation of new co-working space at the former Municipal Building offices (NB not the historic civic amenities). Contractors have been appointed to undertake works commencing late 2023 and completing summer 2024, whilst marketing of the opportunity for a tenant/operator is underway. Separately, although no longer expected to be co-working space, plans to improve and safeguard Christ Church have been developed with works expected in early 2024.
- Sustainable Energy Network: Investment in energy improvements being implemented including to Lifestyle Centre, Lyceum Theatre and Delamere House to deliver carbon reduction and enable future heat network.

Following the July decision of Economy & Growth Committee, it was agreed that the In Town Living project could not be delivered within the timescales of the Future High Streets Fund. Whilst the department is seeking an alternative means of delivering housing schemes on Chester Street and/or Delamere Street car parks, the grant funding is being reallocated to other projects in the Crewe FHSF programme.

The Council has continued to fulfil its role as accountable body for Crewe Town Board and the governance of the Towns Fund (TF) and Accelerated Towns Fund (ATF) grants which support regeneration in Crewe. The Economic Development team has led in delivering a number of these projects including:

- The Ly² project at Lyceum Square launched in July, providing a new public entertainment and performance space at the heart of the town centre, adjacent to the Lyceum Theatre and Market Hall. The project includes stages, a giant video screen, new artwork, seating and planting areas to provide an attractive setting for visitors.
- Mill Street Corridor improvements, as part of the wider scheme to better connect the railway station to the town centre (also refer to the Southern Gateway FHSF project above). Designs have been developed and costed, alongside consultation with local residents and stakeholders ahead of a planning application expected this autumn. As part of this project, detailed designs have been developed for new wayfinding in Crewe town centre; although expected to be delivered in a phased programme, subject to availability of funding, this will ensure a consistent style and format to help orientate visitors to Crewe's established and new amenities.
- History Centre public realm improvements secured planning consent and will be delivered alongside the FHSF

By 2025 we want:	Performance 2023/24 – Quarter 2 update
	<p>and National Lottery Heritage Fund elements of the project to provide new public realm and parking.</p> <ul style="list-style-type: none"> • The Repurposing Our High Streets grant scheme was launched. Established to support businesses/organisations taking on vacant town centre premises, this project is being delivered by the service's Business & Growth team. • The Crewe Youth Zone project secured planning consent, and officers are working across the council with Onside and Crewe YouthZone charity to progress the development of this site at Oak Street carpark, with works expected to commence early 2024. • Royal Arcade Phase 1: Works continue to progress in delivering a new bus station and multi-storey car park at the heart of Crewe town centre, although a site incident has caused a delay to the project, which is now expected to complete in spring 2024. The new car park will provide capacity for other existing surface car parks to be used for other, more active uses, including the Ly², History Centre and YouthZone projects referred to elsewhere. • The newly refurbished Market Hall continues to operate successfully. Opened in May 2021 and the data continues to show that it is becoming an anchor retail, leisure, and entertainment venue in the town. •
<p>Delivery of a strategic regeneration plan for Macclesfield.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Successful delivery of the regeneration programme for Macclesfield 	<p>Macclesfield regeneration activity has been limited in scale over the last year due to lack of availability of capital funding and lack of support from competitive central funding sources. However, the team has submitted a number of bids to the Council's open call for projects to be funded under the UKSPF.</p> <ul style="list-style-type: none"> • A £50,000 fund secured by the Development and Regeneration Team from Avanti towards the Treacle TART (Treacle Town Art Trail) project, has now been fully utilised with the production of a new art trail map. With CEC contributions in the form of officer time from the Cultural Economy Team and the Regeneration and Development Team, the Avanti funding secured has been used to fund impactful murals across the town centre, now documented in the Town Art Trail (cheshireeast.gov.uk) • Officers in the Development and Regeneration Team continue to work collaboratively with Macclesfield Town Council and other members of the Macclesfield Town Centre Recovery Working Group. Through a positive collaboration between the Development and Regeneration Service and the Town Council, a Changing Places Grant and a significant financial contribution from Macclesfield Town Council have been combined to enable the toilets in Macclesfield Indoor Market, formerly only accessible to market traders, to be upgraded and enlarged to provide modern facilities suitable for public use. Work on site has been ongoing in the last reporting period and the new facilities are due to be officially opened on 15th November 2023. • When opened the facility will deliver general toilet facilities open to the public in the heart of the town centre, as

By 2025 we want:

Performance 2023/24 – Quarter 2 update

well as a brand-new Changing Places Toilet Facility as well as a new baby changing and unisex facility. Providing toilets for public use in Macclesfield Market should increase footfall in the market, boosting trade for indoor market traders. This project will also allow the closure of dated inaccessible public toilets in Park Green, which are to be sold at auction to generate a capital receipt and, hopefully to be put to a use which will better support town centre vitality.

- In terms of town centre vitality, the loss of Marks and Spencer to the town centre is a significant concern but the property has been purchased by a third party with plans to remodel in flight. The impacts of the opening of the Barracks Mill out of town retail park in late 2022 are being monitored. Data shows that Macclesfield has not yet recovered to pre-pandemic footfall levels with average footfall in April-September 2023 being -10% lower than the same period in 2019. This is in contrast to Crewe where the data indicates footfall has increased by 15% during the same period.

Successful town centres in our other key towns.

Key actions:

- Work with our partners and key stakeholders to understand what is important to our towns

- Our Market towns - The Regeneration and Development team also focus on maximising the vitality of our other nine key service towns (listed below), addressing another of the key priorities in the corporate plan. In 2022 Town Centre Vitality Reports were finalised for these nine key service centres. These plans identify key opportunities to support town centre vitality in these centres as and when funding can be secured. Opportunities are wide ranging and do not necessarily require significant capital funding. Many opportunities can be potentially taken forward by Town Councils or other bodies, such as the new Wilmslow Business Improvement District Body, established in November 2022, and now raising funding via a new BID levy from Wilmslow Town Centre businesses. Some Town Council's have referenced the Town Centre Plans in project proposals submitted seeking Shared Prosperity Funding, and some have been successful in attracting such funding. (See section on UKSPF)

Town	Recorded footfall data Apr-Sep 2019	Recorded footfall data Apr-Sep 2023	% change
Alsager	2,423,083	1,775,019	-27%
Congleton	5,544,967	6,779,777	22%
Crewe	7,426,696	8,527,541	15%
Handforth	1,693,362	3,575,247	111%
Knutsford	5,632,532	5,254,322	-7%
Macclesfield	9,970,236	8,957,240	-10%
Middlewich	1,967,039	2,478,071	26%
Nantwich	3,570,825	4,021,986	13%
Poynton	2,743,695	2,747,132	0%

By 2025 we want:

Performance 2023/24 – Quarter 2 update

Sandbach	4,188,655	4,987,742	19%
Wilmslow	7,659,768	6,869,057	-10%

- Comparing annual footfall data for the six month period April-Sep 2023 with the same six month period in 2019 (pre-covid) continues to reveals significant variations in footfall recovery across centres, with Handforth showing very significant higher footfall levels than pre-covid, Handforth, Congleton, Crewe, Middlewich, Nantwich and Sandbach also with higher footfall levels, Poynton with footfall having returned to pre-covid levels but Macclesfield, Wilmslow, Knutsford and Alsager all having reduced footfall when compared to the pre-covid position.
- Over the last six months of 2023 the Regeneration and Development team has continued to progress the UK Shared Prosperity Funding programme and a new UKSPF Programme Manager has now been appointed.
- The £1,406,039 core UKSPF allocation for 22-23 was not received until February 2023. Despite this, the Council managed to spend £676,789 by end March 2023 on a range of projects including Ly2, active travel schemes, establishing a business support hub ([Cheshire East Council - Business Support Hub \(cebusinesshub.org.uk\)](http://cebusinesshub.org.uk)) and providing community grants. Given the lateness in agreeing 22-23 allocations, DLUHC agreed that unspent core UKSPF allocations from the first year of UKSPF could be added to 23-24 allocations. Unfortunately, confirmation of this and the current year's allocation was not received until the second quarter of this financial year creating unwelcome pressure to spend in a compressed timeframe.
- A call out for project proposals has been undertaken and a range of projects to be taken forward both by the Council and external organisations has been appraised by independent appraisers and this was presented to the Local Strategic Group for the scheme for guidance. At the time of drafting this report, the Acting Executive Director Place, utilising the delegation from full Council is in the process of agreeing these projects. These are expected to be announced shortly.
-

Maximise the commercial and regeneration opportunities associated with HS2 for the whole borough

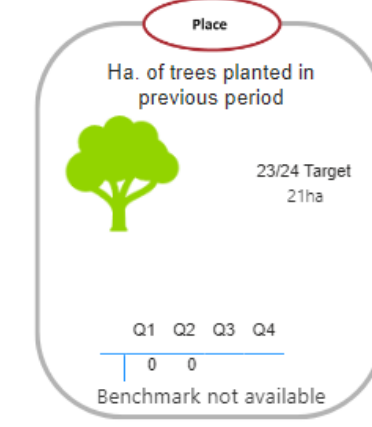
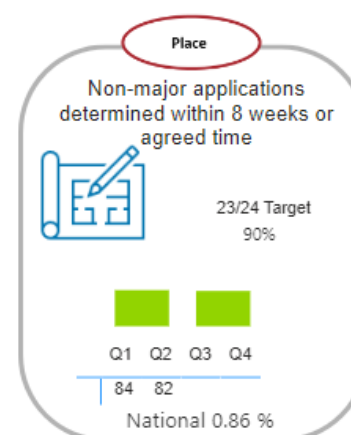
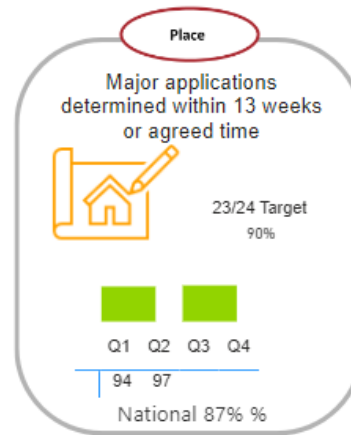
On 4th October 2023, the Prime Minister announced that Government was cancelling the HS2 scheme north of Birmingham. This includes both Phase 2a, which would have enabled direct HS2 services from Crewe to London and an hourly HS2 service from London to Macclesfield, and Phase 2b, which would have enabled up to 5-7 HS2 trains per hour to call at Crewe.

The Prime Minister also announced that also announced that Government will reinvest every single penny of HS2 funding, £36 billion in hundreds of new transport projects in the north and the midlands, across the country via a new plan, Network North. The Network North document identifies £19.8bn of reinvestment for projects and initiatives across the North. However, these plans fail to address the direct losses and impacts of the decision for Cheshire East.

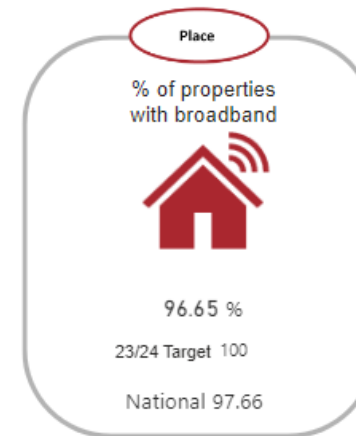
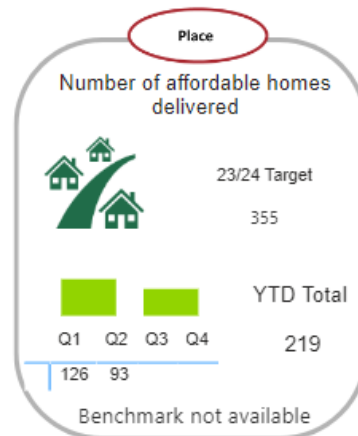
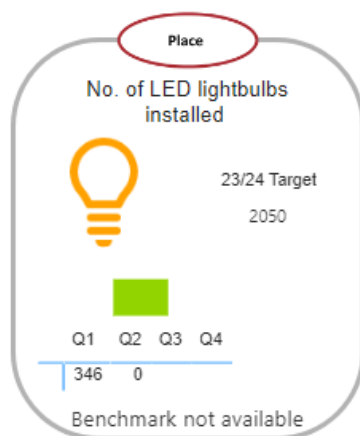
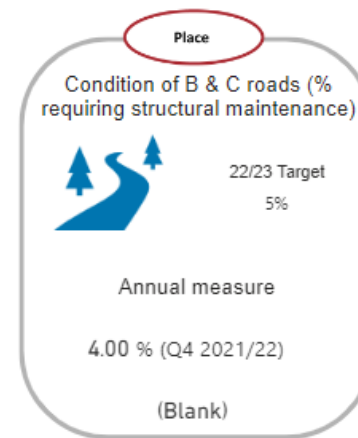
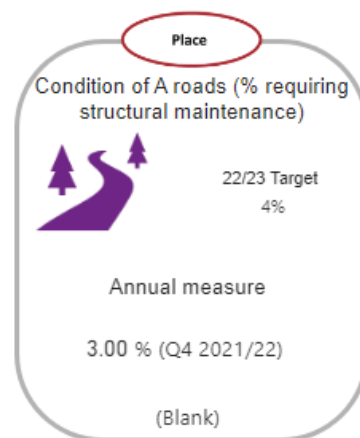
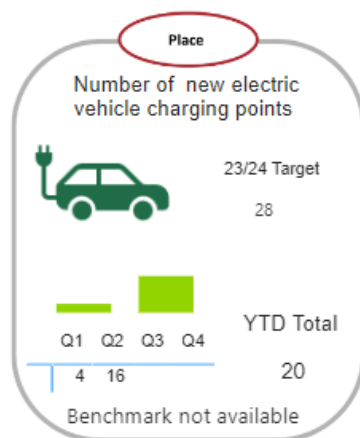
By 2025 we want:	Performance 2023/24 – Quarter 2 update
	<p>The Council is currently pursuing a compensation and investment package from Government that would provide a 'fair and equitable deal' that would restore the long-term economic outcomes that HS2 would have unlocked for Crewe and the wider borough.</p> <p>Post the HS2 decision by the prime minister, the Council is continuing to work with officials from DLUHC and DfT on the Deep Dive examining the regenerative impact of major rail investment in Crewe. This initiative was started by the two departments with the Council during summer 2023.</p>
<p>Thriving and active rural communities.</p> <p>Key actions:</p> <ul style="list-style-type: none"> - Deliver the Rural action plan 	<ul style="list-style-type: none"> • Plans to use Rural England Prosperity funding to support Cheshire East based rural businesses are being developed to enable a grant scheme for small scale investment in micro and small rural enterprises and the development and promotion of the rural visitor economy.
Priority: To be carbon neutral by 2025	
<p>To have delivered the milestones in becoming a carbon neutral council.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver actions in the Cheshire East Council Carbon Action Plan 	<p>The Council is on track to be carbon neutral as an organisation by 2025, however, there remains a risk related to the delivery of our second solar insetting scheme. Gas use, particularly within leisure centres, and larger fleet vehicles continue to present areas of challenge for decarbonisation.</p> <p>Carbon Action Plan priorities continue with work to decarbonise Council buildings. Seventeen solar installations have been completed, providing approximately 1GWh per year. The Council has also put in place a programme of replacing gas boilers with air source heat pumps with 15 installations underway. We continue to replace petrol and diesel vehicles with electric across our services and we have installed 26 new or upgraded electric vehicle charge points with more in plan for the second half of this year.</p> <p>Wider Borough 2045 target: Base line modelling of Carbon emissions form the Borough is completed and approval has been granted by the Environment and Communities committee to develop a key priorities action plan. A consultant has been contracted and engagement with special interest groups and councillors is underway to produce a draft action plan which will then be subject to public consultation.</p> <ul style="list-style-type: none"> • Our Housing Team continue to contribute towards the delivery of the Council's Carbon Action Plan with 163 households helped to achieve affordable warmth (Q1 and Q2).

Performance measures supporting A thriving and sustainable place

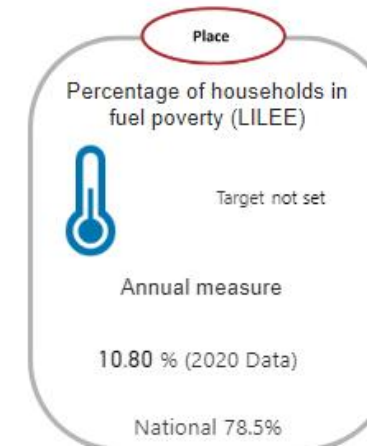
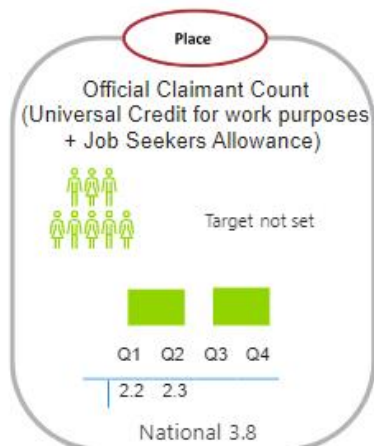
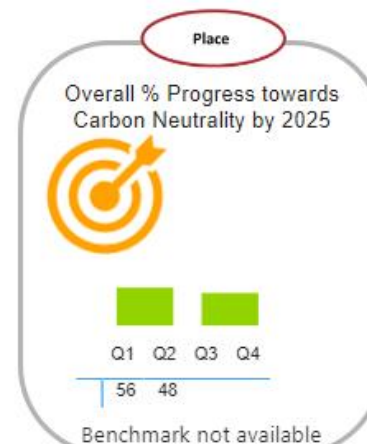
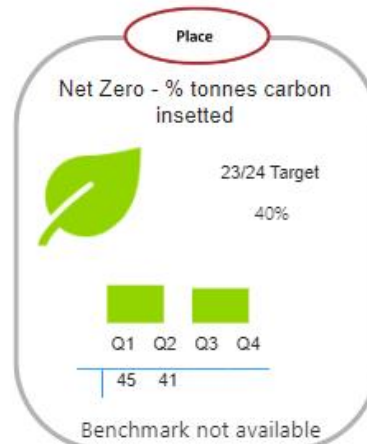
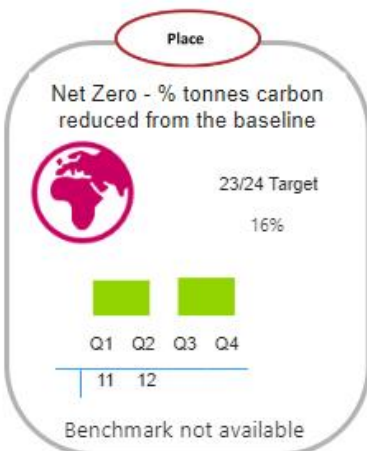
- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025



Open Fair Green



Open Fair Green



This page is intentionally left blank

OPEN

Corporate Policy Committee

18 January 2024

Strategic Risk Register – Assurance Report Q2 2023/24

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

Report Reference No: CP/29/23-24

Ward(s) Affected: All

Purpose of Report

- 1 One of the responsibilities of the Corporate Policy Committee is to have a co-ordinating role across all other committees and exercising a corporate view of outcomes, performance, budget monitoring and risk management. Reporting on the Strategic Risk Register supports effective risk management, is central to good governance and supports the efficient delivery of the council's corporate plan objectives.
- 2 This report provides an update on the activity of the Council's Strategic Risk Register for Quarter 2 2023/24.

Executive Summary

- 3 This report provides the Corporate Policy Committee with an update on the activity of the Strategic Risk Register for Quarter 2 2023/24 with the Strategic Risk Register set out in detail in the report appendix (Appendix A).

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Confirm the position of the Strategic Risk Register for Quarter 2 2023/24, in respect of the content, description, scoring and risk management activity outlined.

- | |
|--|
| <p>2. Agree the recommendation from the Finance Sub-Committee (7 September 2023) that the strategic risks of the wholly-owned companies should be included on a separate category of the Council's Strategic Risk Register from Quarter 3 2023/24.</p> |
|--|

Background

- 4 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, in this case our corporate objectives in the Corporate Plan. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 5 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.
- 6 The content of the Strategic Risk Register has been extensively reviewed in preparing this assurance report for the Corporate Policy Committee, and the Corporate Leadership Team have made a number of revisions to the register from Quarter 1, reported to the Committee in October.
- 7 Revisions to the register have been made to ensure that the scope and detail of the individual risks, and the overall coverage of the register is reflective of the current threats to the organisation achieving strategic objectives and maintaining business as usual service delivery. Where items are removed from the Strategic Risk Register, they continue to be considered at operational levels, and can be escalated back for consideration and inclusion on the Strategic Register.
- 8 This has resulted in the restating of SR09, SR10, SR11 and SR12, along with the addition of SR07 and SR08. These changes have been included within the report and Appendix so that Members are sighted on the latest position given the changing nature of these risks.
- 9 Full details of the individual risks are provided in Appendix A. In addition to the revisions in the register, the content of this covering report in relation to the key changes since Quarter 1 has been organised slightly differently, to align the risks to the relevant service committee.

Summary of Quarter 2 review

- 10 Additional levels of risk are being borne across many parts of the organisation as the challenges of the current financial situation continue to develop. This is reflected in the sensitivity and complexity of decisions being taken across the organisation, at strategic, operational and individual levels. For example, the tighter management of vacancies is having some impacts on our ability to deliver in a timely manner. There are increasing costs in relation to actions required to achieve our net zero target and the ongoing affordability of this target will require on-going scrutiny.
- 11 Members will need further assurance in understanding how individual decision recommendations seek to manage risks, as well as using the quarterly risk and performance reports to receive assurance that effective and robust actions are being taken to manage risk and performance in the current climate.
- 12 Table 1 shows the position of the Strategic Risk Register after the Quarter 2 review undertaken: with the gross, net and target score for each risk, along with the target date in place for achieving the target score. The table is organised by highest to lowest net risk for Q2.
- 13 Table 2 shows the position of the Strategic Risk Register based on the Q2 update against the previous quarter; due to the number of changes made to the risk content, there are some gaps on this table. The heat map below the tables (Chart 1) shows the concentration of critical and material rated risks.
- 14 At its meeting on 7 September 2023, the Finance Sub-Committee received an update report on the Wholly-owned Companies Governance Review – Board Composition and Shareholder Agreement. One of the recommendations from the Sub-Committee was for the content of the wholly-owned companies strategic risk register to be included in a separate category of the Council's Strategic Risk Register; if the Corporate Policy Committee agrees this recommendation from the Finance Sub-Committee, this will be included from the quarter 3 update report.

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

Ref	Risk	Q2 Gross	Q2 Net	Q2 Target
SR04	Dedicated School Grant Deficit	16	16	12
SR06	Failure to Achieve the MTFS	16	16	9
SR19	HS2 Infrastructure Investment	16	16	N/A
SR01	Increased Demand for Adults' Services	16	12	9
SR03	Complexity and Demand for Children's Services	16	12	12
SR07	Leadership Capacity	16	12	8
SR08	Ability to Achieve Organisation Change	16	12	8
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	8
SR12	Stakeholder Expectation and Communication	16	12	9
SR13	Information Security and Cyber Threat	16	12	12
SR16	Failure of the Local Economy	16	12	12
SR02	Fragility and failure in the Social Care Market	16	9	9
SR05	Delivery of the JTAI improvement plan	16	9	6
SR09*	Recruitment and Retention	16	9	9
SR11	Failure to Adhere to Agreed Governance Processes	16	9	6
SR14	Business Continuity	12	9	6
SR17	Climate Change (CEC Carbon Neutral Status 2025)	16	9	6
SR18	Local Planning Authority Modernisation Plan	12	9	6
N/A**	Insufficient and Non-Compliance with Financial Processes	16	8	8
SR15	Capital Projects – Place	16	8	8

* Previous called Organisation Capacity & Demand

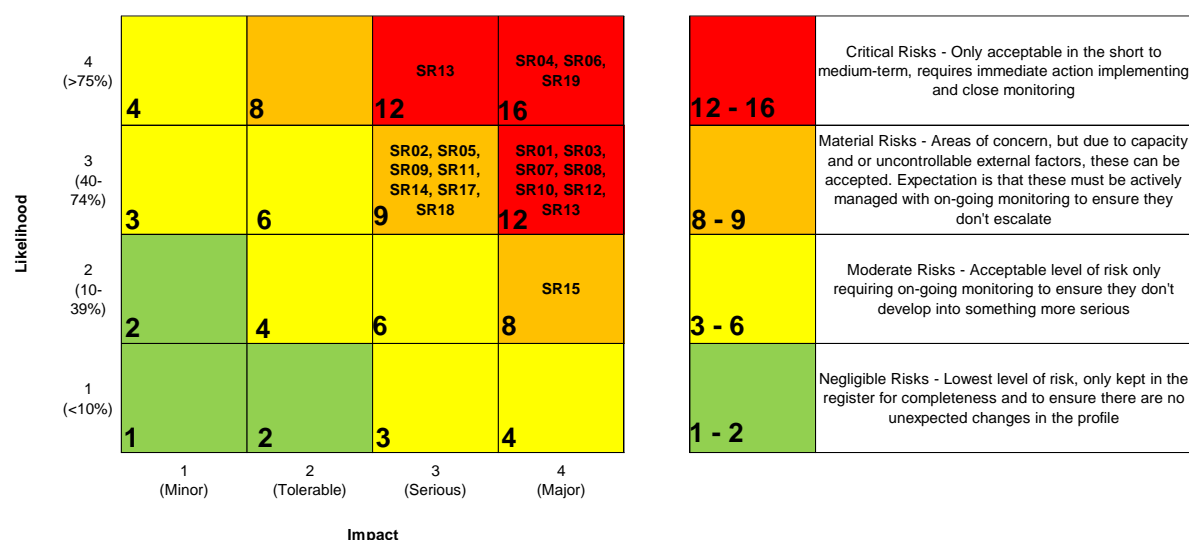
** Risk only included for context of the risk review, not to be reported on going forwards

Table 2 – Strategic Risks Direction of Travel

Ref	Risk	Q1 Net	Q2 Net	Direction of Travel
SR01	Increased Demand for Adults' Services	12	12	↔
SR02	Fragility and failure in the Social Care Market	9	9	↔
SR03	Complexity and Demand for Children's Services	16	12	↓
SR04	Dedicated School Grant Deficit	-	16	NEW
SR05	Delivery of the JTAI improvement plan	12	9	↓
N/A*	Insufficient and Non-Compliance with Financial Processes	-	8	NEW
SR06	Failure to Achieve the MTFS	12	16	↑
SR07	Leadership Capacity	-	12	NEW
SR08	Ability to Achieve Organisation Change	-	12	NEW
SR09**	Recruitment and Retention	12	9	↓
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	↔
SR11	Failure to Adhere to Agreed Governance Processes	9	9	↔
SR12	Stakeholder Expectation and Communication	12	12	↔
SR13	Information Security and Cyber Threat	12	12	↔
SR14	Business Continuity	9	9	↔
SR15	Capital Projects - Place	8	8	↔
SR16	Failure of the Local Economy	12	12	↔
SR17	Climate Change (CEC Carbon Neutral Status 2025)	9	9	↔
SR18	Local Planning Authority Modernisation Plan	9	9	↔
SR19	HS2 Infrastructure Investment	9	16	↑

* Risk only included for context of the risk review, not to be reported on going forwards

** Previous called Organisation Capacity & Demand

Chart 1 – Strategic Risks Heat Map

Risks Updates by Service Committee

Adults and Health Committee

- 15 There are no changes proposed to the scope or current net score of the risk of "Increased Demand for Adults Services". Key activity in managing this risk now includes monitoring of all support and care plans occurring three times a week, with the Director of Adult Social Care monitoring around 150 cases per week. Demand is constant and the cost of individual care packages remains high, with an increasing number at the c £2,000 per week mark. Further action in managing this risk is being progressed through the development of business cases for change.
- 16 The strategic register previously included the risk of further pandemic viruses. After review and discussion, recognising that this risk had achieved and sustained its target score (6) this has now been removed from the strategic risk register. Risks around the failure of public health protection arrangements, resulting in significant and widespread detriment to resident's health and wellbeing are being monitored at the operational level.
- 17 There are no changes proposed to "Fragility and Failure in the Social Care Market" risk in terms of description or score. Cheshire East has invested in care at home which stabilised the market, reduced waiting list for care at home and enabled the shift from non-commissioned providers which increased during Covid. However, inflation is impacting care market capacity. Some of this is driven by recruitment and retention of staff, which has also meant that some providers have opted to undertake international recruitment activities. Inflation for council

services is running higher than normal inflation and Cheshire East is worse than other areas. Mitigating action includes:

- a) The implementation of Care Cubed, and targeted negotiations with care providers disrupting the market, for example the use of block contracts;
- b) Working with the Home Office and ADASS in terms of managing provider risk in relation to international recruitment; and
- c) The development of a Workforce Strategy (internal and external).

Children and Families Committee

- 18 As part of the review undertaken, the former “Increased Demand for Children’s Services” risk has been split into two, focusing separately on
 - a) “Complexity and Demand for Children’s Services”; and
 - b) “Dedicated Schools Grant (DSG) Deficit”
- 19 The separation of the DSG aspect into a separate risk reduces the net risk score of the complexity risk to 12, which is the target score. However, this remains a critical risk for the organisation.
- 20 A workforce strategy has been developed for children’s social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families.
- 21 Local support for families has been strengthened through the development of family hubs across the borough. Family hubs bring council, health and community services together to create a whole-family approach and will improve the access and reach of services, supporting earlier intervention, and improve partnership working.
- 22 There has been no official statement from the government on whether the Household Support Fund will be continued from April 2024. If the fund is not continued, a paper will go to the April Children and Families Committee which will include an exit plan for the Household Support Fund along with consideration of how this may impact demand and risk mitigation. If the fund is continued, this paper will include delivery options for the new grant period.
- 23 We are developing an internal residential offer, mobilising our first children’s home in January 2024, with a further two homes operational from Spring 2024. This will provide our cared for children with more opportunities to remain close to their communities and will provide

better value for money against rising placement costs. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy with the aim to be at a low level of risk by 2026.

- 24 The Dedicated Schools Grant risk recognises the uncertainty around the deficit held, which continues to rise and the potential that it is not recoverable. The net and gross score for this is 16, with the target score of 12. In September 2023 the Children and Families Committee approved the DSG management plan for 2023/24 to 2027/28. It highlighted that without significant changes to funding the DSG reserve deficit will not be recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.
- 25 On 7 September 2023, the Council accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance this aspect of our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing, and we are continuing to develop our plans ready for submission to government in January 2024. Agreement will be published on their website in March 2024.
- 26 There has been no change to the scope of the "Delivery of the JTAI Improvement Plan" risk, however the net score has reduced from 12 in Q1 to 9 for Q2. This reflects positive progression of the plan's implementation in the period. The multi-agency audit has been completed and shows evidence of improvements in practice for children who are at risk of exploitation. There is a multi-agency quality assurance forward plan being developed which will feature audits of cases where children are at risk of exploitation and an 11-month JTAI Improvement plan review is scheduled for December 2023 with the DfE. If the improvement plan achieves the anticipated impact on practice, the target score of 6 should be achieved in Q4 of 2023/24.

Corporate Policy Committee

- 27 The previous "Failure of Financial Management" risk has been redefined as "Insufficient and Non-Compliance with Financial Processes". This updated risk has a clear focus on the effectiveness of internal financial controls; planning, recording, allocation and review of transactions. The failure of which may result in an inability to secure and demonstrate good value for money or the misuse of ringfenced funding.

- 28 The internal financial controls that this risk focuses on are considered effective and that the risk is managed to an acceptable level. The updated risk has a net score of 8, equal to the target score identified. Controls range from technical, such as the financial systems, to policy controls, such as the Constitution including the Finance Procedure Rules. There is robust advice and oversight controls, business support and education from the Finance function and independent assurance from Internal and External Auditors.
- 29 Due to the operational nature of this risk, as described above, it will not be carried forwards as a strategic risk into Q3. However, it was felt important that the changes and its nature are explained through this update report to maintain openness and provide context for the next risk.
- 30 The previous “Failure to deliver MTFS Savings” and “Failure of Council Funding” risks have been refocused into a single risk. Now defined as “Failure to achieve the MTFS”, the risk encapsulates the financial consequences of the organisation failing to achieve planned changes and manage its expenditure as agreed in the annual budget setting process. Failure to deliver the MTFS in the agreed timescales undermines the council’s ability to manage its budget effectively in the current and future years. The highest possible rating was agreed for this risk (net score 16).
- 31 The second financial review of 2023/24 forecast a pressure of £18.7m by 31 March 2024. The third financial review of 2023/24 is now forecasting a pressure of £13m by 31 March 2024. The Council’s General Fund balance is £14.1m (a relatively low level when compared to other councils) and earmarked revenue reserves are also limited in scale and scope, as regards their ability to offer ‘one-off’ options to support in-year spending levels.
- 32 Going beyond the budget monitoring arrangements effected early in the financial year, the spending management regime instigated at the start of Q3 is aimed at ensuring that all possible options are explored to control net spending in line with approved budget by the end of the financial year.
- 33 The High Needs/Special Educational Needs cumulative deficit was reported as £47m at March 2023, and is set to rise to £85.8m by March 2024 and to £243.5m by 2027. The Council has now begun conversations on entry to the DfE’s Safety Valve Scheme. Solutions need to be delivered to ensure long-term sustainability of SEN services and alleviate the financial costs and risks to the General Fund (currently estimated at some £3m in interest charges).

- 34 The previous external funding risk which considered the amount of funding that the council receives but has no control over, has been removed. The updated risk, “Failure to achieve the MTFS”, is more holistic and long-term than the previous MTFS savings risk in that it is expected to remain an enduring strategic risk even after circumstances change. For example, the risk would remain valid if the council was unable to effectively spend higher levels of funding as per the agreed MTFS or if it was achieving budget each year comfortably. While this risk takes a view from a financial perspective, there are several related risks which were also identified as part of on-going reviews of the register.
- 35 During discussions on the “Organisational Capacity and Demand” risk, it became clear that there were several different capacity challenges that the organisation is facing. These new risks are in the process of being fully assessed, however their scopes and scores have been agreed.
- 36 “Leadership Capacity”; the risk that the council’s leadership team is not operating effectively and does not have the capacity to manage the full breadth of its responsibilities to an acceptable level. At the end of Q2, the leadership team was going through a period of change, carrying several temporary appointments and individuals covering multiple roles as part of acting up. Net score agreed as 12.
- 37 “Ability to Achieve Organisation Change”; to deliver its objectives and control expenditure while also responding to external events, the council needs to be able to implement change quickly. It was identified that the council has struggled with implementing change recently and the net score was agreed as 12.
- 38 “Recruitment and Retention”; the risk that HR related processes do not deliver the expected workplace or workforce. Without motivated and adequately skilled individuals, the council will be unable to maintain a sufficient level of value from the funding available to it. This risk carries forward many of the elements from the Organisational Capacity and Demand” risk but not those elements related to the two new risks noted above. Net score reduced from 12 to 9.
- 39 The “Political Uncertainty” risk has been adjusted to include an inward view as well as looking at the frequency and impact of external changes. Now described as “Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks”, it considers the council’s ability to manage policy changes in a timely manner. After the extension in scope, there is no change to the net score, it remains a 12 for Q2.

- 40 The cancellation of the HS2 Hub in Crewe demonstrates that central government decisions can negatively impact years of work and necessitate a fundamental shift in operations and fiscal planning. The council recognises the fast-moving pace of national politics and the high level of pressure on local government to maintain services while managing real-term funding cuts.
- 41 The risk had previously reflected uncertainty around the outcome of the May 2023 local elections. While that uncertainty has passed there does remain a level of inconsistency in local decision-making regarding the agreement and implementation of the decisions required to deliver the MTFS. On a national basis, the timing of a general election in 2024 remains uncertain.
- 42 The “Governance and Decision Making” risk has also been rephrased to make it consistent with the “Insufficient and Non-Compliance with Financial Processes” risk. The “Failure to Adhere to Agreed Governance Processes” risk does not see a change in its net score, it remains at 9.
- 43 The risk seeks to take a view on all areas of council activity and whether that activity is in line with our agreed processes. Answering the questions, ‘Are decisions being made in the correct manner?’, ‘Is appropriate evidence being captured?’ and ‘Do individuals making those decisions have the authority?’. During the process to update the risks there was discussion upon compliance with regulatory requirements. It is acknowledged that those benchmarks are inherently considered in individual risks. For example, the “Complexity and Demand for Children’s Services” would consider any regulatory obligations when assessing the level of service the council is able to deliver.
- 44 There was discussion on the nature of the existing “Reputation” risk, it was acknowledged that not everything the council does will be popular or is its role to be so. At times the council does have to make difficult and unpopular decisions, it must ensure it does this not only fairly but also communicate those decisions clearly and within their true context. The discussions identified three question which were used to help shape and assess the risk:
 - a) Reputation of the Council with which audience?
 - b) What is the impact of a poor reputation with that audience? and
 - c) What metrics do we used to measure improvement?

It was acknowledged that the council has multiple stakeholders with residents being the most important group. It was also identified that understanding stakeholder expectations was key to not only good

decision-making but also to effective communication. The updated risk was agreed as “Stakeholder Expectations and Communication”, the Customer Services element has been removed from the risk as it doesn’t naturally fit within the new scope. The scope of this risk better suits the current reporting lines, Business Change and Communications and Media both being within the remit of the Director of Policy and Change. Customer Services risk are picked up at the service level.

- 45 Information Security and Cyber Threat; there are no changes to the scope or score arising from the Q2 review. Activity to manage this risk during the quarter has included:
 - a) Identity Management – Several projects to ensure that identities are protected, and controls updated as required.
 - b) Application Management – Consolidation of access controls across systems that can adopt the technology, along with the development of a framework to progress for legacy applications.
 - c) Data Security – Enhancement of the existing security controls to ensure that the latest threats are mitigated and protected against. Development of a process to ensure that vulnerabilities are identified, monitored, and addressed.
 - d) Data Quality – Continuation of the MDM projects to ensure that the councils’ solutions have the correct data embedded with them, updated seamlessly across multiple systems.
 - e) Information Management – A collection of projects to improve the maturity of information both through its storage and use of said data. This will enable management to drive efficiencies through better access to data and improved compliance through improved retention processes.
 - f) PSN accreditation has been achieved for 23/24.
- 46 There is no change to the scope or score of the “Business Continuity” risk as a result of its review. The existing business continuity policy has been reviewed and will be subject to further reviews as we progress through the development of a self-service SharePoint based system. Development of the system is due to begin in January 2024 with support from ICT Business Analysts. Prioritisation will be given to the system development ahead of further policy/guidance reviews. Detailed guidance and support will be developed to support the rollout of the system once developed.
- 47 Participation in Emergency Planning exercises continues; this provides valuable experience and knowledge for the further development of both

business continuity plans and the organisation's role in emergency response situations. If the SharePoint system develops as planned, the target risk should be achieved by end of Q4 23/24, at which point the recommendation would be for this risk to be removed from the Strategic Risk Register.

Economy and Growth

- 48 No changes proposed to the scope or scores of existing risks following the Q2 review, "Capital Projects – Place" net score remains an 8, while "Failure of the Local Economy" net score remains a 12. The national economic situation continues to be monitored by the Economic Development Service. UK gross domestic product (GDP) is estimated to have shown no growth in Quarter 3 (July to Sept) 2023. A full review of the Council's capital schemes will be undertaken in Q4 to ensure that both the Council's financial situation and external market factors have understood in terms of their impact on current schemes.
- 49 The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Base Rate at 5.25%.

Environment and Communities Committee

- 50 There are no changes proposed to the scope or score of the "CEC's Carbon Neutral Status" risk. The Council currently remains on track to be carbon neutral as an organisation by 2025, however there remains a real potential of time delays impacting delivery. Work continues on Council buildings with seventeen solar installations having been completed, providing approximately 1GWh per year.
- 51 The Council has also put in place a programme of replacing gas boilers with air source heat pumps with 15 installations underway. We continue to replace petrol and diesel vehicles with electric across our services and we have installed 26 new or upgraded electric vehicle charge points with more planned for the second half of this year.
- 52 Three key aspects to the risk have been identified this year at the Q2 review:
 - (a) Fleet – The transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities is under way with procurement imminent.
 - (b) Solar – To progress the second solar farm by submitting a planning application by September 2023 with a decision needed

by April 2024. A change in approach following advice will see the authority procure a design and build contract with planning part of the contract. This means planning will now be delayed until Q4. This remains the most significant risk to achieving the 2025 target.

- (c) Natural Offset – The planting of the next two woodland areas this planting season, October 2023 through May 2024. The authority has only been able to progress one of the two sites identified for this year which is now out to procurement. This has increased the requirement for planting in the final planting season, 2024-25.

- 53 The “Local Planning Authority Modernisation” risk overall remains the same with no change the net score. This reflects progress in the implementation of the existing modernisation plan, however the scope and actions in the plan have been extended to include actions arising from the Section 106 internal audit review.

Highways and Transport Committee

- 54 On 4th October 2023, the Prime Minister announced that HS2, north of Birmingham would be scrapped. Therefore, HS2 Phases 2a and 2b would not be progressing and there will no longer be a Crewe HS2 hub. Consequently, the “HS2 Infrastructure Investment” risk has crystallised, although not in the form initially assessed.

- 55 It is confirmed that the risk in its present state will not be maintained going forwards, during Q3 consideration will be given to a related risk based around the debt incurred from the project and the uncertainty around potential compensation from central government. Full council have already received a paper about this on Wednesday 13th December 2023.

Emerging Issues

- 56 Whilst the Corporate Policy Committee will receive the Quarter 3 update at the March 2024 meeting, there are emerging indications for that update.

- (a) Increasing pressure on services as a result of trying to achieve the 2023-24 MTFS and the difficulties of setting and achieving the MTFS for 2024-25.
- (b) Further reduction in score re JTAI is anticipated as long as positive delivery progress continues.
- (c) The further impact of the HS2 announcement will be recognised on the strategic risk register.

- (d) The affordability challenge of achieving the current net zero target.
- (e) If vacancy rates worsen, our capacity to maintain service delivery, and to achieve changes will be further decreased.

Consultation and Engagement

- 57 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

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

Other Options Considered

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

Implications and Comments

- 60 Monitoring Officer/Legal

There are no direct legal implications arising from the recommendations of this report. This report to 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.

- 61 Section 151 Officer/Finance

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

Council of failing to achieve savings identified in the MTFs has been identified as an emerging risk.

62 Policy

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

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
--	--	---

63 Equality, Diversity and Inclusion

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

64 Human Resources

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

65 Risk Management

This report relates to overall risk management and provides the Corporate Policy 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.

66 Rural Communities

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

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

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

68 Public Health

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

69 Climate Change

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

Access to Information	
Contact Officer:	Josie Griffiths, Head of Audit and Risk Management josie.griffiths@cheshireeast.gov.uk
Appendices:	Appendix A - Q2 2023/24 Strategic Risk Register Detail
Background Papers:	Finance Sub-Committee 7 September 2023 Agenda item - Wholly-owned Companies Governance Review - Board Composition and Shareholder Agreement Cheshire East Council

This page is intentionally left blank

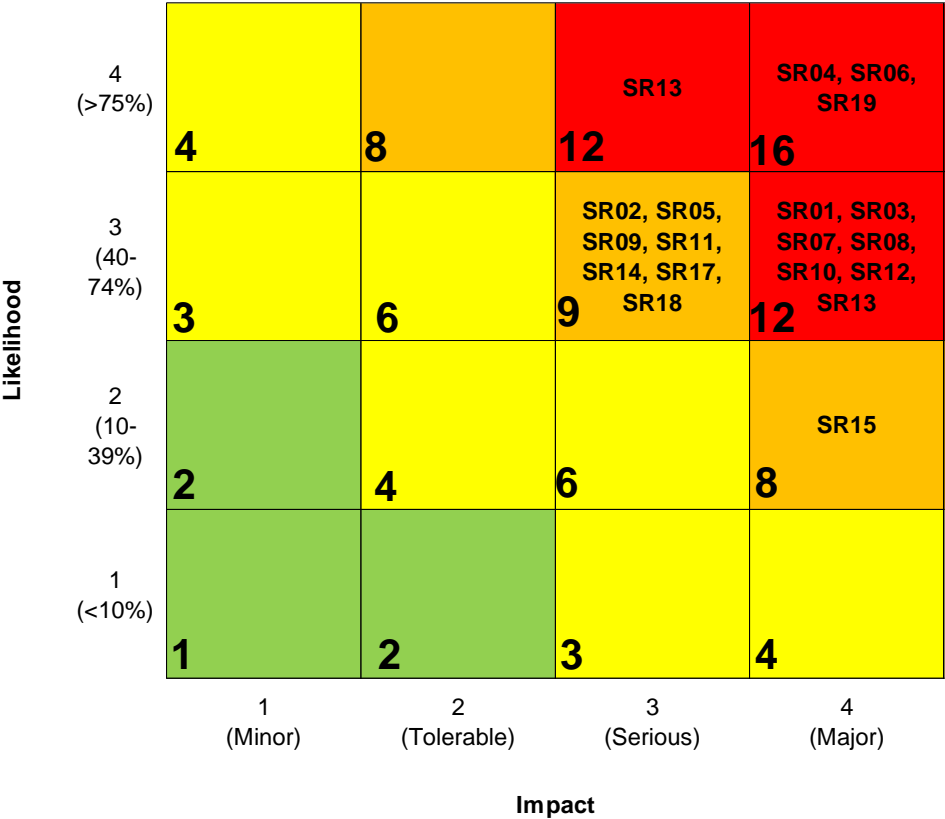
Strategic Risk Summary – Changes in Net Scores Q2 2023/24

Ref	Risk	Q1 Net	Q2 Net	Travel	Target
SR01	Increased Demand for Adult's Services	12	12	↔	9
SR02	Fragility and failure in the Social Care Market	9	9	↔	9
SR03	Complexity and Demand for Children's Services	16	12	↓	12
SR04	Dedicated School Grant Deficit	-	16	NEW	12
SR05	Delivery of the JTAI improvement plan	12	9	↓	6
N/A*	Insufficient and Non-Compliance with Financial Processes	-	8	NEW	8
SR06	Failure to Achieve the MTFs	12	16	↑	9
SR07	Leadership Capacity	-	12	NEW	8
SR08	Ability to Achieve Organisation Change	-	12	NEW	8
SR09**	Recruitment & Retention	12	9	↓	9
SR10	Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks	12	12	↔	8
SR11	Failure to Adhere to Agreed Governance Processes	9	9	↔	6
SR12	Stakeholder Expectation & Communication	12	12	↔	9
SR13	Information Security and Cyber Threat	12	12	↔	12
SR14	Business Continuity	9	9	↔	6
SR15	Capital Projects - Place	8	8	↔	8
SR16	Failure of the Local Economy	12	12	↔	12
SR17	Climate Change (CEC Carbon Neutral Status 2025)	9	9	↔	6
SR18	Local Planning Authority Modernisation Plan	9	9	↔	6
SR19	HS2 Infrastructure Investment	9	16	↑	N/A

* Risk only included for context of the risk refresh, not to be reported on going forwards

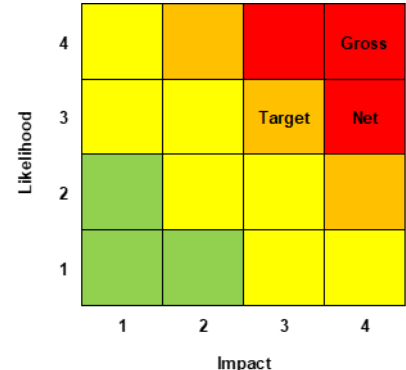
** Previous called Organisation Capacity & Demand

Strategic Risks Heat Map

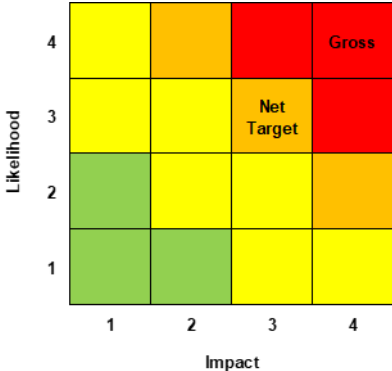


12 - 16	Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring
8 - 9	Material Risks - Areas of concern, but due to capacity and or uncontrollable external factors, these can be accepted. Expectation is that these must be actively managed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

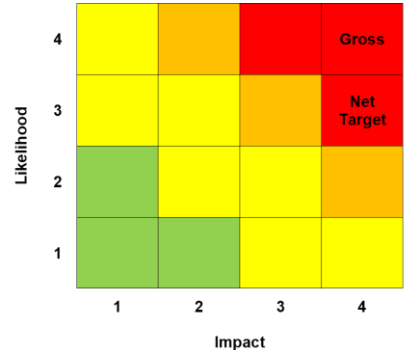
Individual Risk Details – Q2 2023/24

Risk Name: Increased Demand for Adult Services		Risk Owner: Executive Director of Adults, Health, and Integration
Risk Ref: SR01	Date updated: 8 th December 2023	Risk Manager: Director of Adult Social Care Operations
<p>Risk Description: An increase in demand for adult social services that cannot be met within the existing budget.</p> <p>There is currently a historically high demand for services from young adults right through to the elderly. This has been caused by an overall decrease in national adult health and wellbeing and other socio-economic factors.</p> <p>Detailed consequences; a failure in one area of social care, either internal or external to the council, has knock-on effects and increases pressure on other services. This can cause an on-going downwards trend in adult health and wellbeing. In addition, the council may fail in its duty of care and its objective of supporting its most vulnerable individuals. Specific failures that have been seen are a reduction in preventative measure and early intervention, which ultimately increase demand. Increased pressure on practitioners causes stress related issues and reduces the appeal of working in the sector.</p> <p>Detailed causes; due to the additional wellbeing pressures placed on residents, council staff, third-party providers and the NHS, the volume and complexity of demand for adult services has increased materially. As have political factors such as changes in legislation and resettlement agreements. Due to several different socio-economic factors recruitment and retention of staff is difficult resulting in increased use of agency staff.</p>		
Interdependencies (risks): Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls (Existing):</p> <ul style="list-style-type: none"> • Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. • Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commission to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes. • Monthly quality monitoring partnership forum that reports to relevant DMTs and the Safeguarding Board. Attendees include the Police, Safeguarding, Care Quality Commission, ASC operations, Legal, CCG's and ASC lead commissioner. • People Helping People programme, working collaboratively with partners and local volunteers to channel community-based support, reducing demand on adult social care. The sourcing/brokerage team support the co-ordination of these services, helping vulnerable people to access non-council support where appropriate. • Direct payment scheme, allowing users identify and manage their own care support. • The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence. • Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends. • Regular service/team meetings to disseminate information and discuss operational issues. 		

<ul style="list-style-type: none"> • Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy. • Collaborative working with other services, such Public Health, where objectives align and communication is required to delivery value for money. Utilisation of Public Health JSNA and wider regional data sets inform future planning. The joint commissioning management monthly working group seeks to ensure ASC is working effectively and efficiently with other Children and Family services. • Engagement with the Integrated Care Partnership, including health partners. • Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand. • Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. • Business continuity assessments and resiliency preparation, both internally and with key partners. • Joint working with Impower to identify efficiencies in the services. • All care plans presented to Senior Leasers board for authorisation of spend. • Tighter controls on hospital discharge will impact relationship with CB colleagues. 	
Actions (Monitoring):	Target Date for Completion:
Impower Consulting review (Weekly CEBERT meetings)	Q4 2023/24
<p>Comments this quarter: The outcomes from the work commissioned with Impower is being actioned via High Level Business Cases; we are monitoring all support and care plans and calls for services on a 3x per week basis. The Director is monitoring approximately 150 cases per week.</p> <p>Demand is constant especially for those who are 90+yrs, and for those with dementia.</p> <p>Cost of individual care packages remains very high with an increasing number c£2000 per week.</p>	
<p>Timescale for managing risk to an acceptable level: The outcomes from the work commissioned with Impower is being actioned via HLBC, we are monitoring all support and care plans and calls for services on a 3x per week basis, Director is monitoring approx150 cases per week. Demand is constant especially for those who are 90+yrs, and for those with dementia. Cost of individual care packages remains very high with an increasing number£2000 per week.</p>	

Risk Name: Fragility and Failure in the Social Care Market		Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR02	Date updated: 15 th December 2023	Risk Manager: Director of Adult Social Care, Director of Commissioning
<p>Risk Description: A failure of the local social care market.</p> <p>Increases in the volume and complexity in demand and financial pressures have caused weaknesses in the national social care market which have yet to be resolved.</p> <p>Detailed consequences; the council is unable to deliver a robust adult social care package without the use of third-party providers, without these outsourced services the overall social adult care package would fail and the council would not be able to achieve its objective of people living well and for longer.</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): Failure to Achieve the MTFS, Business Continuity, Failure of the Local Economy		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners are delivering. This helps to inform the managed decommissioning of services, in an effort to reduce service disruption. Maintaining a provider risk register with the Care Quality Commissioning to ensure market oversight. A standard set of fit for the future contracts, designed to ensure quality outcomes for users and ensure provider's business models remain sustainable as demand changes. Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. The preventative policy framework standardises the approach to prevention across adult social care "front door. When appropriate, directing users to approved community solutions, which can provide non-traditional benefits to those individuals and help maintain their independence. Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market, and other socio-economic trends. Development and publication of the Market Sustainability Plan. Completion and submission of the Cheshire East Market Availability and Capacity Plan to DHSC. Involvement in the North West regional and local programme of work pertaining to health and care staff recruitment, retention, and selection – resulting in a robust career path being developed with key partners and in being clear pertaining to local strategy. Worked with former Cheshire CCG into the development of ICS and ICP plans. Engagement with the Integrated Care Partnership, including health partners. The Quality Monitoring Partnership Forum and Care at Home Commissioning meeting, both meet once a month. Regular ASC reporting to CLT and Adult and Health Committee on performance, expenditure/budget and demand. On-going management of services, based on performance, expenditure/budget and demand management information. Trend analysis used to help predict future demand. Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. Business continuity assessments and resiliency preparation, both internally and with key partners. 		

<ul style="list-style-type: none"> The Council is working with skills for care to see what support it can give to the market in terms of recruitment and retention and build knowledge. Providers have access to recruiting staff from abroad if there isn't a sufficient supply available locally. Domiciliary care provider's fees are reviewed and adjusted to try and maximise value for money, while also trying to keep the sector attractive to potential staff. Investigation and investment into new health and care technologies. Use of new technologies to be driven by considering performance, capacity, and value for more against more traditional methods. A Joint CEC/ICB Market Oversight Group meets daily to ensure that the Council is obtaining best value for care home placements and making best use of block booked care home beds. A Transfer of Care Hub has been set up in both hospitals with key staff from CEC and Hospital Trusts co-located to improve joint working and ease pressures on hospital discharge. Commissioners undertake Market Engagement activities with Care at home Providers to Coproduce new models of care. Joint working with 'Skills for Care' to encourage individuals to take up employment within the care sector. 'Hidden Carer's' initiative launched through Carer's Hub to help identify and support carers not known to the system. Low level support for the British Red Cross who respond to crisis situations in the community. 	
Actions (Monitoring):	Target Date for Completion:
Develop engagement with community groups and 3rd sector (VCFSE Project Group, monthly and Commissioning SMT, weekly)	December 2023
Commissioning of Care Cubes (SMT and DMT, monthly)	December 2023
<p>Comments this quarter: Cheshire East has invested in the care at home which stabilised the market, reduced waiting list for care at home, and enabled the shift from non-commissioned providers which increased during Covid. However, inflation is impacting care market capacity. Some of this is driven by recruitment and retention of staff, which has also meant that some providers have opted to undertake international recruitment activities. Inflation for council services is running higher than normal inflation, and Cheshire East is worse than other areas. Mitigating action:</p> <ul style="list-style-type: none"> The implementation of Care Cubed, and targeted negotiations with Care providers. Disrupting the market for example the use of block contracts. Working with the Home Office and ADASS in terms of managing provider risk in relation to international recruitment. The development of a Workforce Strategy (internal and external). 	
<p>Timescale for managing risk to an acceptable level: N/A (Net score is equal to target). To a certain extent the risk is outside the Council's control as there is a reduced pool of people who wish to work in Social Care. However the Government has just announced additional funding for recruitment and retention in the care sector and it is hoped that this could mitigate the likelihood and impact of the risk. It is anticipated that this would be by end of Q4.</p>	

Risk Name: Complexity and Demand for Children's Services		Risk Owner: Executive Director of Children's Services
Risk Ref: SR03	Date updated: Q2 2023/24	Risk Manager: Children's Services Directorate Leadership Team
<p>Risk Description: That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level and/or complexity of need and demand for children's services, which the council cannot meet effectively. This risk would mean that we would not achieve the council's desired outcomes for children and young people as set out in the council's Corporate Plan.</p> <p>The service 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>		
Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFs, Failure of the Local Economy		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The service has received growth through the MTFs to help address the pressures. This includes growth for children's social care in response to the demand. 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. We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. Our approach is to ensure only the right children come into care; this is right for children and young people and will also reduce demand to Children's Social Care services, however this is a challenging landscape. Increased demand for placements since the pandemic has increased placement costs which is impacting on the budget. 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. We have been successful in gaining DfE funding for innovation and supporting family networks which will increase opportunities for children to remain living in their families. We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. Vouchers worth £4m were distributed on behalf of the Department of Work and Pensions over 2022/23 to support the most vulnerable households across the county with food, utilities, housing costs, and other essentials. A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families. 		
Actions (Monitoring):		Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy (Progress will be monitored through the MTFs arrangements)		March 2027

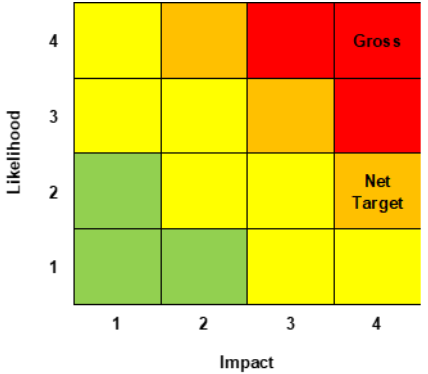
Expanding our in-house residential provision to offer more local and cost-effective homes for children and young people (Children's social care senior leadership team to monitor progress)	February 2024
Implement Family Hubs – improving access and reach of services, supporting earlier intervention, and improving partnership working (Family Hub Steering group)	March 2024
<p>Comments this quarter: The risk relating to the pressures on the Dedicated School Grant has been removed from this risk into a separate standalone risk, and therefore the net risk score for this risk has reduced to 12, which was the target score. A workforce strategy has been developed for children's social care to support recruitment and retention as we know the quality and stability of our workforce is critical in offering strong support and enduring relationships to children and their families.</p> <p>Local support for families has been strengthened through the development of family hubs across the borough. Family hubs bring council, health and community services together to create a whole-family approach and will improve the access and reach of services, supporting earlier intervention, and improve partnership working.</p> <p>We are developing an internal residential offer, mobilising our first children's home in January 2024, with a further two homes operational from Spring 2024. This will provide our cared for children with more opportunities to remain close to their communities and will provide better value for money against rising placement costs.</p> <p>Timescale for managing risk to an acceptable level: March 2026. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy with aim to be at a low level of risk by 2026.</p>	

Risk Name: Dedicated School Grant Deficit		Risk Owner: Executive Director of Children's Services
Risk Ref: SR04	Date updated: Q2 2023/24	Risk Manager: Children's Services Directorate Leadership Team
<p>Risk Description: That the deficit held in the dedicated schools grant (DSG) continues to rise and/or is not recoverable.</p> <p>The council's outturn for 2022/23 reflects a deficit of £46.9m held in the dedicated schools grant (DSG) reserve. The DSG reserve deficit is forecast to be one and a half times the annual allocation at the end of 2023/24, £91.2m based on a grant of £56.1m. This is a result of the growth in the number of pupils with an education, health and care plan greatly exceeding the funding and insufficient local placement options. This is a national issue and local authorities are allowed to hold a negative reserve for this purpose until March 2026, however this position is unaffordable and unsustainable. The arrangements beyond March 2026 are not confirmed by the Department for Levelling Up, Housing and Communities (DLUHC). This risk continues to be a feature of ongoing liaison with the Department for Education and the DLUHC.</p> <p>The Children and Families Committee approved the council's DSG management plan for 2023/24 to 2027/28 in September 2023. It highlighted that without significant changes to funding the DSG reserve deficit is not recoverable. Significant action is required to deliver savings to live within the budget as all indications are that demand, complexity and cost will continue to increase.</p>		
<p>Interdependencies (risks): Increased Demand for Adult Services, Insufficient and Non-Compliance with Financial Processes, Organisation Capacity and Demand, Failure to Achieve the MTFs, Failure of the Local Economy</p>		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing and we are continuing to develop our plans ready to submit this to government in January 2024, with any agreement published on their website in March 2024. The DSG management plan is in place to monitor the impact of demand to SEND services on financial pressures and monitor the delivery and impact of mitigations that have been put in place. Despite this work and the associated plans there is no prospect currently for spend to be aligned with budget and the resultant deficit to manage statutory demand, continues to increase. The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed alongside the DSG management plan for 2023/24 to 2027/28 by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the DSG management plan. The service has received growth through the MTFs to help address the pressures. This includes growth for school transport, Educational Psychology and SEND services in response to the demand in these areas. 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. These areas have been incorporated within our SEND Strategy. 		

<ul style="list-style-type: none"> A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. We have a range of support available to families through early help and prevention services, including council, partner, voluntary, community, faith sector and commissioned services. These services support families and help prevent needs from escalating and requiring higher level intervention. 	
Actions (Monitoring):	Target Date for Completion:
A fundamental review and realignment exercise for children's services will be carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. (Progress will be monitored through the MTFS arrangements)	March 2027
Delivery of the delivering better value implementation plan (Children's services senior leadership team)	March 2025
Continue to increase SEND provision in Cheshire East (Reviewed quarterly)	September 2024
Develop a Safety Valve plan and submit this to the DfE	January 2024
<p>Comments this quarter: On 7 September 2023, we accepted an invitation from the Department for Education to start negotiations to join their Safety Valve programme, which will provide more help from the government to balance our budget. The aim of the Safety Valve programme is to agree a package of reform to improve the performance of local authorities' high needs systems and ensure this is delivered in a sustainable way, for the benefit of children and young people, whilst bringing DSG deficits under control. Negotiations with the Department for Education are ongoing and we are continuing to develop our plans ready to submit this to government in January 2024, with any agreement published on their website in March 2024.</p> <p>The council has updated the SEN sufficiency statement for 2023/24 to 2025/26, and the SEND strategy, which were received and agreed alongside the DSG management plan for 2023/24 to 2027/28 by the Children and Families Committee in September 2023. The SEN sufficiency statement sets out the additional provision needed over the next three years. The SEND strategy has been refreshed to include priority actions relating to the mitigations with the DSG management plan.</p>	
<p>Timescale for managing risk to an acceptable level: March 2025. We aim to see an incremental reduction in the risk as we implement our plan. By the end of March 2025, we aim for the risk to be reduced to a score of 12, then to see this continue to reduce over the following years with aim to be at an acceptable level of risk by 2026.</p>	

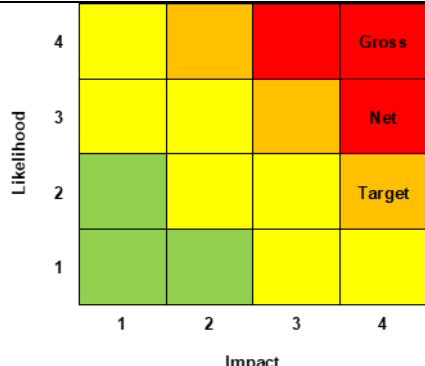
Risk Name: Delivery of the JTAI Improvement Plan		Risk Owner: Executive Director of Children's Services
Risk Ref: SR05	Date updated: Q2 2023/24	Risk Manager: Improvement Board
<p>Risk Description: That as a safeguarding children's partnership, Cheshire East Council's children's services, health, and 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. This would mean that we would not achieve the council's desired outcomes for children and young people at risk of exploitation.</p> <p>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. Significant work is required to deliver these improvements which requires sufficient capacity and resources.</p>		<p>The risk matrix shows a risk level of 'Net' (orange) based on the current assessment.</p>
Interdependencies (risks): Increased Demand for Adult Services, Complexity and Demand for Children's Services		Lead Service Committee: Children and Families Committee
<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, including how it evaluates impact. The partnership has agreed the changes that will be made to the Safeguarding Children's Partnership in response to these findings. 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. DfE Improvement Advisor meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE. External support and challenge is in place from the DfE Improvement Advisor, who meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE. 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. Significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation Conference with national keynote 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. There has been a multi agency audit of practice are completed for children at risk of exploitation to evaluate the impact of changes on quality of practice. New multi agency safeguarding arrangements have been approved at Committee level. The new arrangements and the terms of references have been discussed at length at the Bi – Monthly Executive Board. 		

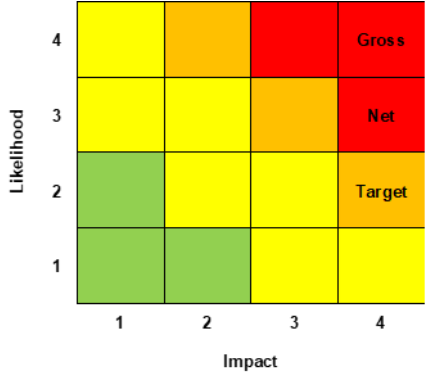
<ul style="list-style-type: none"> Quarterly reports are developed through the Learning and Improvement subgroup and the CS/SOC Strategic group to provide the direct line of sight from practitioners to Executive members. Voice of the child continues to be heard at every Executive Board and Improvement Board. 	
Actions (Monitoring):	Target Date for Completion
Deliver the improvement plan and scrutinise impact on outcomes for children and young people at risk of exploitation (Bi-Monthly by the Improvement Executive Board)	November 2023
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)	July 2023
Implement new Multi Agency Safeguarding Arrangements in line with the Independent Review (Bimonthly by the Improvement Executive Board)	January 2024
11 month review of the JTAI Improvement plan (Bimonthly by the Improvement Executive Board)	December 2023
Comments this quarter: The net score was reduced this quarter from 12 to 9. Implementation of the plan progressed well during the period. The multi-agency audit has been completed and shows evidence of improvements in practice for children who are at risk of exploitation. There is a multi-agency quality assurance forward plan being developed which will feature audits of cases where children are at risk of exploitation. There is an 11-month JTAI Improvement plan review scheduled for December 2023 with the DfE.	
Timescale for managing risk to an acceptable level: January 2024 This risk can be managed to an acceptable level if our improvement plan achieves the impact on practice that we are anticipating.	

Risk Name: Insufficient and Non-Compliance with Financial Processes		Risk Owner: Director of Finance and Customer Services (s151 Officer)
Risk Ref: N/A	Date updated: 1 st December 2023	Risk Manager: Head of Finance
<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: Poor management and/ or 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. Poor management of specific grant funding can also result in the Council having to repay those monies.</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): Organisational Capacity and Demand, Reputation, Failure to Achieve the MTFS, Capital Projects – Place, Failure of the Local Economy		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances. Unit4 ERP, and other integrated systems, have access controls and training material; and internal training has been delivered within the Finance Team. • 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. Decision making report templates. Finance and Legal business partner sign-off. DMT/CLT report clearance. • Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution. Current CEC Constitution, as approved by Council, is on website, along with previous versions. • Sources of specialist advice and guidance. Specialist finance and accountancy support allocated to each Directorate, along with dedicated capital and project finance expertise. External advisors used for specific treasury, audit and tax matters. • 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. Treasury Management Strategy within MTFS. • 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. Capital Strategy within MTFS. • Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules. Via Committee Work Programmes. 		
Actions (Monitoring):		Target Date for Completion
N/A		N/A
Comments this quarter: This is a newly defined risk, focussing on the consequences of poor compliance with financial processes, and the quality of associated decision making.		
Timescale for managing risk to an acceptable level: N/A		

Risk Name: Failure to Achieve the MTFS		Risk Owner: Director of Finance and Customer Services (s151 Officer)																																		
Risk Ref: SR06	Date updated: 1 st December 2023	Risk Manager: Head of Finance																																		
Risk Description: Failure to achieve approved changes and manage net spending within the MTFS agreed by Council within the expected timescales will undermine the Council's ability to manage its budget effectively in the current and future years. Potential impacts: Failure to achieve the agreed annual budget will reduce the Councils reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents, due to having to issue a Section 114 Notice. Poor management of specific grant funding can also result in the Council having to repay those monies. Drivers of likelihood: Key drivers of this risk are a lack of effective strategic and/ or operational management, and a lack of ability and/ or authority to implement change, along with global and national events adversely affecting levels of inflation and prices.		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross Net</td></tr><tr><td>3</td><td></td><td></td><td>Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table>		Likelihood	4				Gross Net	3			Target		2					1							1	2	3	4			Impact			
Likelihood	4					Gross Net																														
	3				Target																															
	2																																			
	1																																			
		1	2	3	4																															
		Impact																																		
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Insufficient and Non-Compliance with Financial Processes, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks, Capital Projects – Place, Failure of the Local Economy		Lead Service Committee: Corporate Policy Committee																																		
Key Mitigating Controls: <ul style="list-style-type: none">Financial planning arrangements include preparation by the Finance Team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice. Finance Team structure and qualifications. Lead Finance Partners attend DMTs, and CFO is part of CLT. Committee reports allow Member engagement and scrutiny.Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances. Unit4 ERP, and other integrated systems, have access controls and training material; and internal training has been delivered within the Finance Team.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. Budget agreed by Council annually, including report of CFO (under s.25).MTFS sets out how the Council will deliver the Council's Corporate Plan. Published MTFS aligns proposals to Corporate Plan.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. Decision making report templates. Finance and Legal business partner sign-off. DMT/CLT report clearance.Clear and effective communication of changes or updates to Finance and Contract Procedure Rules with the Constitution. Current CEC Constitution, as approved by Council, is on website, along with previous versions.Sources of specialist advice and guidance. Specialist finance and accountancy support allocated to each Directorate, along with dedicated capital and project finance expertise. External advisors used for specific treasury, audit and tax matters.Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and presented to service committees, in the form of forward-looking forecast outturn reports (committee reports).Outturn reporting and audit of statements supports in-year monitoring and future year planning. Outturn reporting via Committees, Statement of Accounts reported to A&G Committee.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. Reserves Strategy is part of MTFS. CFO report (under s.25) highlights approach and professional opinion.																																				

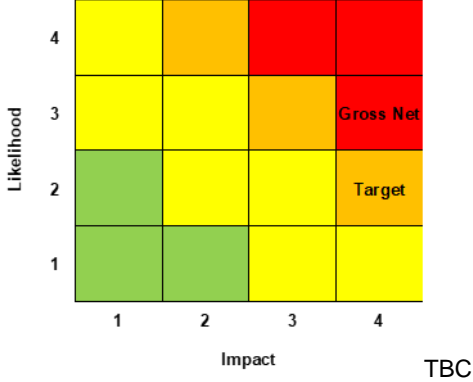
<ul style="list-style-type: none"> Where a residual deficit is forecast in a financial year (current balanced MTFS reflected prevailing pressures as recognised in February 2023), a number of actions will be explored including: <ul style="list-style-type: none"> use of any service or non-specific underspend to offset pressures elsewhere within the 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. Treasury Management Strategy within MTFS. 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. Capital Strategy within MTFS. Engagement with government departments related to financial models and consultation via Committee Work Programmes Education and training for officers and Members, including financial management in local government, the CIPFA FM Code, and Finance and Contract Procedure rules. Via Committee Work Programmes Reporting of status and action plan on CIPFA FM Code, reports to Finance Sub-Committee. Budget management regime implemented early in 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. Spending management regime implemented in October 2023, to control and reduce spending on staffing and supplies and services; review fees and charges to customers; and approaches to charging costs to capital projects and using capital receipts. Cheshire East Budget Emergency Response Team (CEBERT) formed by CLT; weekly meetings of Cells and CEBERT to track progress on spending controls and reductions. 	
Actions (Monitoring):	Target Date for Completion:
On-going reporting of spending management effectiveness and latest forecasts to CEBERT (Weekly reporting and review by CEBERT/ CLT)	March 2024
Directly or via professional or political networks, liaise with Government departments on the severity of the many financial issues (Reporting to CLT, and to Members in the MTFS update)	February 2024
Preparation and reporting of Third Financial Review (Cleared by CLT for formal reporting to Committees in January 2024, as foundation for MTFS update)	December 2023
<p>Comments this quarter: The third financial review of 2023/24 is forecasting a pressure of £18.7m by 31 March 2024. The Council's General Fund balance is £14.1m (a relatively low level when compared to other councils) and earmarked revenue reserves are also limited in scale and scope, as regards their ability to offer 'one-off' options to support in-year spending levels.</p> <p>Going beyond the budget monitoring arrangements effected early in the financial year, the spending management regime instigated at the start of Q3 is aimed at ensuring that all possible options are explored to control net spending in line with approved budget by the end of the financial year.</p> <p>The High Needs/ Special Educational Needs cumulative deficit was reported as £47m at March 2023, and is set to rise to £85.8m by March 2024 and to £243.5m by 2027. The Council has now begun conversations on entry to the DfE's Safety Valve Scheme. Solutions need to be delivered to ensure long-term sustainability of SEN services and alleviate the financial costs and risks to the General Fund (currently estimated at some £3m in interest charges).</p>	
Timescale for managing risk to an acceptable level: March 2024	

Risk Name: Leadership Capacity – DRAFT		Risk Owner: Chief Executive	
Risk Ref: SR07	Date updated: Identified December 2023	Risk Manager: Chief Executive	
<p>Risk Description: The risk that the council’s leadership team in not operating effectively enough and does not have the capacity to manage the full breadth of its responsibilities to an acceptable level. Due to the nature of the ownership and management of this risk must sit with the Chief Executive. A level of resource stretch can be maintained for a period, however ultimately resource and workload must be balanced otherwise structural weaknesses will develop into operational failures.</p> <p>Potential impacts: Without effective leadership areas or all of the council’s operational could become inefficient, exceed annual budgets, fail to meet agreed performance targets or regulatory obligations.</p> <p>Drivers of likelihood: Currently the leadership team is going through a period of change, carrying a number of temporary appointments and individuals covering multiple roles as part of acting up.</p>			
Interdependencies (risks): All other strategic and operational risks.		Lead Service Committee: Corporate Policy Committee	
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none">• Council Constitution and decision-making structure, including the Committee system and defined terms of reference.• Corporate Plan and Annual Service Plans.• Support from Governance functions.• Leadership team recruitment processes, including skills and experience requirements.• Leadership team performance management processes.• Organisation structure and internal reporting.			
Actions (Monitoring):		Target Date for Completion:	
TBC		TBC	
Comments this quarter: Risk identified in December 2023, a full assessment will be completed to identify additional controls, actions and a timescale for managing the risk to an acceptable level.			
Timescale for managing risk to an acceptable level: TBC			

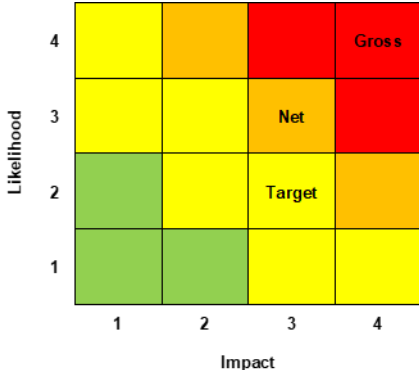
Risk Name: Ability to Achieve Organisation Change – DRAFT		Risk Owner: Director of Policy and Change
Risk Ref: SR08	Date updated: Identified December 2023	Risk Manager: Director of Policy and Change
<p>Risk Description: The risk that the council is unable to achieve organisational change due to a lack of resources and capacity to focus on transformation as people focus on the delivery of business as usual. Recently received advice from government commissioners advised that organisational change capacity is a key ingredient to support the council in delivering transformation to achieve medium to long term change that will support achievement of savings and also, in the event of a section 114 notice being issued, organisational change capacity is also essential to deliver necessary actions arising from interventions.</p> <p>Potential impacts: The council is required to deliver transformation activity at pace in order to balance the budget and avoid section 114. If a section 114 notice is issued and commissioners intervene, the council bears their costs. These costs are estimated at up to £200K per commissioner and there are usually 2-6 commissioners, for a period of up to 5 years. Therefore it is more prudent to ensure that there is capacity for organisational transformation to avoid more significant costs and reputational damage.</p> <p>Drivers of likelihood: A focus on delivery of frontline and statutory services and a de-prioritisation of corporate, enabling functions. A lack of clear governance and oversight of delivery of transformation. No clearly identified medium- and long-term transformation programme. Failure to recruit and retain individuals for senior management positions. Failure to identify and implement required change initiatives effectively and in a timely fashion. Failure to oversee efficient and effective operations, including dealing with poor performing individuals and to communicate and motivate the wider workforce.</p>		
Interdependencies (risks): Recruitment and Retention, Failure to Achieve the MTFS		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> A “doing things differently” initial list of change proposals has been collated and is being discussed with members. A weekly CEBERT meeting is in place with Senior Level Membership to review the activities required to meet budget savings targets. A Bright Ideas scheme is in operation to enable the workforce to contribute their ideas for transformation. A new Corporate Plan has been consulted on to clarify the vision and priorities for Cheshire East. 		
Actions (Monitoring):		Target Date for Completion:
Strategic CLT discussion planned on structure necessary to achieve transformation.		TBC
Planned to replace Director of Policy and Change, potentially with a Transformation Director.		TBC
Medium to Long Term Transformation Plan to be developed.		TBC
<p>Comments this quarter: Risk identified in December 2023, a full assessment will be completed to identify additional controls, actions and a timescale for managing the risk to an acceptable level. Ownership of the risk going forwards needs to be agreed due to the Director of Policy and Change leaving the Council.</p> <p>Renewed focus on delivery of organisational change through the weekly CEBERT meetings. However the pace and resource to achieve the necessary changes is not yet as it should be. New Chief Executive to review the organisation's change management structure.</p>		
Timescale for managing risk to an acceptable level: TBC		

Risk Name: Recruitment and Retention		Risk Owner: Director of Finance & Customer Services																																		
Risk Ref: SR09	Date updated: Risk Refreshed in December 2023	Risk Manager: Head of HR																																		
<p>Risk Description: Recruitment and retention of skilled and motivated staff is required to allow the organisation to deliver its Corporate Plan. Achievement of the plan requires operational changes which allow the council to adapt and improve.</p> <p>Impact of the risk occurring: High staff turnover and, or skills shortages, insufficient capacity within services. Failure to achieve annual budget and a detrimental impact upon the physical, emotional, and mental wellbeing of staff.</p> <p>Drivers of failure: National and local demographics alongside external factors led to increasing and changing demands on services. Increases to the cost of living also present risks to the resilience and wellbeing of our workforce and therefore the capacity to respond to demand.</p>		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross</td></tr><tr><td>3</td><td></td><td></td><td>Net Target</td><td></td></tr><tr><td>2</td><td></td><td></td><td></td><td></td></tr><tr><td>1</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td></td><td colspan="4">Impact</td></tr></table>		Likelihood	4				Gross	3			Net Target		2					1							1	2	3	4			Impact			
Likelihood	4					Gross																														
	3				Net Target																															
	2																																			
	1																																			
		1	2	3	4																															
		Impact																																		
Interdependencies (risks): Business Continuity, Pandemic Virus, Increased demand for Adults Services, Increased demand for Children's Services		Lead Service Committee: Corporate Policy Committee																																		
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none">To address demand, workforce planning is in place via the Council's Workforce Strategy. This is a 4-year strategy with ongoing review. Service Workforce Plans are also undertaken on a bi-annual basis to review and support workforce planning on a service-by-service level.Benchmarking exercises and workforce metrics are used to identify potential issues and service workforce plans developed as above to mitigate. Work on the refinement of a workforce assessment for the Council is ongoing. Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas.In addition, a recruitment and retention programme has also delivered attendance at a programme of local and regional recruitment fairs, an end to end review of the recruitment process, improved recruitment advertising, an employee offer brochure, a review of additional employee benefits, a social work academy in Children's Services and the development of additional career pathways. The introduction of employee profile videos on social media and on Cheshire East Council's website to enhance the Council's profile have also been introduced.A review of the provision of agency staff, including an audit of spending, to reduce reliance and transition to a more stable permanent workforce base with reduced costs has also been undertaken, alongside the Government's consultation on capping the pay rates for agency social workers.Additional wellbeing and engagement support, including delivery of EAP services, the introduction of 'In the Know' sessions for all staff, a revitalised recognition scheme, monthly organisation wide wellbeing update for all staff, promotion of the government funded initiative Able Futures.Support is in place for senior managers in the redesign and restructure of services to meet MTFS targets, including MARS to minimise the impact on the workforce.An improved employee benefits offer including agreement to introduce a green car scheme, a white goods salary sacrifice scheme and an expanded flexi time scheme.																																				
Actions (Monitoring):		Target Date for Completion:																																		
Development of toolkits to support workforce planning (Quarterly review by HRMT)		January 2024																																		
Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff (Exit interview data reviewed quarterly by HRMT and the relevant BR Business Partner)		October 2023																																		
Continued work on the implementation of social work academies across Children's Services and Adults, Health & Integration (Quarterly review by HRMT)		March 2024																																		

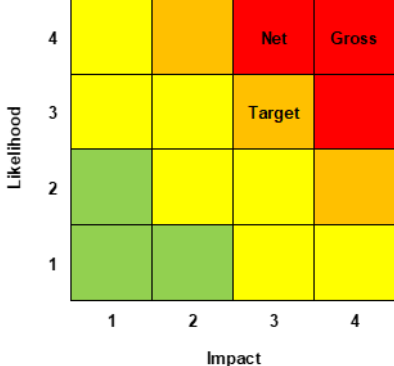
Support colleagues in Adults, Health & Integration with a bespoke Workforce Strategy (Review with HC-M)	December 2023
Continued use of a programme of local and national recruitment fairs (Quarterly review by HRMT)	January 2024
Explore the introduction of 'stay interviews' to support the retention of staff (Pilot to be considered)	October 2023
Comments this quarter: Risk refreshed in December 2023, much of the actions and controls remain the same as the Organisational Capacity and Demand risk. After refinement of this risk's scope and the creation of the Leadership Capacity and Ability to Achieve Organisation Change risks, the net score was reduced from 12 to 9. The impact of those other issues having previously being somewhat factored into this original risk. Net score equal to target at this time.	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Failure to manage the Consequences of Policy Uncertainty and National Policy Frameworks		Risk Owner: Director of Governance & Compliance (Monitoring Officer)
Risk Ref: SR10	Date updated: Risk Refreshed in December 2023	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: The risk that the council cannot adequately understand and react to national policy changes or effectively implement them. The scope of the risk covers all central and local government decisions which relate to the operations of local government.</p> <p>The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' policy outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.</p>		
Interdependencies (risks): Stakeholder Expectations and Communications, Failure to Achieve the MTFS, Failure to Adhere to Agreed Governance Processes		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Engagement with national government, consultations and requests for feedback Application for and funding agreement processes, governance process for ad hoc grants Engagement with political administration of CEBC Engagement with group leaders of CEBC parties Induction, on-going training and committee briefings for CEBC members Service Committee support and briefings for members and senior officers Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning Preparation for elections and promoting engagement in democracy. Forward planning for each committee's policy development and areas of political sensitivity The development and delivery of the Corporate Plan New member induction & training programme 		
Actions (Monitoring):		Target Date for Completion
A review of the Committee briefing process against recognised best practice to identify any potential improvements that may be required		2023/2024
<p>Comments this quarter: The "Political Uncertainty" risk has been adjusted to include an inward view as well as looking at the frequency and impact of external changes. Now described as "Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks", it considers the council's ability to manage uncertainty and changing policy frameworks. After the change in scope, there is no alteration to the net score, it remains at a 12.</p>		

<p>The cancelling of the Crewe part of HS2 shows that central government decisions can quickly undo years of work and necessitate a fundamental shift in operations and fiscal planning. The council recognises the fast-moving pace of national politics and the high level of pressure on local government to maintain services while managing real-term funding cuts.</p> <p>The risk had previously reflected uncertainty around the outcome of the May 2023 local elections. While that uncertainty has passed there does remain a level of inconsistency in local decision-making regarding the agreement and implementation of the MTFs. On a national basis, the timing of a general election in 2024 remains uncertain.</p> <p>Timescale for managing risk to an acceptable level: Controls that mitigate this risk are based on the current landscape and timetable for local and national elections. The ability to manage this risk is not completely within the council's gift.</p>

Risk Name: Failure to Adhere to Agreed Governance Processes		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR11	Date updated: Risk Refreshed in December 2023	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: Failure to develop a robust corporate governance infrastructure and ensure aligned decision-making throughout the organisation. The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, its goals for the borough are identified within its Corporate Plan. Formal reporting and decision-making within the council is, to a degree, prescribed by local authority regulation. The decision-making process at all levels, must comply with regulatory requirements while also delivering those stated goals.</p> <p>Detailed consequences: 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.</p>		
<p>Interdependencies (risks): Failure to Achieve the MTFS, Stakeholder Expectation & Communication, Leadership Capacity, Ability to Achieve Organisation Change, Failure to Manage the Consequences of Policy Uncertainty and National Policy Frameworks</p>		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <p>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).</p> <p>Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Director of Governance and Compliance (also the Monitoring Officer) in response to regulatory changes and Full Council decisions.</p> <p>Administration of local, regional and national elections and monitoring of behaviour in the period of heightened sensitivity beforehand. During which time, appropriate adjustments are made to the publishing or reporting of controversial issues or anything that seeks to influence voters.</p> <p>Reports to Committees are developed and reviewed by senior officers and enabler sign off, briefings are arranged with Committee Members to address any further knowledge requirements ahead of the relevant meeting. All decisions are formally recorded in meeting minutes and administrated in line with delegated authorities as per the constitution.</p> <p>Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required and minimise the risk of inappropriate management override.</p>		

Assurance mechanisms on the organisations' compliance with it's decision-making processes are provided through the external audit (Statement of Accounts) and the work of the internal audit team. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this is not usually the primary focus.	
The organisation publishes an Annual Governance Statement identifying significant governance issues which have occurred, any known areas which may cause issues if not managed effectively and updates on issues previously identified.	
Actions (Monitoring):	Target Date for Completion
Review of shared service governance arrangements with specific actions to be identified	2023/24
Implementation of CIPFA recommendations for the Audit & Governance Committee (Annually by Audit and Governance Committee)	December 2023
Operational changes implemented based on systemic improvements and decision-making (Corporate services and statutory officers)	March 2024 approval by full council
Comments this quarter: The "Governance and decision making" risk has also been rephrased to make consistent with the "insufficient and noncompliance with financial processes" risk. The "Failure to Adhere to Agreed Governance Processes" risk does not see a change in its net score, it remains at a 9.	
The risk seeks to take a view on all areas of council activity and if that activity is in line with our agreed processes. Answering the questions, are decisions being made in the correct manner, is appropriate evidence being captured and do individuals making those decisions have the authority? During the process to update the risks there was discussion upon compliance with regulatory requirements. It is acknowledged that the benchmarks are inherently considered in individual risks. For example, the "Complexity and Demand for Children's Services" would consider those any obligations when assessing the level of service the council is able to deliver.	
Timescale for managing risk to an acceptable level: March 2024	

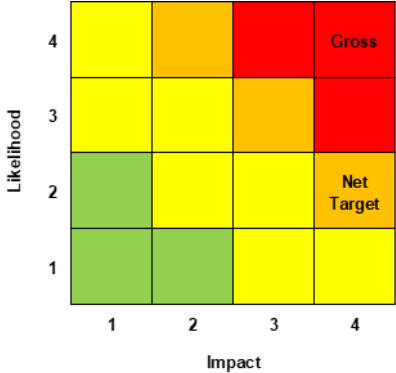
Risk Name: Stakeholder Expectations and Communication – Draft		Risk Owner: Director of Policy & Change
Risk Ref: SR12	Date updated: Risk Refreshed in December 2023	Risk Manager: Head of Communications, Head of Business Change
<p>Risk Description: The risk that the council does not understand the expectations of its stakeholders and that its communication with those stakeholders does not result in their understanding of the council's actions. The council has an obligation to provide as high a level of service to its residents as its funding will allow. This requires not only considering both the short and long-term but also the expectations of all of its stakeholders.</p> <p>Potential impacts: A lack of understand and poor communication will cause damage to the council's reputation, if this is severe enough it may result in poor performance, increase complaints, regulatory inspection, challenge from central government, low moral, increase staff turnover and make the borough less desirable to live and work in.</p> <p>Potential drivers: To a certain degree the council cannot fully control the view that its stakeholders form. At times it will have to make decisions that are unpopular, this can be due to the context of these decisions not being communicated, understood or just being disregarded. Management of this risk should be considered on the basis of the objective regard for the council (measured via surveys, etc.) and an assessment of the quality of its engagement (both listening and telling).</p>		
Interdependencies: Increased Demand for Adult's Services, Complexity and Demand for Children's Services, Failure to Achieve the MTFS		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <p>Communication & Media</p> <ul style="list-style-type: none"> • Effective monitoring and reporting of organisational reputation and sentiment. • Weekly reputation reporting to senior managers. • Monitoring of social and traditional media. • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning. • Providing a 24/7 emergency communications on call function. • Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers. • Positive proactive communication across multiple channels to celebrate the council's successes and achievements, building positive reputation. • Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually), including review of council service plans, consultation and engagement programs. • Review communications business continuity, priorities and emergency / crisis comms protocols and plans. • Media relations protocol and approvals process. • Media training programme for key spokespersons. • Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence. • Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives. • Ensure that information about the Council, its services and how to access them is easily available in a range of formats for a wide range of audiences. • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage. • Development and delivery of communication strategies to influence public awareness of and informedness about key universal services, inc: planning, highways, waste and recycling. 		

<ul style="list-style-type: none"> 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 42,000 subscribers for 'push' notifications across a range of topics. 	
Consultation <ul style="list-style-type: none"> Ensure that consultation is undertaken when proposals are still at a formative stage. Design consultation which gives sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options. Consultation and engagement activity will be used as evidence when making decisions and adequate time will be given between the end of a consultation and a decision is made, to allow for consideration of and where required, a response to, the output of a consultation or engagement. Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are signed off before any consultation can begin. Make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision. Use the equality impact assessment toolkit, guidance, and template to provide clarity around what the equality impact assessment is and how it should be used. 	
Actions (Monitoring):	Target Date for Completion
Communication & Media	
Ensure alignment of annual communications programme and consultation and engagement programme (Quarterly)	Q1 2023/24
Review annual business plans for communication requirements (Annually)	Q1 2023/24
Delivery of the Communications Strategy for Residents 2022-25 priorities (Six monthly updates to CPC)	Through 2023/24
Provide communications support for implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy. (Annually)	Through 2023/24
Consultation	
Delivery of Equality Impact assessment training to Equality champions	Q2 2023/24
Undertake a residents survey linked to the Corporate Plan refresh	Q3 2023/24
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team	Q3 2023/24
Comments this quarter: There was discussion on the nature of the existing "Reputation" risk, it was acknowledged that not everything the council does will be popular or is its role to be so. At times the council does have to make difficult and unpopular decisions, it must ensure it does this not only fairly but also communicate those decisions clearly and within their true context. The discussions identified three questions which were used to help shape and assess the risk: <ol style="list-style-type: none"> 1. Reputation of the Council with whom/which audience; 2. Impact of poor reputation with that audience; and 3. Metrics we used to measure/actions we can take to improve. <p>It was acknowledged that the council has multiple stakeholders with residents being the most important group. It was also identified that understanding stakeholder expectations was key to not only good decision-making but also to effective communication. The updated risk was agreed as "Stakeholder Expectations and Communication", the Customer Services element has been removed from the risk as it doesn't naturally fit within the new scope. Additionally reporting lines do not support its inclusion.</p>	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Information Security and Cyber Threat		Risk Owner: Head of Information Communication Technology and CIO
Risk Ref: SR13	Date Updated: 5 th October 2023	Risk Manager: ICT Programme Manager
Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, 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.		
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.		Lead Service Committee: Corporate Policy Committee
Key Mitigating Controls: <ul style="list-style-type: none"> The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk. The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. Policies; Information Security Policy Overview, ICT Access Policy, ICT Communications and Operations Policy, ICT Computer, Telephone and Desk Use Policy, ICT Email and Messaging Policy, ICT Flexible and Mobile Device Policy, ICT Incident management Policy, ICT Infrastructure Policy, ICT Internet Policy, ICT Legal Responsibilities for Data Policy, ICT Personnel Standards for Information Security, ICT Protection Policy, ICT Removable Media Policy and ICT Software Policy. Policies review and guidance materials updated to strengthen advice to staff on how to manage various information types Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the 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. 		

<ul style="list-style-type: none"> The Council provides security and compliance e-learning modules (which are mandatory for all employees) on the Learning Lounge. This includes several modules of Data handling, Cyber Security, and Information Assurance. There are also several best practice guides on the Councils Lighthouse on the best ways to use technology and to protect information. These modules and best practice guides are updated regularly to reflect changes in working practices and as a response to additional threats. Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going. The Council 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. 	
Actions (Monitoring):	Target Date for Completion:
Identity Management (Information Security Steering Committee (ISSC), Information Assurance and Data Management (IADM))	March 2024
Application Management (Information Security Steering Committee (ISSC))	March 2024
Data Security (Information Security Steering Committee (ISSC))	March 2024
Data Quality (Information Assurance and Data Management (IADM))	March 2024
Information Management (Information Assurance and Data Management (IADM))	March 2024
<p>Comments this quarter: Identity Management – several projects to ensure that identities are protected, and appropriate controls are put in place to ensure that those identities are protected.</p> <p>Application Management – consolidation of access controls across systems that can adopt this technology with the development of a framework to progress for legacy applications.</p> <p>Data Security – enhancement of the existing security controls to ensure that the latest threats are mitigated and protected. Development of a process to ensure that vulnerabilities are proactively monitored and addressed.</p> <p>Data Quality – Continuation of the MDM projects to ensure that the councils' solutions have the correct data embedded with them, updated seamlessly across multiple systems.</p> <p>Information Management – a collection of projects to improve the maturity of information both through its storage and use of information. This will enable both greater protection for that information but also enable efficiencies through accurate management information and improved compliance through controlled retention and ease and speed of access to critical information.</p> <p>PSN accreditation has been achieved for 23/24.</p>	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Business Continuity		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR14	Date updated: Q2 2023/24	Risk Manager: Head of Audit & Risk
<p>Risk Description: Failure to maintain business continuity after an unusual or unexpected, disruptive event or events. The risk that, some or all, of the council's services, projects or initiatives are unable to resume operations within the expected timeframes after a disruption. A disruptive event, or multiple events, may occur either in isolation, or across the whole organisation.</p> <p>Detailed consequences: The council has a number of safeguarding obligations to its residents, a failure could result in it being unable to fulfil those obligations, and as such not protect them from mental or physical harm. Failures may also cause an unacceptable loss of local services.</p> <p>Detailed causes: The unavailability of staff, ICT systems, equipment or a suitable working environment are the most common causes of a material failure. Many different social, economic, environmental or public health factors can drive these causes to manifest themselves. Underlying this may also be a failure to reasonably allocate resources to eliminate single points of failure in these areas.</p>		
Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives. BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans. High level course on Business Continuity Management has been added to the Council's Learning Lounge ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery Ongoing liaison with Emergency Planning Shared Service 		
Actions (Monitoring):		Target Date for Completion:
Review and refresh of the Business Continuity Framework (2-year review cycle)		May 2024
Development of SharePoint BC system (one off project)		Begins January 2024
Rollout and training for the SharePoint BC system (2-year review cycle)		Post SharePoint system development
Work with Emergency Planning on scenario exercises		Began March 2023 - ongoing
<p>Comments this quarter: There is no change to the gross or net rating at this time. Existing policy has been reviewed and will be subject to further review, as we progress through the development of a SharePoint based system for Business Continuity Planning. This begins in January 2024 with support from ICT Business Analysts. Prioritisation will be given to the system development ahead of further policy/guidance review at this stage. More detailed guidance and support will be developed ahead of the move of BC plans into this format. Participation in Emergency Planning exercises continues; this provides valuable experience and knowledge for the further development of both BC plans, and the organisation's role in emergency response situations. If the SharePoint system develops as plans, the target risk should be achieved by end of Q4 23/24, at which point the recommendation would be for this risk to be removed from the Strategic Risk Register.</p>		
Timescale for managing risk to an acceptable level: Q4 2023/24		

Risk Name: Capital Projects - Place		Risk Owner: Executive Director of Place
Risk Ref: SR15	Date updated: Q2 2023/24	Risk Manager: Place Directors and Business Managers as relevant to
<p>Risk Description: Failure to deliver major capital projects.</p> <p>The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The range of projects includes transport infrastructure, town centre regeneration, refurbishment and improvement of existing council assets such as schools and leisure centres, and renewable energy generation.</p> <p>Impact: Without a robust system for managing the capital programme and individual projects, the stated objectives may not be delivered. Projects could also fail to deliver to the time, cost and quality parameters set out in business cases. This could have significant financial and reputational implications for the Council. Due to the nature of the projects and their large cost, delays can materially impact the ability to deliver future projects, thus negatively impacting the borough.</p> <p>Likelihood: The scale and complexity of the overall capital programme is challenging. Appropriate governance and controls are important to ensure resources and funding are prioritized effectively, and where required agree adjustments to the time, cost and quality parameters set out in the business case. Where appropriate, members are updated on significant changes to agreed objectives through briefings to the relevant committee.</p> <p>The broad range of partners and stakeholders for individual projects and interdependencies between projects are also significant challenges that require effective management.</p>		
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding		Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council. New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development. The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt. Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board. This governance considers and makes practical decisions on the prioritisation of resources and funding including, where appropriate adjustments to agreed time, cost and quality parameters. The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including 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. High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis. Regular 121s between Executive Director and Directors which includes updates on key capital projects 		
Actions (Monitoring):		Target Date for Completion:

A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend	Revenue module now in operation, capital module deployment ongoing – date TBC
Comments this quarter: While the risk remains unchanged in Q2 looking forwards to Q3 there will be a review of the Council's capital schemes.	
Timescale for managing risk to an acceptable level: N/A (Net score is equal to target) - Major capital projects by their nature are high risk. The controls are designed to proactively manage risks and mitigate their impact if a risk is realised. It is not realistic to expect the risk to be managed any lower.	

Risk Name: Failure of the Local Economy		Risk Owner: Executive Director of Place
Risk Ref: SR16	Date updated: Q2 2023/24	Risk Manager: Director of Growth and Enterprise
Risk Description: Failure of the local economy The risk that the local economy does not realise the expected level of growth due to an inability to attract, grow and retain commercial enterprises, residents and visitors. The borough has a strong local economy, an above average Gross Value Added (GVA), some areas of deprivation and is reliant on a number of different industries. Consequences: The failure of enterprises reduces the local money supply, reducing the standard of living for residents and council income. Secondary effects can include a reduction in public health and the loss of highly trained or skilled individuals. Consequences and causes, over the medium to long-term can have a symbiotic relationship, creating either an upward or downwards spiral. An example of this is shops closing in a town centre, then reduced footfall resulting in further closures. Causes: The local economy is significantly driven by changes in the national economy, taxation and other government policies. However the failure to maintain parity, or offer benefits above other boroughs, can lead to a relatively larger economic downturn. As noted above poverty and deprivation, like other issues, can be both a consequence and cause causing a snowball effect.		
Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change		Lead Service Committee: Economy and Growth
Key Mitigating Controls: <ul style="list-style-type: none"> Cheshire East Business support hub has been launched. Business forum to engage and plan future support. Investment plans to support regeneration and development. Place marketing and inward investment. 		
Actions (Monitoring):		Target Date for Completion:
Launch of business support grants: (Quarterly returns to government) <ul style="list-style-type: none"> Repurposing our high street grants from Crewe town centre Decarbonisation grants for business New employment space grant 		March 2025
Comments this quarter: The national economic situation continues to be monitored by the Economic Development Service. UK gross domestic product (GDP) is estimated to have shown no growth in Quarter 2 (July to Sept) 2023. The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 20 September 2023, the MPC voted by a majority of 5–4 to maintain Bank Rate at 5.25%.		
Timescale for managing risk to an acceptable level: N/A, net score is equal to target score.		

Risk Name: Climate Change (CEC Carbon Neutral Status 2025)		Risk Owner: Executive Director of Place																																		
Risk Ref: SR17	Date updated: Q2 2023/24	Risk Manager: 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>		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td></td><td>Gross</td></tr><tr><td>3</td><td></td><td></td><td>Net</td><td></td></tr><tr><td>2</td><td></td><td></td><td>Target</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		2			Target		1							1	2	3	4			Impact			
Likelihood	4					Gross																														
	3				Net																															
	2				Target																															
	1																																			
		1	2	3	4																															
		Impact																																		
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects		Lead Service Committee: Environment and Communities																																		
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none">• Risk is reviewed as part of the Brighter Futures Transformation Projects Board, operational board and member steering group• Carbon Neutral Program established with Program Board reviewing progress and risks monthly• Member Advisory group overseeing its delivery• Annual update on progress reported to relevant committee• Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy• Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area																																				
Actions (Monitoring):		Target Date for Completion:																																		
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)		March 2024																																		
Transition of Electric Fleet 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)		March 2024																																		
Progress of Natural Offset planting failing to meet targets (In response to capacity issues at Mersey forest, more of the project work to be delivered by CE for Oct – May planting season)		1 st October 2023																																		
<p>Comments this quarter: The Council is on track to be carbon neutral as an organisation by 2025, however, there remains significant time risks to achieving the target within 2025.</p> <p>Work continues on Council buildings with seventeen solar installations having been completed, providing approximately 1GWh per year. The Council has also put in place a programme of replacing gas boilers with air source heat pumps with 15 installations underway. We continue to replace petrol and diesel vehicles with electric across our services and we have installed 26 new or upgraded electric vehicle charge points with more planned for the second half of this year.</p> <p>Of the three key risks identified this year at Q2:</p>																																				

1. Fleet: the transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities is under way with procurement imminent.
2. Solar: to progress the second solar farm to submit a planning application by September 2023 with decision needed by April 2024. A change in approach following advice will see the authority procure a design and build contract with planning part of the contract. This means planning will now be delayed until Q4. This remains the most significant risk to the time element of the project in achieving the 2025 target.
3. Natural Offset: the planting of the next two key large woodlands this planting season Oct 2023 - May 2024. The authority has only been able to progress one of the two sites identified for this year which is now out to procurement. The increased risk associated with this element pushing the need for a greater degree of planting to the final planting season in 2024-25.

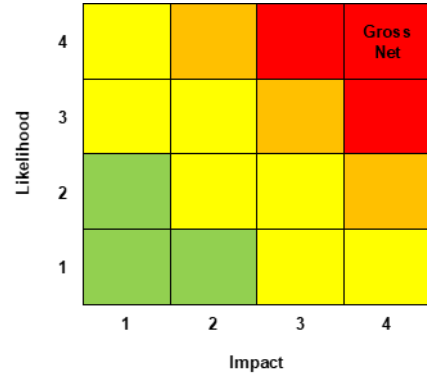
Timescale for managing risk to an acceptable level: Delivery milestone – Q4 2025/26

Risk Name: Local Planning Authority Modernisation Plan		Risk Owner: Executive Director of Place
Risk Ref: SR18	Date updated: Q2 /2023/24	Risk Manager: Interim Director of Planning, Head of Planning
<p>Risk Description: Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment & Communities Committee on 31 October 2022 a Modernisation Plan has been developed to achieve the transformation of the service. This Plan will carry forward the recommendations made, document actions and monitor progress. The recommendations are many and varied but failure to complete the actions of the Modernisation Plan will undermine the planned transformation of the service, perpetuating and potentially extending the issues identified and undermining the reputation of the organisation.</p> <p>Detailed consequences: Failure to achieve completion of the Modernisation Plan will undermine the performance of the Council in its Local Planning Authority role, result in non-compliance with statutory processes, and reputational damage to the Council. By not achieving the Modernisation Plan within agreed timescales, the potential for additional budget pressure increases.</p> <p>Detailed causes: Insufficient resource to ensure completion of priority actions in the required timescales (staff and skills) while also 'doing the day job', Interim Service Review Lead/Planning Director limited contract duration, supplier resource to deliver new ICT system, failure to engage with internal and external stakeholders to affect necessary changes, lack of oversight from the Planning Transformation Board/Steering Group.</p>		
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,		Lead Service Committee: Environment and Communities
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernisation Plan. Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Committee. Regular meetings of Interim Director of Planning and Head of Planning and team managers to review action logs and progress on key priorities. Steering Group established to review workstream and focus priorities feeding into Transformation Board. Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group. IT System Project has its own Project Board attended by supplier. Weekly monitoring of resources / recruitment during manager's meetings. 		
Actions (Monitoring):		Target Date for Completion
IT System Project escalation with the supplier, IDOX continues (Weekly team and fortnightly Project Board meetings)		Q4 2023/24
Staffing Restructure – discussion with HR re JDQs evaluations (Regular meetings and updates)		Q3 2023/24
External support from Capita retained to assist with backlog. Bid for 'backlog funding' from DLUHC submitted (Continued monthly reporting on application backlog)		Q4 2023/24
Continued monitoring of resources – recruitment to critical posts ahead of restructure (Weekly manager meetings)		Q4 2023/24
<p>Comments this quarter: The key priorities identified below continue but with the addition of the s106 Audit and actions required to complete recommendations - which are already being addressed. Key priorities:</p> <ol style="list-style-type: none"> Legal discussions with IT supplier continue with a revised contract being drafted to ensure compensation / penalties for failure to meet revised project plan. Change in personnel from supplier does give some encouragement for positive progress on key issues of data migration and resolution of functional issues. This risk remains high (9) with estimated go live date toward end of Q4 23/24. 		

2. Application backlog has reduced further due to fast-track days, with a focus on older applications. Support from Capita continues, albeit at a reduced level. Continuation dependent on Backlog funding bid.
3. Draft structure completed and awaiting engagement with HR/Job evaluation team. Corporate financial pressures threaten ability to press on with restructure as originally highlighted within Planning Review given growth that is required to meet needs.
4. Customer service actions continue to be instigated as and when possible - depending on resources. Validation Checklist work and meetings with other Services/Consultee groups have progressed well during this period.

Notwithstanding the clear commitment from the Service to deliver progress, all the above remains at risk due to dependency on the Service and key personnel within it, to deliver outcomes while undertaking the day-to-day duties of a busy high-profile service.

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

Risk Name: HS2 Infrastructure Investment		Risk Owner: Executive Director of Place
Risk Ref: SR19	Date updated: Q2 2023/24	Risk Manager: HS2 Programme Director
<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> <p>On 4th October 2023, the Prime Minister announced that HS2, north of Birmingham would be scrapped. Therefore, HS2 Phases 2a and 2b would not be progressing and there will no longer be a Crewe HS2 hub. Consequently, the above risk is no longer applicable.</p>		
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects		Lead Service Committee: Highways and Transport, Environment and Communities, Economy and Growth
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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 which is due to be completed by the end of summer 2023, and 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 with Government now actively and publicly supporting our ambitions to deliver the Crewe Hub Vision. Following this report, Government will fund the design work for the recommended solution. 		

<ul style="list-style-type: none"> Furthermore, Government has now commenced a deep dive for the Crewe Hub. This is a joint DfT/DLUHC initiative that will identify ways in which central government can better support CEC to unlock the opportunities for Crewe. The Council is also looking at opportunities to bring forward key investments in advance of HS2 to seek to accelerate the benefits and reduce the overall risk further. HS2 to Cheshire East has been cancelled and this risk is no longer applicable. Therefore no controls are required moving forward. 	
Actions (Monitoring):	Target Date for Completion
Negotiations with Government re. compensation	On-going
Comments this quarter: It is proposed that this risk is removed at Q2 review.	
Timescale for managing risk to an acceptable level: N/A	

This page is intentionally left blank

Corporate Policy Committee**18 January 2024****Pay Policy Statement 2024/25**

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

Report Reference No: CP/36/23-24

Ward(s) Affected: Not applicable

Purpose of Report

This report outlines the Pay Policy Statement for 2024/25 for the Corporate Policy Committee to recommend to Council.

Executive Summary

- 1 Section 38 of the Localism Act (2011) requires Local Authorities to produce a Pay Policy Statement by 31 March on an annual basis. Regard continues to be given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code (2015).
- 2 The Pay Policy Statement for 2024/25 reflects the expected position at 1 April 2024 and is attached as Appendix 1. Changes since last year's Statement are outlined in section 10 of this report.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Note the changes to the 2023/24 Pay Policy Statement as outlined in section 10 of this report.

The Corporate Policy Committee recommends to Council:

2. That Council approve the Pay Policy Statement for 2024/25.
3. That for the Pay Policy Statement 2024/25, any in year changes are approved by the Monitoring Officer and published accordingly.

Background

- 3 The purpose of the Pay Policy Statement is to increase accountability, transparency, and fairness regarding the Council's approach to pay with particular focus on its Chief Officers.

Consultation and Engagement

- 4 The Pay Policy Statement 2024/25 will be shared with Trade Unions.

Reasons for Recommendations

- 5 A Pay Policy Statement has been required to be produced annually since 2012/13 under Section 38 of the Localism Act (2011). Local Authorities must have their Pay Policy Statement approved by full Council and published on their website no later than the 31 March prior to the financial year to which it relates.

Other Options Considered

- 6 Not applicable

Key Updates to the Pay Policy Statement

- 7 The Pay Policy Statement 2024/25 follows the style and format of the Statement published in 2023/24. The Statement focuses on the broad principles and policies regarding pay and has links to further information and statistical data available on the Council's website and associated policies.
- 8 The Statement has again been designed to be user friendly for public consumption and should require minimal updates each subsequent year.
- 9 The links to further information including the link to pay multiples will be updated as appropriate through the coming year.
- 10 Changes since the last Pay Policy Statement are as follows:
- (a) Included that the Council also employs staff on Soulbury and Youth and Community Workers terms and conditions (see page 4).
 - (b) Removed reference to SCP1 in the section on 'NJC Employees' as this has now been deleted from the NJC pay spine (see page 4).
 - (c) Removed the reference to a decision being taken 'each year' in relation to running MARS. It now reads: *a decision is taken whether to run the scheme by the Chief Executive and due*

regard will again be given to the statutory guidance on exit payments (see page 7).

- (d) The salary range for the Chief Executive has been updated and is included in section 4.1, page 4. The updated range is £170,000 to £190,000 and was approved by Council at its meeting on 18th October 2023.

Implications and Comments

Monitoring Officer/Legal

- 11 The Council is required to produce and publish a Pay Policy Statement agreed by full Council each year, under Section 38 of the Localism Act (2011).
- 12 In addition, the Local Government Transparency Code (2015) requires information on organisational structure, senior salaries and pay multiples to be published annually each year.
- 13 This report and the accompanying Pay Policy Statement, with associated links in Appendix 1, once approved and adopted ensures that Cheshire East Council complies with these requirements.

Section 151 Officer/Finance

- 14 There are no direct financial implications associated with approving the updated Pay Policy Statement 2024/25 and no budgetary adjustments are proposed in relation to this report.

Policy

- 15 Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year. Whilst the Statement can be amended during the year should the need arise, in-year changes are subject to approval by the Council's Monitoring Officer.

Equality, Diversity and Inclusion

- 16 There are no direct equality implications associated with approving the updated Pay Policy Statement 2024/25, any potential implications relating to pay are addressed within the relevant pay policies.

Human Resources

- 17 Associated pay policies and HR support must comply with the Pay Policy Statement.

Risk Management

- 18 If the Council does not follow specific aspects of the guidance issued by DCLG and therefore does not achieve appropriate levels of openness and accountability, DCLG can take steps to require the Council to adapt particular policies.

Rural Communities

- 19 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)

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

Public Health

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

Climate Change

- 22 There are no direct implications on climate change.

Access to Information	
Contact Officer:	Sara Barker, Head of HR Email: sara.barker@cheshireeast.gov.uk phone: 01270 686328
Appendices:	Appendix 1 – Draft Pay Policy Statement 2024/25
Background Papers:	None



Pay Policy Statement 2024/25

www.cheshireeast.gov.uk

1. Introduction and Purpose

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013, and guidance issued under the Local Government Transparency Code 2015.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its senior employees (excluding teaching staff, employees working in local authority schools and academies, and alternative service delivery vehicles) by identifying:

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior employees, i.e. ‘Chief Officers’, as defined by the relevant legislation.

“Remuneration” for the purposes of this statement includes three elements; basic salary, pension and all other allowances arising from employment.

Once approved by full Council, this policy statement will come into effect on the 1st April 2024 superseding the 2023/24 statement and will be subject to review on a minimum of an annual basis, the policy statement for the next year being approved by 31st March each year.

2. Background

In determining the pay and remuneration of all its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. This is balanced against the need to recruit and retain employees in an increasingly competitive market who can deliver the Council’s commitments and meet the requirements of providing high quality services, which are delivered effectively and efficiently and at times at which those services are required.

The Council complies with all relevant employment legislation and codes of practice. This includes legislation such as the Employment Rights Act 1996, Equality Act 2010, The Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the National Minimum Wage Regulations 2015. The Council seeks to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified using job evaluation mechanisms and the application of key criteria, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. Senior Management ('Chief Officers') Remuneration

3.1 Principles

There are a number of overriding principles which govern the Council's approach to senior management reward:

- The policy will be affordable; with reward being commensurate with individual and corporate performance.
- Reward policy for senior post-holders will be transparent, clearly defined and readily understood.
- The policy will offer the flexibility to reward for job size, capability and market rates (where these may be relevant, with evidence).
- Reward for senior roles will be fair and proportionate by comparison to reward for the wider workforce.

3.2 Reward components

Reward will comprise basic salary and a range of benefits as follows:

- **Basic salary:** This is guaranteed fixed cash remuneration, paid monthly. The level of basic salary is contractual. For some jobs, this remuneration may increase by annual increments until the maximum of the grade is reached, i.e. Grade 13 and 14. These two grades contain three increments in each with annual incremental progression on the anniversary of the appointment.
- **Benefits:** The Council provides a range of benefits. The principal benefits are holidays and access to the Local Government Pension Scheme (LGPS). Further details can be found on the [Council's website](#).

3.3 Job Evaluation and Banding

The Council uses the Hay Group job evaluation scheme to position roles into the Cheshire East Senior Management pay bands. The bands are linked to Hay Job Evaluation points ranges which have been determined as part of the Council's operating model.

4. Pay and Grading Structure

4.1 Senior Managers (JNC)

This defined pay structure determines the salaries of senior managers on JNC (Joint National Council for Chief Officers) conditions of service. A score is produced from the HAY job evaluation process which equates to a pay band on the Council's senior manager pay structure.

The current pay structure for senior managers who are on JNC conditions of service can be seen by accessing the [pay and grading structure](#).

In addition, there is a very small number of public health employees who transferred under TUPE to the Council on NHS Pay and Terms and Conditions on 1st April 2013 and these employees remain on the terms and conditions of their previous

NHS employer. The council also employs staff on Soulbury and Youth and Community Workers terms and conditions.

When applying the senior manager pay structure, for the purposes of this statement, the definition of Chief Officers is as set out in Section 43 of the Localism Act. The details of the salary packages are as follows:

Tier 1 (Chief Executive)

- The current salary package falls within a range of £170,000 to £190,000

Tier 2 (direct reports to the Chief Executive)

- The salary package falls within a range of £128,008 to £145,193

Tier 3 (direct reports to Tier 2 managers)

- The salary package falls within a range of £83,788 to £113,001

4.2 NJC Employees

The NJC pay framework comprises 44 salary points, between SCP 2 (£22,366 per annum) and SCP 45 (£59,346 per annum) for a full-time employee (based on a 37-hour week).

The current pay and grading structure for employees who are on NJC conditions of service can be seen by accessing the [pay and grading structure](#).

5. Recruitment of Chief Officers

The Council's policy and procedures with regard to the recruitment of Chief Officers are set out in the Council's Constitution and are undertaken by the Appointments Committee in accordance with arrangements set out in the Constitution (see Chapter 2). Full Council approval will be sought in relation to decisions affecting the remuneration of any new post whose remuneration is or is proposed to be or would become £100,000 per annum or more.

Key statutory posts (Head of Paid Service, Section 151 Officer and Monitoring Officer) are Council appointments.

When recruiting to all posts, the Council will take full and proper account of all provisions of relevant employment law and its own Recruitment Policy and Procedure, Disability Confident commitment, Hidden Disabilities Sunflower Scheme Employer, Redeployment Procedure and Equality in Employment Policy.

The remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and in line with this Pay Policy Statement. New appointments will normally be made in accordance with the JNC pay structure, any variation to this approach will be by exception and based on objectively justified criteria supported by appropriate evidence. An appointee's existing pay and their relevant experience and qualifications may be included in any consideration but would need to take account of any equal pay implications that could arise within the Council.

From time to time, it may be necessary to take account of the external pay levels in the labour market and to pay market-related supplements to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such additional payments is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any such payments will be reviewed at least annually to ensure their ongoing suitability and appropriateness.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.

6. Additions to Chief Officers' Salaries

The following payments can be applied to Chief Officers' salaries:

- Returning and Deputy Returning Officers' Fees
- Travel Allowances and Expenses
- Salary Sacrifice Lease Car Scheme (only applicable for salary sacrifice vehicles ordered before 7th September 2020 as this scheme ended on 15th September 2020)
- Relocation Expenses
- Professional Fees and Subscriptions

Further details of [Additions to Chief Officers' salaries](#) are published in the Council's Transparency Data and in the Statement of Accounts.

7. Pension Contributions

Eligible employees are automatically enrolled into the Local Government Pension Scheme (LGPS). The Council is required to make a contribution to the scheme based on a percentage of the pensionable remuneration due under the contract of employment of that employee. The employer contribution rate is set by the Actuary advising the Cheshire Pension Fund (the name of the LGPS in Cheshire) in order to ensure the scheme is appropriately funded. Employee contribution rates are set in bands and are defined by statute.

Details of the [Local Government Pension Scheme](#) discretions exercised, contribution bands, actuarial rates and discretions policy application are available.

8. Redundancy Payments and Payments on Termination

The Council's policy on compulsory redundancies, including redundancy payments, is set out in the Organisational Change Policy and Procedure. If employees have two or more years' service, they may be entitled to a redundancy payment. The payment is based on the statutory formula (on actual weekly pay). Any overtaken leave/flexi will be deducted from their final salary. Where there is an outstanding leave entitlement, this must be taken during their notice period and before their employment ends.

In order to minimise the need for compulsory redundancies and in conjunction with other measures, e.g. restricting recruitment, the Council may consider requests from employees to be made redundant (voluntary redundancy). Employees who leave on grounds of voluntary redundancy will normally be entitled to receive a redundancy payment in accordance with the statutory formula (on actual weekly pay) plus an additional severance payment of 0.8 times the statutory payment, bringing the total payment to 1.80 times the statutory formula and up to a maximum of 50 week's pay.

The Council's current approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age and for those eligible for retirement, is set out in the Leaving the Council Policy & Procedure and in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Local Government Pension Scheme Regulations 2007.

All payments under this section are subject to the approval process set out in the Organisational Change Policy & Procedure, the Leaving the Council Policy & Procedure and [CEC Constitution](#).

The Council reserves the right to change all discretionary elements. The Council will also take into consideration the Government's [statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England - GOV.UK](#) and will implement any government changes to exit payments when they become law.

9. Early Retirement and Severance on the Grounds of Business Efficiency

In line with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Council also operates a voluntary scheme to facilitate early retirement or severance on grounds of business efficiency to enable the Council to continue to achieve effective use of resources and provide value for money. The terms of this are set out in the Leaving the Council Policy and Procedure and due consideration will again be given to the statutory guidance on exit payments.

10. Mutually Agreed Resignation Scheme (MARS)

The Council has operated a Mutually Agreed Resignation Scheme (MARS) which enables individual employees, including Chief Officers, in agreement with the

Council, to choose to leave their employment voluntarily in return for a discretionary 'severance' payment. This scheme creates resourcing flexibility to avoid compulsory redundancies in future, enable the redeployment of resources to higher priority areas of work and reduce costs in lower priority areas. MARS is non contractual and has no pension liabilities. A decision is taken whether to run the scheme by the Chief Executive and due regard will again be given to the statutory guidance on exit payments.

11. Settlement Agreements

The Council uses settlement agreements for all voluntary redundancies/severance and MARS severance payments, for all employees, including Chief Officers. The use of settlement agreements on this basis minimises any risk of future claims against the Council and can ensure that any potential or pending legal proceedings and their associated legal costs can be avoided. The Council follows the current guidance for public sector settlement agreements in these circumstances.

12. Pay Multiples

The Council publishes a range of information to meet the Transparency Code requirements and has used the recommended formulae in the code guidance and Local Government Association (LGA) guidance to calculate the relationship between the rate of pay for the lowest paid, median and Chief Officers, known as [pay multiples](#).

13. Re-employment or re-engagement

Any decision to re-employ an individual (including Chief Officers) already in receipt of a Local Government Pension (with same or another local authority) will be made on merit, considering the use of public money and the exigencies of the Council.

In particular, the Voluntary Redundancy Scheme provides that former Cheshire East/Legacy Authority employees who left their employment on grounds of voluntary retirement, redundancy or severance will not be re-employed in any capacity, except in exceptional circumstances and subject to the agreement of the Head of HR in consultation with the Chair of the Corporate Policy Committee. Re-engagement includes all types of contractual relationships whether they are a contract of employment, contract for service etc. and whether the individual is appointed as an employee or engaged as an interim, direct consultancy or via an agency or other supplier.

14. Publication and access to information

Upon approval by the full Council, this Statement will be published on the Council's website (www.cheshireeast.gov.uk). Additionally, in line with Code of Practice and Accounts and Audit Regulations, salary, allowances and bonus compensation and employers pension contributions will be published for:

- a) Senior employees whose salary is £150,000 or more (who will also be identified by name).

b) Senior employees whose salary is £50,000 or more.

The Council will also publish, on an annual basis, Gender Pay Gap data in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Prepared by: HR Policy and Reward

Date: December 2023

Review date: March 2025

Annex 1 – Links

All the relevant policies and procedures as referred to in the Pay Policy Statement can be found using the links in section 1 below. Please email humanresources@cheshireeast.gov.uk should you have any difficulties accessing this information.

Section 1: Additional information

Link 1 – [Pay and grading structure for senior managers and employees](#)

Link 2 – [Additions to Chief Officers' salaries](#)

Link 3 – [Local Government Pension Scheme](#)

Link 4 – [Pay multiples](#)

[Statement of Accounts](#)

Section 2: Internal intranet links to the further relevant policies, procedures and other relevant information

- [Payment of a Market Supplement](#)
- [Pay and Allowances Policy](#)
- [Pensions Discretions Policy](#)
- [Organisational Change Policy and Procedure](#)
- [Leaving the Council Policy and Procedure](#)
- [Recruitment Policy and Procedure](#)
- [Redeployment Procedure](#)
- [Equality in Employment Policy](#)
- [Relocation and Excess Travel Policy and Procedure](#)

For those seeking to access copies of policies and procedures externally, please email humanresources@cheshireeast.gov.uk to request copies of the relevant documents.

This page is intentionally left blank

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

Report Reference	Corporate Policy Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Corporate Plan Priority	Exempt Item
CP/39/23-24	01/02/2024	Medium Term Financial Strategy 2024/25-2027/28	To recommend the Medium-Term Financial Strategy for 2024 to 2028 to Council for approval. The report will incorporate the Council's Priorities, Budget, Policy Proposals and Capital Programme. The report will also include the Capital, Treasury Management, Investment and Reserves Strategies.	Director of Finance and Customer Services	No	No	Yes	Open	No
CP/38/23-24	13/02/2024	ICT Hybrid Programme implementation update	To provide an update on progress with the implementation of ICT Hybrid Programme	Head of ICT	No	No	Yes	Open	No
CP/35/23-24	13/02/2024	Medium Term Financial Strategy Consultation 2024/25 - 2027/28 Provisional Settlement Update (Corporate Policy Committee)	All Committees were being asked to provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2023. Responses to the consultation would be reported to the Corporate Policy Committee to support that Committee in making	Director of Finance and Customer Services	Yes	No	Yes	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

			recommendations to Council on changes to the current financial strategy.						
CP/63/23-24	13/02/2024	Calendar of Meetings 2024/25	To approve the calendar of meetings for the municipal year 2024/25.	Head of Democratic Services and Governance	TBC	No	No	Open	No
CP/64/23-24	13/02/2024	Local Enterprise Partnership Functions - Transition Arrangements	For the Council to consider options for delivery of the Local Enterprise Partnership functions from 1 April 2024.	Director of Growth and Enterprise	Yes	Yes	TBC	Open	No
CP/67/23-24	13/02/2024	Approving the draft Corporate Plan	Approving the draft Corporate Plan for launch 1st April	Director of Policy and Change	No	No	No	Open; Fair; Green	No
CP/69/23-24	13/02/2024	Report of the IRP: Focussed Review of Members' Allowances	To give consideration to the recommendations of the Panel	Head of Democratic Services and Governance	Yes	No	No	Open	No
CP/70/23-24	13/02/2024	Appointment of Members to Independent Remuneration Panel	To approve the appointment of three individuals to the Independent Remuneration Panel for a four-year term of office.	Head of Democratic Services and Governance	No	No	No	Open	No
CP/72/23-24	13/02/2024	Cheshire East Electoral Review	To consider the recommendations of the Electoral Review Sub-Committee on warding proposals and make recommendations to full Council.	Head of Democratic Services and Governance	No	No	No	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

CP/53/22-23	21/03/2024	Annual Review of Committee Decisions	To report on the decisions made by Service Committees during 2021/22 and 2022/23.	Director of Policy and Change	No	No	No	Open	No
CP/31/23-24	21/03/2024	Equality, Diversity and Inclusion - annual report	To update on EDI in line with our statutory duty to report annually	Director of Policy and Change	No	No	No	Open; Fair; Green	No
CP/40/23-24	21/03/2024	Performance Report - Quarter 3 of 2324	To report on performance against the Corporate Plan. To include H&S accident and incident statistics.	Director of Policy and Change	No	No	No	Open; Fair; Green	No
CP/41/23-24	21/03/2024	Strategic Risk Register Assurance Report Q3 2023/24	This report provides an update on the activity of the Council's Strategic Risk Register for Quarter 3 2023/24	Head of Audit and Risk	No	No	No	Open	No
CP/71/23-24	21/03/2024	Review of the Committee Structure	Following the decision of full council on 13 December 2023, to the review the committee structure in relation to meeting the MTFS savings	Head of Democratic Services and Governance	No	No	No	Open; Fair	No

This page is intentionally left blank

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **General Appeals Sub Committee**
held on Tuesday, 12th December, 2023 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillors T Dean, S Edgar and B Puddicombe

OFFICERS IN ATTENDANCE

Rebecca Airey, Legal Clerk
Ian Marshall, Operations Support Manager, Transport
Helen Rawlinson, Transport Manager
Karen Shuker, Democratic Services Officer

17 APPOINTMENT OF CHAIR**RESOLVED:**

That Councillor Steve Edgar be appointed as Chair of the meeting.

18 APOLOGIES FOR ABSENCE

There were no apologies for absence.

19 DECLARATIONS OF INTEREST

There were no declarations of interest.

20 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public registered to speak.

21 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 involves the likely discussion of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

22 SCHOOL TRANSPORT APPEALS

Consideration was given to the following school transport appeals.

23 CASE 1 - 10.05AM

The Sub-Committee considered an appeal against a decision of the Council's School Transport Team not to offer assisted school transport.

The Sub-Committee heard the appeal based on the written and oral evidence of the Presenting Officer, who detailed the local authority's case, and the written and oral evidence of the appellant and the appellants supporter. Members of the Sub-Committee asked questions by way of clarification.

The Presenting Officer, the appellant and the appellants supporter withdrew from the meeting, following which the Sub-Committee reached its decision.

RESOLVED:

That the appeal be upheld.

24 CASE 2- 10.50AM

The Sub-Committee considered an appeal against a decision of the Council's School Transport Team not to offer assisted school transport.

The Sub-Committee heard the appeal based on the written and oral evidence of the Presenting Officer, who detailed the local authority's case, and the written and oral evidence of the appellant. Members of the Sub-Committee asked questions by way of clarification.

The Presenting Officer and the appellant withdrew from the meeting, following which the Sub-Committee reached its decision.

RESOLVED:

That the appeal be dismissed.

The meeting commenced at 10.00 am and concluded at 11.45 am

Councillor S Edgar

Schedule of Urgent Decisions Made by the Chief Executive following consultation with Members

Under Paragraphs 2.10 and 2.11 of the Committee Procedure Rules, an item of urgent business which has to be decided before the next meeting of a committee can be determined by the Chief Executive in consultation with the chair and/or vice-chair of the committee.

Date	Summary of decision	Decision on behalf of
29 th November 2023	<p>To accept a grant for the Local Authority Urgent and Emergency Care support fund 2023/24.</p> <p>Information</p> <p>Formal authority was required to accept a grant for the Local Authority Urgent and Emergency Care support fund 2023/24, to strengthen performance and resilience this winter.</p> <p>Background</p> <p>Cheshire East Council had secured £680,601 revenue funding from the Local Authority Urgent and Emergency Care support fund, which is managed by the Department of Health and Social Care (DHSC). This grant will be provided pursuant to section 31 of the Local Government Act 2003.</p> <p>The Council's formal response, agreeing to accept the grant, was required by close of business on 29 November, which provided no opportunity for a decision to be made by a committee or Council, as would ordinarily be the case.</p> <p>Decision</p> <ul style="list-style-type: none"> • That the grant funding be accepted and that the Executive Director for Adults, Health and Integration be empowered to incur expenditure, this to be funded from the grant monies. • That the Executive Director be empowered to enter a Memorandum of Understanding with the Department of Health and Social Care, upon such terms as she deems appropriate. • That a supplementary estimate be agreed for the 2023/2024 Financial year. 	Corporate Policy Committee and Adults and Health Committee

This page is intentionally left blank