

Annual Governance Statement 2023/24

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1. Executive Summary and Approval

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

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

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

- 1.9. We propose over the coming year to take all appropriate action to address the matters outlined in this Statement and any other issues to further enhance our overall governance and stewardship arrangements. We are satisfied that our plans will address the improvement areas identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.
- 1.10. The final Annual Governance Statement 2022/23 was approved by Audit and Governance Committee at their March 2024 meeting with authority given for it to be signed upon conclusion of the external audit work on the 2022/23 financial statements. The external auditors have yet to complete this work and as such, the Annual Governance Statement remains unsigned.

Rob Polkinghorne Chief Executive	Cllr Nick Mannion Leader

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

2. Introduction

2.1. The Accounts and Audit Regulations 2015 require that:

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

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

3. Scope of Responsibility

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

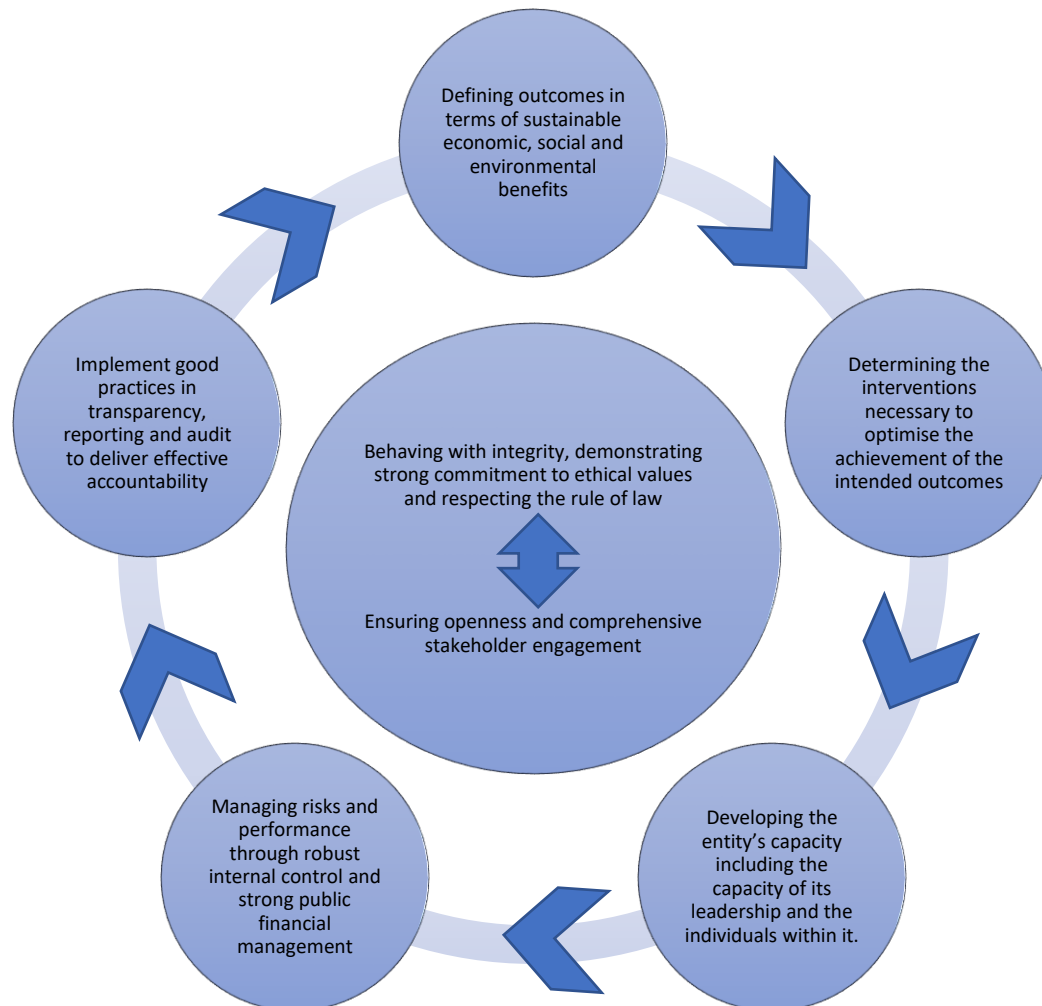
3.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and arrangements for the management of risk.

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

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

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

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



- 3.4. The annual review of effectiveness has been carried out against the Code of Corporate Governance. The draft Annual Governance Statement will be published in July 2024 and will be updated as necessary to ensure this Statement remains current for when the Audit and Governance Committee considers it as final alongside the final Statement of Accounts.
- 3.5. Once approved by the Audit and Governance Committee it will be signed by the Leader and the Chief Executive. It will then be published as final alongside the Statement of Accounts.

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

4. The Purpose of the Governance Framework

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

5. The Governance Framework

- 5.1. The Council's Code of Corporate Governance includes examples of how the Council demonstrates the principles in practice and operation. Therefore, to minimise duplication, it is only supplementary examples and features of the Council's governance framework, specific to 2023/24 which are set out below.
- 5.2. The Governance Framework described below and shown in Appendix 2 has been in place since 4 May 2021, when the committee system model of governance took effect. A diagram explaining the committee system can be found at Appendix 3.

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

- 5.3. Cheshire East Council's vision and priorities are outlined in the Council's Corporate Plan 2021-2025. The Corporate Plan 2021-2025 was approved by full Council on 17 February 2021 and sets out the priorities of the administration, within the context of the needs of the borough, the views of residents and the resources available.
- 5.4. The Medium-Term Financial Strategy (MTFS) 2023-2027 was agreed at the 22 February 2023 meeting of Council. The report sets out the Council's plan and required funding to ensure Cheshire East remains one of the best places to live in the North West.
- 5.5. The Corporate Plan 2021-25 is reviewed by the Corporate Policy Committee as part of the Council's performance management accountability framework. Quarter 3's performance for 2023/24 was considered at the meeting on 21 March 2024. Quarter 4's performance for 2023/24 was considered at the 13 June 2024 meeting.
- 5.6. In June 2024, Corporate Policy Committee approved the development of a new strategic plan for Cheshire East for 2025 onwards. The Committee also recommended an update to the current Corporate Plan 2021-25 for the final year which will be put to Council on 17 July 2024.
- 5.7. The 2022/23 provisional financial outturn was reported to the Finance Sub Committee on 7 June 2023. The final outturn 2023/24 was reported to the Finance Sub Committee on 25 June 2024. The draft Statement of Accounts 2023/24 was reported to the Audit and Governance Committee on 29 July 2024.
- 5.8. The Council delivered and progressed several infrastructure improvements and developments across the Cheshire East area. These major schemes are critical elements in delivering the ambitions of the Council. This includes the Poynton Relief Road which was completed in Spring 2023.
- 5.9. As recognised in previous Statements, the sustained and increasing financial pressures on services continue to present challenges to the Council. These are recognised as high scoring risks in the Council's Corporate Risk Register. An update on the actions undertaken during 2023/24 is provided later in this Statement.

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

- 5.10. The Council's Constitution sets out the rules for conducting business undertaken by the Council, including executive arrangements, committee structures, finance and contract procedure rules and schemes of delegation.

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

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

- 5.14. The Chief Executive, Executive Directors and Statutory Officers met regularly during 2023/24 as the Corporate Leadership Team (CLT), receiving assurance reports and updates from across the Council. CLT is supported by service/departmental management team meetings, and several cross functional officer, and officer/member groups. The reporting lines between these and relevant Committees are shown in the Governance Framework diagram in Appendix 2.
- 5.15. In March 2024, Corporate Policy Committee received a paper setting out three preliminary activities required to allow the development of the Council's future transformation programme. The activities considered and approved by the Committee relate to:
- The creation and implementation of Council-wide officer boards
 - A Local Government Association (LGA) review of decision-making accountability
 - LGA peer challenge
- 5.16. The Council's Constitution defines the standards of conduct and personal behaviour expected of, and between, members, staff, and the community, defined and communicated through Codes of Conduct and protocols. The Constitution includes a Member/Officer Relations Protocol, which was established to encourage effective communication between members and officers.
- 5.17. In May 2023, a comprehensive programme of events was held to welcome newly elected members to the authority and provide support for them in their role as a Cheshire East Councillor.

- 5.18. The programme covered subjects such as - an introduction to Cheshire East Council, the Councillor's code of conduct and working effectively as a Cheshire East Councillor in May 2023, committee procedures and service committee briefings in June 2023 and scrutiny skills, financial management and ICT support in July 2023. Out of the new cohort of 38 members, every member attended at least one event.
- 5.19. As the induction programme includes subjects which are of key importance to a members' role, attendance is mandatory, but numbers were affected by a significant increase in members with daytime commitments. Accordingly, twilight sessions, which commence at 4pm or later, are now scheduled on a routine basis to make the programme more accessible.
- 5.20. To promote the importance of members' core skills, a supplementary online induction programme was launched in September 2023, which includes mandatory modules on Safeguarding Children and Adults, Equality, Diversity and Inclusion and General Data Protection Regulations (GDPR). As this is an annual programme which has not yet concluded, attendance statistics are not yet available. The 2024-2025 programme will launch in September 2024.
- 5.21. The statutory roles of the Head of Paid Service, Monitoring Officer and Chief Finance Officer are described in the Constitution, as are their responsibilities for providing robust assurance on governance, ensuring lawful expenditure in line with approved budgets and procurement processes.
- 5.22. Interim arrangements remain in place to cover the Executive Director - Corporate Services and the Executive Director - Place. The former Chief Executive left the Council in October 2023 with interim arrangements put in place with immediate effect. In December 2023, Council appointed a permanent Chief Executive who took up post in January 2024. In February 2024, it was announced that the Section 151 Officer would be leaving the Council in May 2024. Subsequently, an Interim Section 151 Officer was appointed, and this arrangement continues into 2024/25.
- 5.23. The Council publishes a Pay Policy Statement by 31 March on an annual basis. This provides transparency about the Council's approach to setting the pay of its employees and is in accordance with Section 38 of the Localism Act 2011. The 2023/24 Pay Policy Statement was recommended to Council from the Corporate Policy Committee. The Policy was approved on 22 February 2023 where it was also agreed that it would be reviewed in-year and any further changes be approved by the Monitoring Officer and published accordingly. The 2024/25 Pay Policy Statement was put to the Corporate Policy Committee on 18 January 2024 and approved by Council on 27 February 2024.
- 5.24. The Workforce Strategy 2021-25 sets out how the Council will develop the capacity and capability of its workforce to support the priorities identified within the

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

- 5.25. All staff are required to undertake mandatory training on protecting and managing information, dignity at work and equality in the workplace. Completion and compliance are monitored and reported to Heads of Service and Directors. Managers are also supported with training on the Council's Dignity at Work and Grievance procedures.

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

- 5.26. The Audit & Governance Committee received the 2022/23 Annual Risk Management Report on 27 July 2023. This Committee also received regular risk management updates during 2023/24 and the 2023/24 Annual Risk Management Report was received at the 29 July 2024 meeting.
- 5.27. During 2023/24, the Corporate Policy Committee received quarterly updates on the Council's Strategic Risk Register, alongside reports on the financial position of the organisation, and the performance management. The co-ordinated delivery of these updates supports a cohesive commentary to the Committee. The risk update reports also include the identification of emerging risks and horizon scanning across global and local risk updates to provide useful context and background to the Council's register.
- 5.28. Operational risk registers are included in the directorate and service business plans. These are reviewed by the team plan owners, and risks are considered for escalation to the Strategic Risk Register as necessary.
- 5.29. Reports to all decision-making committees are produced in line with a reporting protocol which involves clearance of reports through the relevant directorate management team, legal and financial review and the identification and mitigation of risks associated with the report content.
- 5.30. Scrutiny powers under Section 21 of the Local Government Act 2000 are fulfilled through the Children and Families, Adults and Health, Environment and Communities and Corporate Policy Committees.
- 5.31. Each of the service committees scrutinised quarterly performance scorecards and budget proposals for the 2023/24 period relevant to their area of focus.
- 5.32. The Information Governance Group (IGG) met regularly throughout 2023/24, managing a programme of proactive improvement and ongoing compliance with the requirements of the Data Protection Act 2018. The Group also managed responses to reported data related incidents, providing updates to the SIRO (Senior Information Risk Owner), and the Corporate Leadership Team.

- 5.33. The Contract Management System is being rolled out across the Council with 250 contract managers trained. A new contract handover procedure has been developed to formally hand contracts back to services once a procurement is complete. This details the role and responsibilities and links to the contract management framework. Performance data is being added by services and contracts can now be signed via DocuSign through Atamis. The contracts register is included within Heads of Service business plans and performance dashboards are being created to monitor performance at a service level. Procurement reports are regularly provided to Finance Sub-Committee which include pipeline, contracts, waivers, and relevant procurement updates.
- 5.34. Cabinet Office Contract Management and Procurement Act 2023 training is live and available on learning lounge. Modification, extension, and Contract Procedure Rules training is also available as eLearning packages which provide an overview of what is required from contract managers and the wider procurement community. Regular updates are provided in the procurement bulletin to ensure services are kept up to date with the latest information. New processes and procedures have been developed and are available on the CEntranet.
- 5.35. The Audit and Governance Committee plays a key role in the Council's review of the effectiveness of its governance framework. It seeks assurance on the adequacy of the Council's risk management, control and governance arrangements and it monitors the implementation of the AGS action plan.
- 5.36. During 2023/24, the Audit and Governance Committee received or approved a broad range of reports and assurances, including:
- Approval of the Internal Audit Plan, subsequent progress reports and the Annual Internal Audit Opinion
 - The Committee's Annual Report
 - The External Audit Plan and progress reports, and a summary of the key findings identified during the External Auditors certification process
 - The Annual Risk Management Report and updates on Risk Management
 - The Annual Governance Statement and associated progress update reports
 - Assurance around procurement controls including overseeing governance arrangements and reviewing all approved Waivers and Records of Non-Adherences. The WARN process forms part of the Contract Procedure Rules (CPR's) which are intended to promote good Procurement and Commissioning practice, transparency, and clear public accountability. An annual update on this is provided to the Audit and Governance Committee.

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

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

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

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

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

5.40. The Council's internal and external auditors are key sources of assurance. The Internal Audit opinion on the Council's control environment is set out in the Internal Audit Annual Report for 2023/24 which was received by the Audit and Governance Committee on 29 July 2024 and is as follows:

Internal Audit Opinion

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

5.41. The Head of Audit and Risk Management's opinion as the Chief Audit Executive on the Council's framework for governance, risk management and internal control for 2023/24 has been given as "limited". This is the first time since 2009 that there has been a limitation on this opinion.

5.42. This reflects a number of factors, including the outcome of the 2023/24 internal audit programme, where a significant number of the overall findings related to a failure to apply existing controls, or the absence of expected or actual controls. A significant "No Assurance" report was also provided during the year in relation to

the arrangements of Section 106 funds, which has subsequently had delays in implementing actions within agreed timescales.

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

arrangements, including contract management meetings and monitoring visits. The current operating agreement between the Council and Everybody runs to 30 April 2029.

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

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

- 5.55. The Audit and Governance Committee promotes high standards of ethical behaviour by developing, maintaining, and monitoring a Code of Conduct for Members of the Council. Complaints are considered by the Monitoring Officer and an Independent Person. Complaints can be received about Cheshire East Councillors, co-opted members and Town and Parish Councillors.

- 5.56. The promotion of high standards of conduct, and of strong ethical governance among elected members, co-opted Members, and Town and Parish Council Members within the Borough, is critical to the corporate governance of the authority and to the Council's decision-making process across the organisation.
- 5.57. In September 2023, the Audit and Governance Committee received the Annual Report of the Monitoring Officer 2022/23, which provided background and an overview on the Monitoring Officer's statutory duties. The report also advised on the number of complaints received under the Code against each category, the paragraph(s) of the Code alleged to have been breached, and the outcome of each complaint, once completed.
- 5.58. Section 151 responsibilities for 2023/24 were covered by the Director of Finance and Customer Services. The Director of Finance and Customer Services left the Council on 6 May 2024. An Interim Director was appointed and joined the Council on 29 April 2024 to allow for a handover period. These arrangements complied with the arrangements set out in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 5.59. The Monitoring Officer responsibilities were covered by the Director of Governance and Compliance Services.

Ensuring openness and comprehensive stakeholder engagement

- 5.60. The Council's open data portal 'Insight Cheshire East' holds most of our transparency information and open data together in one place. The site is designed to make inspecting, accessing, and downloading our data easier for everyone, including developers, who may wish to use our data in their own applications or websites. Work is continuing to expand the content on the site, with emphasis on areas that residents most frequently request information about.
- 5.61. As required by the Transparency Code 2015, the Council published the current number of Council employees with basic salaries of £50,000 or over on the Open Data Cheshire East Portal.
- 5.62. Committee meetings continued to be audio cast throughout 2023/24. Recordings can be found on the relevant Committee pages. Meetings are held in public, and agendas, reports, and minutes are published via the Council's website.
- 5.63. The Council publishes delegated officer decisions on its website, demonstrating how the provisions of the Constitution have been exercised.
- 5.64. Engaging with our communities is essential to ensure that we are a resident led Council. Consultation exercises are carried out as appropriate, including statutory consultation processes for areas such as Planning and Licensing. Information is available on the Council's website in relation to current consultations and the

feedback received on previous consultations and the subsequent decisions are also available.

- 5.65. Council employees receive a weekly internal newsletter (Team Voice) in addition to service specific communication and briefings.
- 5.66. Weekly Manager Share and Support sessions were provided throughout 2023/24. These sessions cover a wide variety of topics and provide an opportunity for managers to interact, raise any issues and concerns that they may have, and receive briefings and training on new developments such as the effective use of Teams. Furthermore, monthly “in the know” sessions are held to keep staff updated with what’s going on around the Council and to allow feedback from staff.
- 5.67. Wider Leadership Team and Wider Leadership Community sessions were held during the year which facilitated briefing, networking, and development opportunities across the senior officer leadership cohort. Key messages from these sessions are cascaded through department and team management sessions.
- 5.68. Since 2020, the Chief Executive has provided regular video updates to staff via a Vlog. The videos and transcripts are available on the CEntranet. Furthermore, during 2022/23 “Coffee with” sessions with the Chief Executive were introduced and continued during 2023/24.
- 5.69. Members of staff are encouraged to participate in the “Making a Difference” recognition scheme, nominating colleagues for an instant recognition “Made my Day” message, or for nomination in the annual awards which was held in January 2023 after the disruption of the last couple of years. The recognition panel itself includes volunteers from across the organisation.
- 5.70. The Council’s Corporate Leadership Team has continued to meet virtually with staff groups from across the organisation and offer an opportunity for staff to raise any questions or issues they have directly with their Senior Managers.
- 5.71. Council services use various forms of social media, to engage and inform communities and stakeholders. The main Council website has a Media Hub page, where a variety of information about the Council is published. The Communications team also provide related media releases, where appropriate. Statutory public notices are also shared online.

6. Review of Effectiveness

- 6.1. The Council undertakes an annual review of its governance arrangements. This process is informed by a range of sources. The various sources of assurance which inform the annual review are described below and referenced in the Governance Framework in Appendix 2.

6.2. Examples of the sources of assurance considered in preparing the Annual Governance Statement include:

- **Line Management** - Assurance on individual line managers' areas of responsibility are provided by Disclosure Statements and informed by the acceptance and implementation of recommendations from internal and external audit.
- **Management Review** - Assurance on the effective management of core function activities is provided by reviewing compliance with policies, including how this information is used to drive improvement, and how relevant risk management information is escalated up or cascaded down through the Council.
- **Internal Review** - The performance of Internal Audit and the Audit and Governance Committee, along with their assessments of the performance of individual service areas, and cross function service areas informs the preparation of the Statement.
- **External Review** - The findings and feedback from external inspectorates and peer reviews of the Council also provide assurance which is considered in preparing the Statement.
- **Reference and review of existing reports and assessments**

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

6.4. Examples might include:

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

6.5. Section 7 sets out the progress made against the issues identified in previous Annual Governance Statements, which have been monitored throughout 2023/24.

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

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

Council Funding <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22 and 2023/24</i>	
Description of issue at the time	<p>The Council, like all Councils, is dealing with significant uncertainty around its funding levels for future years at the same time as dealing with growing demand for services due to demographic changes.</p> <p>Planning finances over the medium-term has been more difficult over recent years given the sector has received single-year financial settlements from Central Government as well as a significant number of one-off grants linked to specific Government priorities, rather than core funding certainty. This means that at times, short-term decisions are necessary to live within our means.</p> <p>The Council has set a legally balanced budget each February, although in February 2024 this included having to use one-off sources of funding to achieve this position. General level of reserves has been decreasing due to over-spends within financial years, partly driven by the uncertainty of future funding aligned with growth in demand lead services.</p> <p>The other main source of funding for the Council is through Council Tax and Business Rates which following a period of significant volatility throughout Covid and the Covid recovery period, this has stabilised to a degree. There is still uncertainty over any structural changes to these income sources.</p> <p>Material funding issues remain within the High Needs funding block in the DSG, and Cheshire East Council took part in the Delivering Better Value Scheme, although it is clear this will not resolve the material deficits in this area.</p>
Responsibility	Director of Finance & Customer Services
Action proposed	<p>Addressing national funding levels can only be achieved through discussion and lobbying through engaging with government officials and professional bodies (such as CCN, CIPFA, LGA, SCT, RSN and UTS).</p> <p>Responses have been provided to consultations and regular seminars and meetings have been attended to ensure that issues relevant to Cheshire East Council are being considered.</p> <p>Funding estimates are transparent and reported to the Finance Sub-Committee. Working Groups from the Sub-Committee have also reviewed estimates in detail. This includes estimates within all financial strategies that make up the over-arching Medium Term Financial Strategy.</p>

Progress update for 2023/24 AGS	<p>The outturn figures for 2023/24 show a slightly smaller overspend than was forecast in the Third Financial Review, overall, with a greater adverse variance in Adult Social Care spending being more than offset by favourable variances across other Services. The outturn position is being analysed through specific line by line reviews throughout July to understand the effects of one-off 'windfall' events/savings, as distinct from any further cost pressures (or reductions) which will continue to have an effect in the 2024/25 year, and so vary our forecasts going forward.</p> <p>The smaller overspend, whilst helpful, does not alleviate the pressure in future years especially given one-off sources of funding have been used to achieve that position that will no longer be available in future years. The Council has received notification from Government of the potential to utilise 'Exceptional Financial Support' – of up to £11.6m relating to 2023/24 items, and up to £6m in respect of 2024/25 – but as expected this is only in the form of capitalisation direction (which will cost us to deploy, in the form of premium interest rates).</p> <p>The Transformation Programme noted as required in the MTFS is underway, with a transformation partner being appointed recently; work has commenced with an update due at Council in July around delivery of that transformation plan. This plan must be submitted to DLUHC by 27 August as part of the criteria for final approval of Exceptional Financial Support.</p> <p>Our plan needs to present a version of Cheshire East Council that spends £100m less over the next four years.</p>
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<u>Health and Social Care Integration</u> <i>Recognised as a Continuing Governance Issue since 2015/16 but revised and restated in 2021/22</i>	
Description of issue at the time of inclusion in AGS	<p>Since the 1 July 2022, integrated care systems have been formalised as statutory bodies following changes brought about by the 2022 Health and Care Act and has meant the abolishment of the Clinical Commissioning groups.</p> <p>Cheshire East Council sits within the Cheshire & Merseyside ICS footprint, which comprises of 9 Local Authority Areas.</p> <p>The central aim of ICS's is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and care.</p> <p>The key challenges and risks that this presents are as follows:</p> <ul style="list-style-type: none"> • That the ICS is not a partnership of equals across the broader health, wellbeing and social care system

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

	<p>Merseyside by the national discharge team, has commented on the strength of Cheshire East leadership and partnership arrangements.</p> <p>However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice.</p> <p>A number of specific interventions have been made, including a letter from the Leader setting out the Council's concerns.</p> <p>We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p> <p>Council approved the Health and Care Partnership Terms of Reference on 18th October 2023.</p> <p>The governance arrangements set out above have been enacted and are functioning well locally. The joint outcomes framework, strategy implementation plan and performance framework are progressing well and have been developed in co-production with partners. However, concerns about the centralisation of decision making at a regional level remain. Late engagement with local authority partners in areas of legitimate interest to local authorities is common practice. We will continue to use the formal governance arrangements available to scrutinise the ICS whilst continuing to strengthen local partnership arrangements to deliver local priorities.</p>
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<u>ASDV Governance</u>	
Description of issue at the time of inclusion in AGS	<p>The governance of wholly owned companies across the local government sector has come under the spotlight following failures which have resulted in the publication of Public Interest Reports.</p> <p>Those reports highlighted that failings in the governance of those companies resulted in "institutional blindness" and a failure to recognise, understand, and so address commercial pressures and conflicts of interest. These governance failings resulted in high profile financial losses and reputational damage to those Councils and in some cases external intervention.</p> <p>In the light of these high-profile company failures, CIPFA have recently published guidance aimed at mitigating the risk to local authorities of company ownership. Whilst framed as guidance, its status is such that it will affect reporting and external assessment of the Council. There is therefore merit in being pro-active and taking action in response to these highlighted risks.</p>

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

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

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

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

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

<u>Children's Services Response to Ofsted Inspection</u>	
<p>Description of issue at the time of</p>	<p>Cheshire East Council received an Ofsted inspection of local authority children's services (ILACS) between 19 February and 8 March 2024. The inspection findings are set out in a report which was published on 16 May 2024.</p>

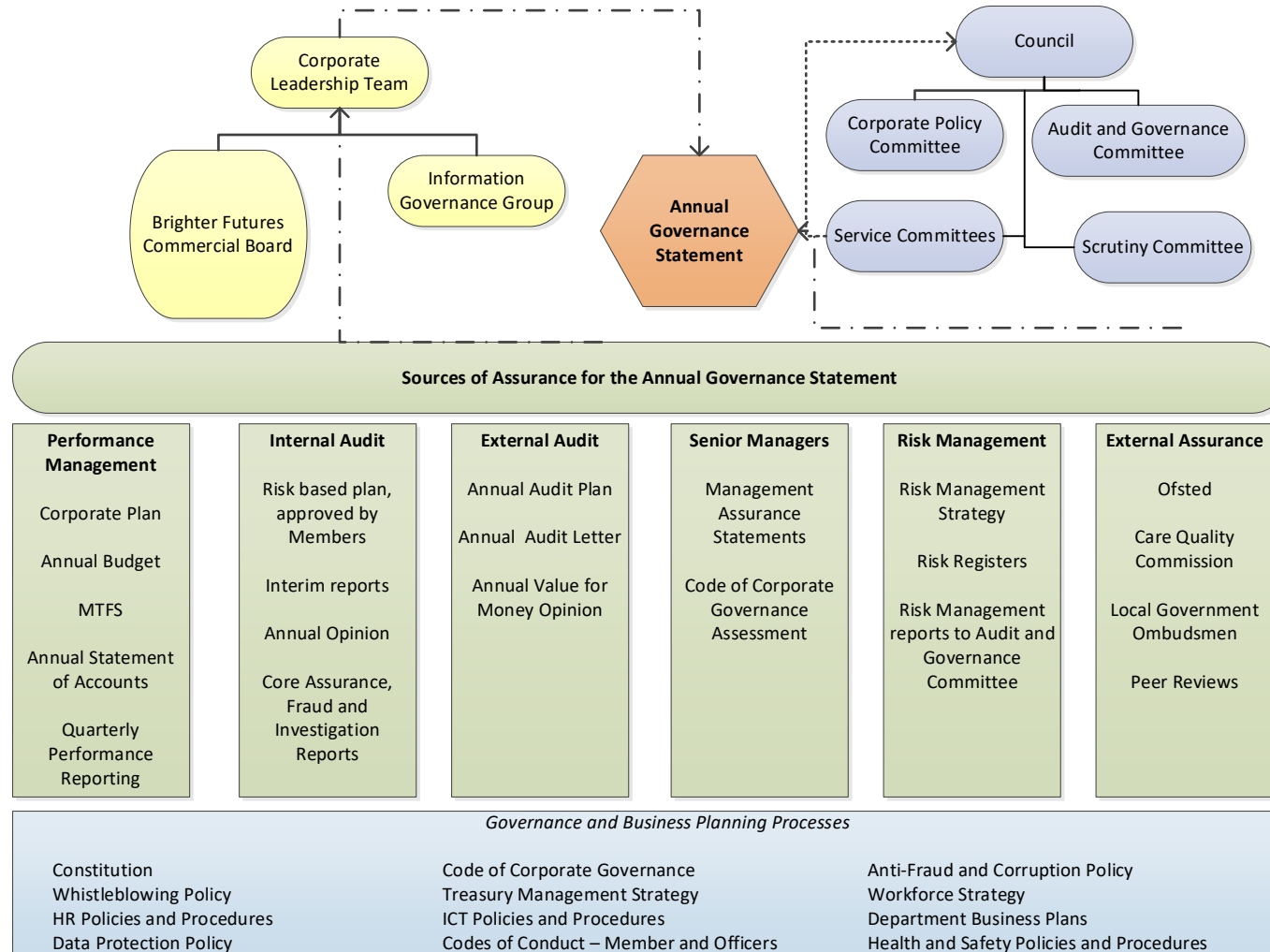
<p>inclusion in AGS</p>	<p>The inspection found that despite improvements identified in some areas of practice, services required improvement as the quality of services children experienced was too variable, and for care leavers services were inadequate.</p> <p>When an authority receives a judgement of inadequate in any area, they can only receive an overall 2 judgement of inadequate. As care leavers was judged inadequate, the overall rating is therefore inadequate.</p> <p>As a result of the inadequate rating, Cheshire East is required to submit an action plan (to be referred to as an improvement plan thereafter) to Ofsted 70 working days after publication of the report. Cheshire East will also be subject to monitoring from Ofsted, with monitoring visits focussing on where improvement is needed the most. The first monitoring visit will take place 6 months after the publication of the report.</p> <p>The DfE will issue an Improvement Notice, which will require an independently chaired improvement board. A DfE improvement advisor has been appointed to work with Cheshire East to support us to improve outcomes for children and young people and will chair the improvement board.</p> <p>Cheshire East currently have an improvement board to drive the improvements identified within previous inspection reports and other identified areas for improvement and this is chaired by the DfE improvement advisor appointed to support the JTAI improvement, which was signed off by the DfE in December 2023. This will continue to meet to scrutinise and support the development of the new improvement plan and to oversee improvement activity. This meets monthly and membership includes senior officers, the lead member, and the Chief Executive.</p> <p>Draft terms of reference for a new improvement board were agreed by Children & Families Committee on 3 June 2024 with the board to be in place during July 2024.</p> <p>The leadership team have developed a draft of a new improvement plan, in response to the inspection findings, and this was discussed at the improvement board held on 30 May 2024. This was further discussed and developed with Ofsted and the DfE in an action planning meeting on 19 June as part of ILACS framework. The plan is due to be submitted to Ofsted by 23 August 2024. We propose to submit subject to committee approval on 8 July and council's approval at full council on 17 July 2024.</p>
<p>Responsibility</p>	<p>Executive Director Children's Services</p>

Action proposed at the time of inclusion in the AGS	<p>The following actions are required to facilitate the required improvements and to comply with the recommendations from the Ofsted inspection report:</p> <ul style="list-style-type: none"> • Produce an Improvement Plan for submission to Ofsted by 23 August 2024 following approval by Council on 17 July 2024. • Hold a task and finish workshop for Children and Families Committee to review and scrutinise the draft improvement plan. • Establish an Improvement Board to monitor and drive improvements identified in the Ofsted inspection report. • Provide regular assurance reports to Children and Families Committee to update on progress and impact measured against the Improvement Plan.
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<u>Governance and Internal Control</u>	
Description of issue at the time of inclusion in AGS	<p>The Head of Audit and Risk Management's opinion as the Chief Audit Executive on the Council's framework for governance, risk management and internal control for 2023/24 has been given as "limited". This is the first time since 2009 that there has been a limitation on this opinion.</p> <p>This reflects a number of factors, including the outcome of the 2023/24 internal audit programme, where a significant number of the overall findings related to a failure to apply existing controls, or the absence of expected or actual controls. A significant "No Assurance" report was also provided during the year in relation to the arrangements of Section 106 funds, which has subsequently had delays in implementing actions within agreed timescales.</p> <p>The outcome of the Corporate Peer Challenge, taken alongside the other matters recognised in the AGS as significant governance issues all demonstrate a significant challenge for the organisation as overall.</p> <p>In focusing on the programme of transformation required to delivery substantial and sustained change, there also needs to be a balance to ensure that changes to the control environment are proportionate and do not exceed appropriate measures, which would risk the organisation being exposed unacceptably in its decision making and statutory responsibilities.</p>
Responsibility	Chief Executive
Action proposed at the time of inclusion in the AGS	<ul style="list-style-type: none"> • Use of internal audit and external partners where appropriate to provide independent assurance on the implementation of change programmes. • Reporting on implementation of change to demonstrate timely and effectiveness of progress to external partners, Members, and senior leadership as required.

Partnership Working	
Description of issue at the time of inclusion in AGS	<p>The Council has a number of important partnerships which, whilst long established, continue to develop. These partnerships exist at local and neighbourhood level, with town and parish councils, schools, housing providers and care communities and at regional and supra-regional level with the neighbouring boroughs, the Cheshire and Merseyside Integrated Care System, Enterprise Cheshire and Warrington, and Cheshire Police. These partnerships will become increasingly important as part of the Council's transformation programme, for its long-term economic stability and to ensure success in addressing strategic ambitions to reduce health inequalities and address the consequences of climate change and will be a pre-requisite for ensuring the Council is able to fully engage with and benefit from the opportunities presented by devolution.</p> <p>In this context it is timely to ensure that the Council's governance arrangements for partnership working are robust, transparent and appropriately led with sufficient scrutiny and over-sight.</p>
Responsibility	<p>Director of Policy Executive Director of Adults, Health & Integration</p>
Action proposed at the time of inclusion in the AGS	<p>The key activities that that will be undertaken are:</p> <ul style="list-style-type: none"> • Mapping of current formal partnership arrangements • Review of formal governance arrangements in place to support individual partnerships eg Better Care Fund Section 75 • Review of membership and leadership of formal partnership arrangements • Recommendation for revised partnership structures aligned to strategic aims and the revised organisational operating model • Partnership arrangements are reflected in the council's overarching communication and engagement strategy

Appendix 2: The Governance Framework 2023/24



Appendix 3: The Committee Structure

