WIRRAL IMPROVEMENT BOARD REVIEW

DRAFT FOR CONSULTATION

CONTENTS

Introduction from the Chair

SECTION A   Background and Purpose of the Review

SECTION B   Approach

SECTION C: EXECUTIVE SUMMARY

3.1   Response to Critical Reports
3.2   Organisational Improvement

SECTION D: REVIEW OF PRIORITY AREAS

Priority 1:   Leadership – Political and Managerial
Priority 2:   Corporate Governance and Decision-Making
Priority 3:   Corporate Plan
Priority 4:   Budget and Financial Stability
Priority 5:   Critical Services Areas: Safeguarding and Developing the Economy
Summary of Next Steps for Wirral

SECTION E: LEARNING AND RECOMMENDATION

5.1   Reflections from Board Members

5.2   Learning from Taking a Sector-Led Improvement Approach

5.3   Recommendations

SECTION F: APPENDICES

F1:   Draft New Council Vision/Model
F2:   Biographies of External Board Members
F3:   Terms of Reference for the Improvement Board

INTRODUCTION FROM THE CHAIR

I am pleased to be writing the introduction to this report as there have undoubtedly been significant improvements in Wirral from the point when I became Chair of the Board 18 months ago. The report is indicative of the considerable change that has happened in Wirral including in culture which is now more open and self-aware. The report therefore also recognises the still considerable challenges ahead.

The improvement Board has been in existence for 18 months and in line with the terms of reference we want to review the progress and to debate how best to support the future improvement of Wirral and to share the key lessons learnt to date. We want that to be an inclusive review and therefore the draft report will be widely shared to gain views and reflections of others as well as the Boards. By pulling together the evidence of change we are all able to reflect on what has been achieved, the challenges ahead and how well these can be managed by the Council. Wirral now is a very different place and has demonstrated an ability to manage some very challenging situations. This ability needs to be sustained and to grow. This report enables us to risk assess whether this is likely to happen.

The problems in Wirral were significant and the approach of sector led improvement a relatively new approach to supporting and challenging the Council to change. The report therefore deliberately considers in some depth the learning from the approach. It was always a voluntary partnership of the Council and the LGA drawing in professional audit and employer support. Its aim was to help Wirral to deal with the fundamental corporate challenges it faced, not to respond to individual complaints or reports. It now feels right that the Council and the LGA jointly agree the next phase based upon the recommendations in this report

I have personally seen my role as Chair shift from contact most days to far less frequent meetings and conversations. At first, as we looked into Wirral's difficulties, we found further serious issues in addition to those already shared. As we looked at these we felt that some denial was creeping in.

We offered advice, an essential part of our role, to ensure things were not denied or made worse. Now that there is strong managerial/ political leadership and a well-planned approach the role is very light touch in both time and necessary advice. One of the real joys has been to see Wirral learning from others, challenging themselves in peer review and growing in confidence about their strengths and ability to contribute particularly in Merseyside. It has also been good to see them build the basics anew and reshape the approach to the budget and refresh their governance.

As chair it has been a privilege to work with external politicians and key partners who have generously shared their knowledge. It could not have worked successfully though without the work of all 3 group Leaders from Wirral, the strong partnership of the Leader of the Council and the new Chief Executive, the Portfolio Holder for Governance and Improvement and the reformed senior management team. It has been a strong team effort and I owe my thanks to all on the Board.

Joyce Redfearn

SECTION A:

BACKGROUND AND PURPOSE OF THE REVIEW

BACKGROUND AND PURPOSE OF THE REVIEW

1. Between 2010 and 2012 Wirral Council received a number of external reports highlighting organisational and Corporate Governance failings within the authority. In January 2012, Wirral Council's Cabinet met to consider the findings of a report commissioned from Anna Klonowski Associates (AKA) to undertake an independent review of the whistleblowing complaints raised by Martin Morton, relating to claims of overcharging of vulnerable adults in Council care homes between 1997 and 2011. As part of the review AKA also produced a highly critical report of the Council's overall approach to corporate governance.   Following the discussion at Cabinet, Wirral Council/LGA Improvement Board was established in February 2012.

2. At that point, Wirral had a number of common critical issues that emerged consistently from these external reports.

    *   It was a Council which was seen as having a silo culture and a lack of corporate and strategic thinking.
    *   As a council it was very internally focused rather than being an organization that looked outwards and learnt from others.
    *   Member-officer relationships were poor, and leadership was unaligned and not based on trust.
    *   Wirral was also considered to be lacking in openness and transparency, and this led to the reputation of the council to be weakened in the eyes of our residents, MPs and the press.
    *   Financial and strategic planning were weak, and systems and processes needed to protect the Council from being exposed to significant risks were not in place effectively, and/or were not complied with consistently. There was a £17m gap in funding that Members and many officers were not aware of as a result as well as debts that had not been managed effectively.

3. This created an environment where trust, clarity of responsibilities, vision and strategic planning were not able to flourish, and resulted in behaviours which prevented the Council from being able to serve its community in a way which any ordinary council would want to. In particular, As evidenced by the AKA report published in January 2012, the Council had not served its most vulnerable adults well.

4. These problems also masked areas of excellence. For example the Council's consistently highly rated children and young people's services, and its positive approach to the economy. While Wirral did not have its foundations right, it is a testament to many members and officers within the authority that they achieved remarkable things *despite* the context in which they operated.

5.   These issues culminated in the publication of the AKA report in January 2012. The Council accepted the recommendations made by all the reports, acknowledged its areas of failings and started to consider how it could be address them. In doing so, it asked for outside support, and despite significant pressure for intervention, a proposal was put forward by the LGA about how they could support the Council in addressing the issues raised in the reports. The proposal also set out the LGA's response including two broad phases to address immediate issues and longer term outcomes. It was also noted that evaluating the effectiveness and impact of LGA projects was central to its work and its client approach.

6.   Terms of reference (Appendix 3) were developed and the first full meeting of the Improvement Board was held in early February 2012. The initial intent was that the Improvement Board would exist for at least 18 months to allow for appropriate guidance and support to take place. It is therefore timely that a review now takes place to consider the Board's role in providing future support to Wirral. This report is an opportunity to reflect on what difference 18 months of sector-led improvement approach has achieved when allied with an organization that was determined to improve and that acted on that determination. As with any turnaround situation, the first steps were shaky, but over time they have strengthened, and the following report gives a picture of how a changed organization has emerged.

SECTION B:

APPROACH

APPROACH

7. In writing this review, we have sought to weave together the various strands of improvement activity that have taken place. This provides a narrative that describes the process of change that Wirral Council has experienced, where it is now, and that identifies the next steps that provide assurance that it is a Council that recognizes its strengths and weaknesses, and has clear plans in place to address the next stage of its development.

8. It is important, however, that we identify clearly the steps that Wirral has taken to address the critical issues that were the trigger for the establishment of the Improvement Board. To this end, the **first section** of this report gives an Executive Summary of the priorities for action, the progress made, and where we believe Wirral should focus now. In addition it also provides a summary of the Council's response to critical reports.

9. In addressing these issues the Council has also taken the opportunity to look more broadly at how it could strengthen its corporate core, and address the financial challenges it faces. This report identifies the work that has been done to try and achieve this.

10. To this end the **second section** of the review combines the learning from the critical reports with the aspirations the Council now has, and builds on the Councils own recognition of areas which could be improved. One of the outcomes of the Improvement Board being in place has been the visible shift of Wirral Council to being one that is willing to acknowledge that there will always be areas that can be improved, and being open to learning from others. The aim of the review is to support Wirral to keep improving, and to identify those things that will support it in facing the challenges that other Councils also face.

11. The early work of the Improvement Board identified five improvement priorities as the basis for the Council to structure its Improvement Plan. These were:

    - Leadership: Political and Managerial
    - Corporate Governance and Decision-Making
    - Corporate Plan
    - Budget and Financial Stability
    - Critical Services Areas: Safeguarding and Developing the Economy

12. In July 2013, it was agreed that Wirral should focus more on the outcomes it wanted to deliver through improvement activity. The outcome areas agreed upon by the Board were

- Effective planning and delivery of the efficiencies
- Demonstrating Corporate Health, and
- An effective assurance framework

13.   These outcomes have been woven into the narrative in each of the priority sections. For each priority, we have provided a narrative as described above, and also links to evidence which illustrates the reality of the narrative.

SECTION C:

EXECUTIVE SUMMARY

RESPONSE TO CRITICAL REPORTS

14.   The establishment of the Board in February 2012 was intended to support the Council in addressing the broad issues of governance that arose out of a number of external critical reports. It was not the role of the board to investigate those individual reports and respond to them. That remains the responsibility of the Council. The Board would want, however, to recognize that those issues are very important to the Council, members of the local community and those directly affected by them. A response to those critical reports is being taken through the Council's Audit and Risk Management Committee, and will be made public at the same time as this report. In order to provide easy access to that report we have inserted it here, but the appropriate route for responding to it lies within normal Council processes.

RESPONSE TO
CRITICAL REPORTS 2

ORGANISATIONAL IMPROVEMENT

15. As noted in the section on our approach to this review, the Improvement Board agreed five key priorities for action by the Council. This Executive Summary highlights actions taken and the next steps recommended. The detail for each of these is provided more fully within each Priority chapter in the report.

Leadership: Political and Managerial

16. **The issue**: Trust and respect needs to be developed between politicians and senior management. There is a requirement for strong strategic leadership and oversight of delivery. Development needs for Members and management should be identified and addressed. Addressing these key areas of focus will support the establishment of a strong corporate culture and a sense of organisational cohesiveness.

17. **Action taken**:

   17.1 The Corporate vision for the council has been reviewed and agreed. A future operating model has been developed which is now being consulted on, and which will be presented to the Policy Council along with the Medium Term Financial Strategy.

   17.2 Wirral has become much more outward-looking. The Council has actively sought out best practice from other local authorities with visits being undertaken to explore new and alternative ways of delivering services.

   17.3 Developing Political and Managerial Leadership has been a strong focus. New Member briefing and decision-making processes have been implemented, with regular Cabinet briefing and development sessions being held. A Leader's Board has been established as a key mechanism for the Chief Executive to engage with Political Group leaders. The three group leaders, particularly in the early days, took some difficult decisions together.

   17.4 The progress described above has not been without challenge. It must be acknowledged that not all Members agree with the new constitutional arrangements, and there was considerable debate in Council when they were voted on. There are differing levels of engagement with training and development sessions, although those who do attend from across all parties really add value and strengthen the work being discussed.

17.5   The senior management restructure was completed in April 2013 with three new Strategic Directors being appointed leading to a strengthened and more cohesive Chief Executive's Strategy Team.

17.6   Development needs for elected members and managers have been identified. A new Member Training and Development programme has been running from January 2013, and a Leadership Programme and Management Development programme were launched in September. Further work is underway to embed the new appraisal system, ensuring the rest of the workforce is moved away from the previous Key Issues Exchange and onto performance appraisal.

17.7   The Council is proactively responding to the changing needs of their communities through remodelling to ensure that it is able to deliver the most sustainable, effective, targeted services possible. The move to a neighbourhood delivery model is fundamental to this thinking and the redesign of services and delivery models. The development of Constituency Committees will be key to harnessing further citizen engagement within the policy making process.

18.   **Next steps**

18.1   Significant progress has been made in 18 months on this area of focus, however **the immediate and urgent need for a clear vision remains a high priority.**

18.2   It is clear from the work has been undertaken in producing Wirral's three year budget plan that significant financial challenges remain (like many other Councils). The response to these difficult circumstances requires not only a new vision for Wirral – it requires a **new council model**.

18.3   The **use of the Leaders Board** still needs refinement on timing and on its use as an opportunity to debate matters which they determine are important. The Board will support effective engagement on matters which they feel can be enhanced by cross-party discussion.

18.4   **Embedding the culture change is vitally important,** and to date has been impacted by the capacity for such work being diverted to managing the significant budget challenges and the impact of the budget decisions. The focus is now **on delivering a step change shift in the way senior staff and managers think,**

plan and act to build the skills, knowledge and behaviours needed to transform the council.

18.5   It is crucial that the Council embeds **a shared understanding regarding what behaviours are appropriate** when developing relationships internally and externally. Ipsos Mori have been appointed to repeat the 2012 **Employee Survey**. Specific measures will be included to evaluate the level of engagement and motivation staff attach to both the key priorities of the organisation and their opinion of the leadership of the Council.

18.6   Wirral Council has indicated that it would like to invite the Improvement Board to engage in an external conversation about progress in March next year to demonstrate clear evidence of delivery.

Corporate Governance and Decision-Making

19.   **The issue:** The need to establish effective governance procedures, particularly with regard to risk management, whistle blowing and audit. Also to ensure there is a clear protocol for sharing information with Members and a clear scheme of delegation. The expectation is that this will contribute to developing a culture of openness rather than secrecy.

20.   **Action taken**

20.1   Considerable progress has been made. The Council's Constitution has been fully reviewed with a revised version agreed and adopted by the Council in April 2013, ensuring that it remains lawful and fit for purpose. The constitution introduces a new scheme of delegation and member/officer protocols including a clear protocol for sharing information with Members.

20.2   The new procedure for full council meetings has now been in place for three meetings and the Council is committed to ensuring that the revised arrangements are kept under review.

20.3   A revised set of contract procedure rules and financial regulations to ensure transparent and robust arrangements are in place.

20.4   It is proposed to strengthen the independent nature of the Audit and Risk Management Committee through the appointment of a majority of external members. The Audit Opinion has also been received by Cabinet and states that the financial statements give a true and fair view of the financial position of the Council at 31 March 2013 and of its expenditure and income for the year and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

20.5   Besides commenting on the Financial Statements Grant Thornton also report on 'Matters by exception'. Grant Thornton reported an adverse conclusion on the Councils' arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2013.

20.6   The Financial Resilience Report expanded on these issues and whilst there was an adverse (red) rating Grant Thornton recognised the progress made by the Council during 2012/13 with the Direction of Travel being rated as 'amber'. It should be

borne in mind that the conclusion is based on the arrangements that were in place throughout the full year.

20.7   The Council's Overview and Scrutiny function has been completely overhauled moving from six overview and scrutiny committees to four Policy and Performance Committees. Members have been very engaged in the process and initial feedback is mostly positive, although concerns have been raised about the size of the scope for the Families and Wellbeing Policy & Performance Committee.

20.8   There has also been a revision of the Council's portfolio areas to ensure they reflect organisational changes and priorities.

20.9   The Council has strengthened the ways in which people can raise their concerns, including the Whistle-blowing and Grievance policies, which will be further reviewed in the light of recent legislative changes.

20.10 The Council's Code of Corporate Governance has been refreshed to align with the CIPFA/SOLACE Framework for Good Governance.

20.11 Wirral had one of the highest numbers of Freedom of Information requests in the country, and the timeliness of responses was poor, leading to a requirement in this last year by the Information Commissioner for Wirral to achieve an audited 85% response rate over a three year period. At the time of writing this report, that standard has been met.

20.12 There has been some progress in establishing an effective and coordinated approach to shaping and implementing policy. The Council's policy unit has been consolidated within Policy, Performance and Public Health, as part of the Chief Executive's Department. The Council now regularly scans the horizon better for threats and opportunities ahead, providing dedicated policy briefings for members of scrutiny and portfolio holders, as well as the Chief Executive's Strategy Group.

20.13 The Council's Corporate Risk Register is regularly reviewed to ensure it reflects the view of the Council's senior executive of the most critical strategic risks facing the Council in delivering its long term vision and the Corporate Plan.

21.   **Next steps**

21.1 Now that improved frameworks and processes are in place. A key challenge is to **ensure compliance to the revised procedures**.

21.2 To test the changes that have been made, **two reviews of the arrangements will be carried out**. A survey will be carried out prior to the end of the calendar year to test Members views of the revised Council meetings, so that any amendments to support the effective running of the meetings can be made. Secondly, a full review of the constitutional arrangements, including scrutiny will be undertaken in January/February 2014.

Corporate Plan

22.   **The issue:** The need for an agreed Corporate Plan that sets out clear priorities reflecting a good understanding of citizens' and customers' views through consultation, participation and localism. This is to be underpinned by rigorous performance management and through effective performance appraisal arrangements secure specific outcomes for the borough.

23.   **Action taken**

    23.1   A new three year Corporate Plan was approved by Cabinet on 18th February 2013 setting out the principles for the future shape and design of the Council and its services. The Corporate Plan was underpinned by the successful What Really Matters consultation, which provided a good understanding of citizens' and customers' views, enabling clear priorities to be set in an informed way.

    23.2   A more rigorous Performance Management Framework to secure specific outcomes for the Borough has been developed. The framework was drafted in consultation with senior managers and Members, and was approved by Cabinet in July. Policy & Performance Committees now receive regular performance dashboards, containing information that is accessible, clear and candid. Exception reports are presented where performance is falling below targets.

    23.3   The new performance management framework is underpinned by revised performance appraisal arrangements. A new performance appraisal process has been developed and initially rolled out for the top three tiers of management, with the remainder of staff still undergoing the former Key Issues Exchange.

24.   **Next steps**

    24.1   The **Corporate Plan will need to be refreshed** to reflect the updated vision and proposed model for delivery and taken through the Council for debate and approval. It would be helpful if it was also able to reflect the outcomes of the remodeling of the council that will be presented in January.

    24.2   It will be really important to **ensure that the performance management and appraisal systems are properly embedded in**

the Council so that more proactive management of risks and staffing resources can mitigate against future pressures.

Budget and Financial Stability

25.   **The issue:** To ensure there is a clear longer-term financial plan in place, linked to the Corporate Plan, setting out how the Authority will respond to reducing levels of resources. This will include the development and enhancement of the Strategic Change Programme, and the development of a clear commissioning strategy for the Authority.

26.   **Action taken**

26.1   The Medium Term Financial Strategy 2013-16 was agreed on 5 March 2013 and identified a £109m budget gap. The Council are on track to achieve the first year's savings (£49m) and monitor this through the monthly revenue monitor.

26.2   The Council intends to pro-actively respond to the changing needs of their communities through remodeling Wirral Council to ensure they are able to deliver the most sustainable, effective, targeted services for our communities possible.

26.3   This approach would see the workforce reduced in a targeted, strategic fashion, taking an equitable and fair approach to staff regardless of service area. Focus will be upon achieving savings within back office, administrative areas where the Council has a particularly high comparative cost.

26.4   Wirral together with Liverpool, St Helens, Knowsley, Sefton and Halton (Liverpool City Region) have submitted a plan to DCLG to create a Combined Authority for the area. Wirral is also proposing to establish a network across all Combined Authority areas in the North of England which would include a population of almost 10 million. The network provide opportunities for joint working, sharing best practice and ensuring that there is a robust approach to act as a coordinated voice in discussions with central government.

26.5   The Leader of Wirral Council has signed a formal agreement with the Leader of Cheshire West and Chester Council which outlines proposals to share a number of back office services to deliver efficiencies and substantial savings in future years.

26.6   The Council is implementing a model of Constituency Committees, and is seeking to identify and devolve responsibility for suitable services – currently provided centrally by the council - to these committees. The Council is one of nine authorities that have recently been invited to participate in the Public Sector Transformation Network.

26.7   A range of alternative delivery models are being explored. This includes a potential future delivery model for Leisure Services and a significant programme of transformation across the Families and wellbeing Directorate.

26.8   Wirral has identified its intention is to adopt a corporate approach to how the Council strategically commissions activities for the benefit of its communities recognising that this will need to complement the commissioning activities being undertaken at a neighbourhood and individual level.

26.9   The Council is seeking to transform the way it delivers its services to customers and deliver savings by driving more customer contact through lower cost access channels, by developing the range of services available to self access, making these interactive and responsive minimising the requirement for staff support in these actions.

27.   **Next steps**

27.1   There is now a strong grip on budgetary control, however it is important to **create additional emphasis on financial planning aligned to the overall corporate vision**.

27.2   Wirral needs to **keep the pace on delivering transformation, and particularly to address the issues facing us in respect of the health and social care system (both for children and adults).**

Critical Services Areas: Safeguarding and Developing the Economy

28.   **The issue:** To ensure that there is a clear organisational focus on critical service areas such as safeguarding (children and adults) and developing the local economy through ensuring we improve the skills of local residents and stimulate the private sector to grow and create jobs. Adopting this approach will develop skills in service and strategic review processes.

29.   **Action taken**

Safeguarding

29.1   An independent Safeguarding Peer Challenge was undertaken in May 2012. This important exercise focused on issues stemming from the Care Quality Commission inspection of 2010, which

found performance in relation to safeguarding 'poor with uncertain capacity for improvement'.

29.2   The Peer Challenge report praised the structure and accountability of the Safeguarding Adults Board, which has been cited as an example of good practice by the national Improvement and Development Agency.   The review also praised the quality of self-awareness, self-assessment and a new openness to external challenges.

29.3   A new Strategic Director for Families and Wellbeing was appointed in March 2013 and developed an improvement plan for the directorate. A new Director of Adult Social Services and changes in the senior management team have had a positive effect on the ability of leadership to set a clear agenda for safeguarding adults.

29.4   An action plan has been developed to deliver improvements in safeguarding. Progress so far and acknowledgement of the challenges still ahead have been given at a national level.

Developing the Economy

29.5   The Improvement Board has previously acknowledged that the Council's Investment Strategy and approach to economic development are an area of high achievement.

29.6   Wirral has had strong partnerships as a Borough, but have not always 'punched their weight' in the region. This is clearly changing, for example Wirral is actively engaged in the development of the Combined Authority, and also links with the Mersey-Dee Alliance.   The Leader of the Council is taking the lead in developing a new EU Structural Funds Programme for the period 2014-2020.

30.   **Next steps**

30.1   It will be important to ensure that the **corporate safeguarding role is embedded across Wirral**. This would be enhanced by ensuring that within transformation programmes the quality of services remains the highest priority, and that the most vulnerable are protected and enabled.

30.2   There is much to celebrate in the economic achievements of Wirral and in its increased role within the Liverpool City Region and more widely. It will be very important for the Council to **continue to punch its weight and look outwards**

SECTION D:

REVIEW OF PRIORITY AREAS

PRIORITY 1 ▪ LEADERSHIP: POLITICAL AND MANAGERIAL

31.   The emphasis of this priority was stated to be:

Trust and respect needs to be developed between politicians and senior management. There is a requirement for strong strategic leadership and oversight of delivery. Development needs for Members and management should be identified and addressed. Addressing these key areas of focus will support the establishment of a strong corporate culture and a sense of organisational cohesiveness.

32.   Within this, three areas for action were identified:

- To develop a shared vision and purpose for the organization

- To design and implement a leadership programme

- To review best practice and put in place an effective model for elected members and senior managers to work together.

33.   The Council's Corporate Plan for 2013-16 describes its vision for Wirral as "Wirral should be a place where the vulnerable are safe and protected, where employers want to invest and local businesses thrive and where good health and an excellent quality of life is within reach of everyone who lives here.

34.   This statement has been recently reviewed with Elected Members from all parties to ensure its content is still appropriate for the Council and the Borough. There was cross-party agreement to it remaining as the vision for Wirral Council and Wirral the place. It has been further tested with partners at the Public Service Board and the consensus was agreement to continue with the statement for a further year.

35.   At the meeting of the Improvement Board in September, the board agreed that it wished to receive information outlining the Council's vision and future operating model to ensure there is a clear overarching direction for the Council. It felt what was required was a clear framework within which a number of existing and developing initiatives to move the Council forward would fit and to ensure the Council can respond to a rapidly changing local government landscape. This would shape the work that needed to be carried out, not just to meet the financial challenges of the future, but also to recognize the shift in emphasis from centralized services to much more locally influenced decision-making.

36.   It also wished to see how all current activity including the 8 transformational projects linked into the vision and future state model. A draft model has been presented to Elected Members which is included in this report as Appendix 1, and which highlights three main principles:

- "***Local Solutions, local decisions***: our Members are leaders within their communities, using devolved powers and responsibilities to make the best use of resources in their area, inspiring communities to come together to find the right solutions to address local need and improve residents lives.

- ***Promoting Independence***: We will strive to ensure all residents, especially the most vulnerable, are recognised for the talents and assets they have. We will work to equip them with the tools and knowledge to enable them to make the choices that are right for them and their families. In this way, together we will work to deliver the best possible quality of life for all our residents.

- ***Driving Growth and Aspiration***: We will work with residents encouraging them to hold the same level of ambition for their communities as we have for Wirral; driving growth in our economy and with it aspiration, achievement and employment, particularly among our younger people. This will help to reduce poverty and secure a healthier economic future for our communities."

37.   The key delivery mechanisms supporting these principles include neighbourhood working, community budgets, our transformation projects, and our investment strategy. The approach is linked to exploring new delivery models, changing behaviour, workforce modernisation and improved business performance. This will be used to refresh and update the Corporate Plan, and subject to agreement at Policy Council will drive the work of the Council both internally, and in its partnership working.

38.   The past eighteen months have been largely devoted to managing the immediate financial pressures, rebuilding the corporate centre and senior management. This work has resulted in extremely tough decisions being made which are being implemented and the Council is currently in the process of consulting on the next round of budget options, with a view to taking further, equally difficult decisions.

39.   However the Improvement Board and the Council have recognized the need to set out a clear vision of the shape and future of Council services. A number of Elected Member events have been undertaken during the past year helping to shape that vision, and many of the

external members of the Improvement Board have not only attended, but assisted in running those events, bringing their perspective and experience in helping to create a constructive debate, moving Wirral forward. As this report is being written, this vision is being honed, and will underpin a refreshed Corporate Plan and, built from it, a revised Medium Term Financial Strategy. Both of these documents will be taken to a Policy Council at the beginning of December for debate and hopefully agreement.

40.   Developing Political and Managerial Leadership has been a strong focus in the early phase of the Council's improvement journey. A programme of development sessions have been held for all Members to shape new governance arrangements, the Council's transformation priorities and future design. This wider engagement of elected members has assisted in establishing buy in and commitment to the emerging vision for the future.

41.   New Member briefing and decision-making processes have been implemented, with regular Cabinet briefing and development sessions being held. Meetings are held between with Portfolio holders and senior chief officers to ensure that they are fully briefed on proposals, have documented decision-making, and have the opportunity to debate and shape the work that is undertaken within their remit. Portfolio Holders now present their own reports at Cabinet meetings instead of officers, and at Council and this demonstrates a good working relationship between portfolio holders and officers.

42.   A Leader's Board has been established as a key mechanism for the Chief Executive to engage with Political Group leaders. These sessions provide an opportunity to discuss emerging issues and increase collaboration on key issues such as changes to the constitution. Recently the Leaders have reflected on the meeting, and overall feel that there is value in continuing to meet in this way. It has been agreed, that it could be strengthened by acknowledging this meeting as an opportunity for the Leaders of all three parties to discuss any matters which they feel are critical to the effective delivery of local authority responsibilities. Examples of issues discussed at the Board meeting to date include reviewing the way the Council works, discussions on various aspects of the future Council model and the budget.

43.   Additional support arrangements for Members have been introduced including a dedicated interactive toolkit and enquiry system as well as dedicated scrutiny and policy briefings. All these measures have helped develop and increase trust and respect between politicians and senior managers.

44.   The senior management restructure was completed in April 2013 with three new Strategic Directors being appointed leading to a strengthened and more cohesive Chief Executive's Strategy Team. This has made a significant difference, setting new standards in management behaviour, which in turn has led to stronger strategic leadership and clear oversight of the key delivery priorities. There is strong corporate management, silo's have been broken down, a tier of management costs have been reduced, and there is improved communication overall.

45.   Development needs for elected members and managers have been identified. A new Member Training and Development programme has been running from January 2013, and a Leadership Programme and Management Development programme were launched in September. These programmes are addressing development needs for members and managers helping to ensure that transformational leadership skills and behaviours are developed at all levels across the organisation.

46.   These changes have been hugely supportive in establishing a strong corporate culture and a sense of organisational cohesiveness. This change in culture at the top of the organisation was acknowledged by the Improvement Board. (Key messages 21/09/2012). There is a real sense of a changing political culture in Wirral. Portfolio holders are demonstrably holding themselves accountable more visibly through their reports to Council, and while this is at times uncomfortable, it is something that the believe it is good to do as it opens up the decision-making process.

47.   In relation to other criticisms, Wirral has become much more outward-looking. The Council has actively sought out best practice from other local authorities with recent visits to Warrington and an all-party visit to Rochdale to explore new and alternative ways of delivering services. A visit to Northamptonshire is also planned to explore their approach to shared services.

48.   Councillors have also visited Sefton and Blackburn with Darwen to observe their Council meetings prior to approving a new constitution and scheme of delegation last month.

49.   At the LGA's recommendation, the Council recently visited Sunderland Council to meet with Elected Members and officers and hear about their approaches to delivering back office savings, neighbourhood working and how they have devolved substantial funding to area committees, and their recent review of scrutiny arrangements – all of which are currently important areas of focus for Wirral. Sunderland Council are now planning a return visit to Wirral in order that we can

share the approaches that have been recently developed, including shared services and exploring new models for delivery.

50. The progress described above has not been without challenge. It must be acknowledged that not all Members agree with the new constitutional arrangements, and there was considerable debate in Council when they were voted on. There are differing levels of engagement with training and development sessions, although those who do attend from across all parties really add value and strengthen the work being discussed.

51. An annual business planning cycle has been developed to ensure resource allocated through the budget process is aligned to corporate priorities.

52. The Council has a proven track record in undertaking successful public consultations, particularly *Wirral's Future* and *What Really Matters?* However the development of Constituency Committees will be key to harnessing further citizen engagement within the policy making process.

53. Further work is underway to embed the new appraisal, ensuring the rest of the workforce are moved away from the previous Key Issues Exchange and onto performance appraisal This will clarify expectations of employees, ensuring that they are able to improve performance through learning and feedback which in turn will support the delivery of the elements of the performance framework.

54. An absolutely critical element of delivering different future is to design and implement a cultural change programme. Whilst there has been some demonstrable progress, in particular that the relationship between Councillors and Officers is one of increasing trust and respect, the original aspiration to have a change in culture that ensures expectations and behaviours are understood, shared and embedded across the Council within 12 months has been impacted by the need to respond to the immediate financial challenges, and the capacity available. However, there are clear plans in place to embed this culture change and these have been shared with Improvement Board members.

55. Key changes have now been made to the Council's policies and procedures and the measures that will now be taken to ensure they are reflected in a change of culture across the Council.

Resilience and change

56.	To ensure that the level of truly transformational change required across the Council is delivered effectively and in a sustainable way the Organisational Development Programme has been tailored accordingly. This work includes training regarding leading and managing change, managing personal resilience and staff wellbeing. Team coaching is also being provided alongside a full staff support programme.

57.	The identification of staff as 'Change Agents' is a key indicator of a shift in culture for the organisation, recognising that leadership must be recognised and developed at all levels across the Council. This programme aims to quickly advance emerging and future leaders so that we 'grow our own talent 'for the future.

58.	The first cohort of 'Change Agents' have been selected from across the Council and are now undergoing a comprehensive programme of training, these colleagues will now be tasked with providing ongoing expertise to support the delivery of the Council's transformational projects.

Leadership development programme

59.	The Leadership Development Programme is a ten day modular leadership programme held over three months for senior managers (those who report to a Head of Service). The programme will be rolled out during the Autumn and will help to ensure that transformational leadership skills and behaviours are developed at all levels across the organisation.

Management expectations

60.	The Management Development Programme is based upon the Leadership and Management Essentials Framework, which includes aspects focusing on communication, performance management, financial management, change and service development, health and safety at work, people and culture and risk management. This is a key programme that will help to deliver a better understanding of how things should be done at all levels in the Council. This will be mandatory for all staff who manage staff or who have financial responsibilities.

Culture change and staff engagement

61.	A series of staff road shows are being planned alongside the launch of the refreshed Corporate Plan where staff will be 're-inducted' into the organisation and asked to sign a pledge confirming their engagement and agreement with both the priorities for the organisation but also the values and expected behaviours.

62.   It is vital that all staff understand what they are accountable for. To contribute towards this, the Council intranet is being completely redeveloped and refreshed. This will help to ensure that the policies, procedures and systems which employees must follow (including everything from HR procedures to procurement) are clear, accessible and fit for purpose. Measuring how clear staff are regarding their responsibilities is being embedded in the Council's performance appraisal system.

63.   Communication between departments, and within departments from directors to staff, was highlighted as being a cause for concern within the staff survey in 2012. The restructure of the Council and the creation of a strengthened and more cohesive Chief Executive's Strategy Team has made a significant difference. A refreshed internal communications strategy will be launched this Autumn that will focus on supporting this.

64.   Peer Members of the Improvement Board have provided training support for Councillors and facilitation support at a series of all party Member visioning events.

65.   Funding and support from North West Employers has included a collaborative leadership programme for officers and an accredited skills programme for Councillors.

66.   The Peer Challenge identified concerns about HR capacity, stating that

        'We think now is the time to strengthen the corporate support functions. You have rightly sought interim capacity and expertise to help tackle the most pressing and acute challenges and implement the immediate changes required. This approach has served you well. We highlighted in our last report that you need to strengthen your HR capacity and we still think this is the case. We suggest you now need to do some 'long term strengthening' rather than 'short term patching', shifting the emphasis from repairing the current organisation with interim expertise to building the future one with permanent capacity. In doing this you will need to consider the style of some of the support functions the council of the future requires. Undoubtedly this will be less about 'regulating and ensuring' compliance and more about 'enabling and facilitating' new ways of working.'

67.   It is anticipated that the new model of the Council will need to reflect this concern, as well as ensuring Member and officer capacity is considered, as there are significant issues remaining to be addressed using these skills over the next two years.

68.   As the Council continues to transform, this will inevitably put a strain on existing change and HR resources. To address this a number of Change Agents have been recruited to improve capacity through the redesigned leadership programme, but the main opportunity to review our needs lies in the remodeling work that will be undertaken during October 2013-February 2014.

69.   The Council is proactively responding to the changing needs of their communities through remodelling to ensure that it is able to deliver the most sustainable, effective, targeted services possible. The move to a neighbourhood delivery model is fundamental to this thinking and the redesign of services and delivery models.

70.   This approach will see a closer working relationship between the Council, public services and residents, with the wider community facilitating a more flexible response to residents' issues through co-ordinated services and resident involvement in shaping decisions and services. Local councillors have a significant leadership role to play in this process. Neighbourhood working provides a more cost effective approach to the future delivery of services by joining up front line delivery and tackling issues at source.

71.   The structures for neighbourhood working have been implemented, with changes to the Council's Constitution followed by the appointment of four Constituency Managers. The 2013/14 timetable for the Constituency Committees has been set, governance arrangements are in place and Community Representatives have been recruited. Council departments, Merseyside Police and Merseyside Fire & Rescue Service have restructured their services to align with the Constituency footprints.

72.   As outlined at Cabinet (May 23rd, 2013, minute 250 refers) a Constituency Service 'Hub' will be developed for each area. This Hub will act as the focal point for reorganising Council and partner services within the constituency area boundaries to address Constituency Plan issues and priorities. The ongoing development of the Constituency Service Hubs are based on a 'team around the issue' model, i.e. seeking to replicate the 'team around the child' model which has proven successful in Children's Social Care. Short to medium term locations for Constituency Hubs have recently been identified and steps are being taken to relocate the Constituency teams.

73.   As a guiding principle, services which *can* be delivered on a constituency basis *will* be reorganised and co-ordinated through the Hubs to more effectively and efficiently address local issues. As a general rule, 'specialist' services will remain centrally managed (such

as social work within Children's Social Care and Adult Social Services), but place based services at a minimum will be aligned with the Constituencies. Constituency Managers have and will continue to work with Strategic Directors to support service reorganisations and the co-location of staff on a constituency basis and to ensure that services are operating effectively.

74.   The Wirral Public Service Board (PSB) was established 12 months ago, and is chaired by the Council's Chief Executive. The Board exists for partners to proactively work together to identify and deliver efficiencies and opportunities for joint working. Through an agreed work programme, the Board develops collective responses to national and local policy drivers impacting on all partners and strategically manages Wirral's approach to neighbourhood working.

75.   Arrangements are underway to establish a local (operational) Public Service Board (in each Constituency area), with cross-Constituency issues escalated to the overarching PSB if not able to be resolved at local level.

76.   The first cohort of 'Change Agents' have been selected from across the Council and are now undergoing a comprehensive programme of training, these colleagues will now be tasked with providing ongoing expertise to support the delivery of the Council's transformational projects. In addition, the Council is identifying senior managers for the first cohort for the leadership programme and mandatory training for all staff who manage staff or who have financial responsibilities. Reviews of staff needs in relation to this training will be assessed through the continued roll out of the performance appraisal system.

Next steps

77.   Significant progress has been made in 18 months on this area of focus, however **the immediate and urgent need for a clear vision remains a high priority**, and it will be critical to get that vision, and a financial strategy to support it in place as soon as possible. As mentioned in the narrative above, this is the intention behind holding the Policy Council in December.

78.   It is clear from the work has been undertaken in producing Wirral's three year budget plan that significant financial challenges remain (like many other Councils). The response to these difficult circumstances requires not only a new vision for Wirral – it requires a **new council model**. In order to deliver this vision for Wirral, a clear new model for the Council will be established. This model will allow members objectives and priorities to be delivered, give staff a sense of direction and stability, as well as give partners confidence Wirral Council can

carry out its community leadership role. It will be underpinned by some organisational design principles – such as consistent levels of management and spans of control - that will drive a radical re-modeling of the organisation, with the aim of driving out £5.5 million in efficiencies over the next two years.

79. The **use of the Leaders Board** still needs refinement on timing and on its use as an opportunity to debate matters which they determine are important. The Board will support effective engagement on matters which they feel can be enhanced by cross-party discussion.

80. **Embedding the culture change is vitally important,** and to date has been impacted by the capacity for such work being diverted to managing the significant budget challenges and the impact of the budget decisions. This incorporates the need for continued Member and Officer development, but it is crucial that these development activities are designed to support the future model, and based on an understanding of needs within the Council.

81. Following the appointment of the senior management team and the development of a new council vision and a three year corporate plan, the focus is now **on delivering a step change shift in the way senior staff and managers think, plan and act to build the skills, knowledge and behaviours needed to transform the counci**l.

82. It is crucial that the Council embeds **a shared understanding regarding what behaviours are appropriate** when developing relationships internally and externally. Without clear and focussed activity to improve the culture within the Council, the improvement measures, strategies and plans which are in place will not be sustainable. The key behaviours required have been developed in partnership across the organisation. These are now being refined and integrated with the Culture Change and Leadership Development programmes.

83. Ipsos Mori have been appointed to repeat the 2012 **Employee Survey**. Specific measures will be included to evaluate the level of engagement and motivation staff attach to both the key priorities of the organisation and their opinion of the leadership of the Council. Further work will be done in the form of focus groups throughout the first year of this cultural change programme – these groups will focus on behaviour and attendees will be drawn from key staff groups as identified through the staff survey.

84. The values, behaviours and mission for the organisation as defined by this project will become part of the re-launched employee appraisal system. The appraisal system will use key aspects of the 'Pledge' to measure employee performance – meaning the basis of the desired

corporate culture will become embedded in the organisation over the first twelve months of this project. Survey research will be delivered through major Council services to attempt to measure behaviour and levels of customer service from residents' experiences – these surveys will focus on behaviour and will also measure satisfaction with the service itself, the council and its leadership on a regular and ongoing basis.

85.   Wirral Council has indicated that it would like to invite the Improvement Board to engage in an external conversation about progress in March next year to demonstrate clear evidence of delivery.

Evidence links

- Corporate Plan
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3872&Ver=4

- Performance Management Framework, [Performance Appraisal]
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4360&Ver=4

- Skills for Wirral Councillors – Member Training and Development Programme.

  Members Training

- Member Briefing and Decision-Making Process

  Briefing Process

- New organisational management structure.

  Organisational
Management Structure

- Skills for Wirral Managers - Training Prospectus

  Skills for Wirral
  Managers

- Council Constitution
http://democracy.wirral.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12881&path=0

- Annual Business Planning Cycle (as reported to Cabinet – Planning the Budget Process for the Next Budget Round 2014 – 17) http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4447&Ver=4

- Constituency Committees http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4473&Ver=4

- Public Service Board Terms of Reference

  PSB Terms of Ref

- Change Support Programme

  Change Support Programme

- Change Agent and Leadership Development Programme

  Leadership Programme

- Skills for Wirral Managers - Training Prospectus

  Skills for Wirral Managers

- Report on corporate culture (Demonstrating Corporate Health – reported to Improvement Board on 27 September 2013

  Demonstrating Corporate Health Rep

PRIORITY 2 ▪ CORPORATE GOVERNANCE AND DECISION-MAKING

86.   The emphasis of this priority was stated to be:

Establish effective governance procedures, particularly with regard to risk management, whistle blowing and audit. Ensure there is a clear protocol for sharing information with Members and a clear scheme of delegation. The expectation is that this will contribute to developing a culture of openness rather than secrecy.

87.   The areas for focus were identified as being:

- To ensure that the Code of Corporate Governance and supporting policies are consistently understood and followed

- To review and update the Scheme of Delegation and support systems for decision-making and provide appropriate training

- To strengthen contract procedure rules and management whilst ensuring that appropriate information is in place to enable informed decision making

- To establish an effective and coordinated approach to shaping and implementing policy

88.   Progress under 'Corporate Governance and Decision Making,' centres around a fundamental review of the Council's constitution designed to ensure it remains lawful, fit for purpose and establishes effective governance procedures. Many of the issues raised by external inspection reports illustrated an organisation which had a silo culture, poor member-officer relationships, and concerns about openness and transparency. For each of these areas, Wirral has reviewed its current the position, and a report entitled 'Wirral Council's response to critical reports 2010-13' has been produced which will be submitted to Audit Committee in November and which looks in depth at the response that has been put in place to address these areas of concern.

89.   Wirral's Improvement Board received a report in March 2013 outlining the proposed work that would be delivered in order to robustly review the Council's existing governance arrangements. This included a fundamental review of the Council's constitution including scheme of delegation to ensure that the Council has in place effective and fit for purpose delegated powers.

90. Considerable progress has been made. The Council's Constitution has been fully reviewed with a revised version agreed and adopted by the Council in April 2013, ensuring that it remains lawful and fit for purpose.

91. The new procedure for full council meetings has now been in place for three meetings and the Council is committed to ensuring that the revised arrangements are kept under review.

92. Informal feedback from Council meetings has been largely positive, with a sense that business of the council is more the focus of discussions, whereas previously the debates had often held little immediate local relevance. However, to test the views more fully, a survey will now be sent to all Elected Members during October 2013 to gather views and comments to determine whether the revised Council meeting arrangements are fit for purpose or whether further amendments are required.

93. The constitution introduces a new scheme of delegation and member/officer protocols including a clear protocol for sharing information with Members. This has helped to define the boundaries between Member and Officers, clarifying roles and responsibilities.

94. The Council's Corporate Peer Challenge follow up visit in May 2013 highlighted the progress that the Council has made to strengthen governance and decision making, ensuring that delegated powers are effective and fit for purpose. The external Peer Challenge Team recognised the steps that the Council had taken to improve and strengthen its arrangements through a fundamental review and revision of the Council's scheme of delegation.

95. Further constitutional improvements include amends to the terms of reference for the Audit and Risk Management Committee. The Committee now have additional responsibilities to oversee and agree appropriate robust arrangements for Financial Regulations and Contract Procedure Rules. The Committee agreed on the 18th September 2013 a revised set of contract procedure rules and financial regulations to ensure transparent and robust arrangements are in place. It is proposed to strengthen the independent nature of the Committee through the appointment of a majority of external members.

96. There has been a stronger focus on all areas of corporate governance over the past 12 months, and this is reflected in this year's Annual Governance Statement. The Statement looks back over 2012/13, and acknowledges and identifies many of the issues which it has been addressing through our Improvement work, and the Executive Team are reviewing actions arising from it through a Significant Governance

Issues Action Plan which is rigorously reviewed on a monthly basis by the Chief Executive's Strategy Group. The External Auditor has said that the Statement is very reflective of Wirral, demonstrating, as it does, a year of change, challenge and development.

97.   The Audit Opinion has also been received by Cabinet and states that the financial statements give a true and fair view of the financial position of the Council at 31 March 2013 and of its expenditure and income for the year and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

98.   Besides commenting on the Financial Statements Grant Thornton also report on 'Matters by exception'. Grant Thornton reported an adverse conclusion on the Councils' arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2013.

99.   The Financial Resilience Report expanded on these issues and whilst there was an adverse (red) rating Grant Thornton recognised the progress made by the Council during 2012/13 with the Direction of Travel being rated as 'amber'. It should be borne in mind that the conclusion is based on the arrangements that were in place throughout the full year.

100.   The Council's Overview and Scrutiny function has been completely overhauled moving from six overview and scrutiny committees to four Policy and Performance Committees. Three committees are aligned to the strategic directorates and have a key role in scrutinising the performance and budgets; ensuring action is taken when things are off track. A co-ordinating committee oversees the overall council performance and budget position as well as the scrutiny work programme. A single work programme for scrutiny has been developed, and contains a mixture of in depth reviews, standing items and requested reports. Members have been very engaged in the process and initial feedback is mostly positive, although concerns have been raised about the size of the scope for the Families and Wellbeing Policy & Performance Committee.

101.   There has also been a revision of the Council's portfolio areas to ensure they reflect organisational changes and priorities. Assistant portfolio holders have also been appointed. As mentioned under Priority 1, regular meetings with portfolio holders and chief officers now take place which provide a forum for discussion, and appropriate levels of decision-making.

102. Cabinet away days have also been held, so that the opportunity to debate significant policy development for the Council is strengthened and Cabinet Members are able to question, challenge and shape emerging policy proposals.

103. All political parties are fully briefed before Cabinet meetings.

104. A number of the critical reports received by the Council were a result of staff not being listened to appropriately and issues raised not being dealt with in a timely manner. As a result the Council has strengthened the ways in which people can raise their concerns, including the Whistle-blowing and Grievance policies, which will be further reviewed in the light of recent legislative changes. Further work is now underway to ensure that the updated policies are fully communicated to make all staff aware of the policies and provide consistent operation. The Council's casework system has now been in place for over twelve months ensuring the timely, accurate, and appropriate information and intelligence necessary to manage issues more effectively and to identify trends before problems escalate.

105. The Council's Code of Corporate Governance has been refreshed to align with the CIPFA/SOLACE Framework for Good Governance. Further work has been completed to map the Council's key plans and polices that evidence compliance with this framework. This mapping identifies the associated documents and the lead officer responsible and will provide a structure to ensure they are reviewed as appropriate.

106. A fundamental review of internal audit has been undertaken resulting in a new staffing structure. Wirral Council initially set up a shared arrangement with Liverpool Council, this has now developed into a mutually supportive learning network across the two councils for internal audit. A three year strategic audit plan (2013-16) has been agreed that seeks to assist Wirral Council in achieving its key priorities by promoting a secure and robust internal control environment. This is vital to the Council as it continues to address the significant governance and control issues that have been identified and reported in the annual governance statement.

107. The key changes regarding corporate governance and decision-making have significantly contributed to promoting a culture of openness rather than secrecy. This is encouraging discussions about how to face difficult challenges which are robust, open, honest and constructive. Decisions are made in a transparent way, and information is more easily available to the public, this is demonstrated by the publication of all decisions made under delegation. Wirral had one of the highest numbers of Freedom of Information requests in the

country, and the timeliness of responses was poor, leading to a requirement in this last year by the Information Commissioner for Wirral to achieve an audited 85% response rate over a three year period. At the time of writing this report, that standard has been met.

108.   The Standards and Constitutional Oversight Committee is responsible for keeping the Council's constitutional arrangements under review. They can make recommendations to Council to amend the Constitution so it can better achieve its purposes. Minor changes to the Council's constitution will be reported to the Standards and Constitutional Oversight Committee at its meeting in November, and a full review of the constitution including scheme of delegation will take place in January 2014 in order to ensure any revisions are approved by Council prior to the commencement of the 2014/15 municipal year.

109.   There has been some progress in establishing an effective and coordinated approach to shaping and implementing policy. The Council's policy unit has been consolidated within Policy, Performance and Public Health, as part of the Chief Executive's Department. The Council now regularly scans the horizon better for threats and opportunities ahead, providing dedicated policy briefings for members of scrutiny and portfolio holders, as well as the Chief Executive's Strategy Group.   There is good coordination and influence of the development of corporate planning and business planning; however there is more work to do to integrate this work with the Council's transformation agenda, and with the growing City regional, and national agenda.

110.   The Council's Corporate Risk Register is regularly reviewed to ensure it reflects the view of the Council's senior executive of the most critical strategic risks facing the Council in delivering its long term vision and the Corporate Plan. Examination of the Council's wider corporate risk management strategy is underway and is now being taken forward as a priority. The revised arrangements will ensure risks are systematically assessed and proportionate responses are put in place to those risks, to ensure management of risk does not stifle innovation.

111.   During the period of the Improvement Board, four senior Chief Officers were suspended. All have now left the authority, and a new corporate management team is in place.

Next steps

112.   Now that improved frameworks and processes are in place. A key challenge is to **ensure compliance to the revised procedures**. This will come in a number of guises – compliance by employees will be indicated through the new expectations framework and performance

appraisal. Compliance with the constitution will be through more rigorous challenge from Audit and Risk Management Committee. It is proposed that would be enhanced, by (subject to Council agreement) appointing a majority of independent members of the committee.

113. The Leader of the Council is increasingly involved with national work with the LGA. Wirral Council are now building on their existing positive relationships with key partners to ensure that the strong strategic partnerships are also reflected at a more local, neighbourhood level. **Governance of some of the local partnership boards is not currently always clear,** because of the many changes to the public sector. A partnership review which will report to the Public Sector Board in October will aim to address any anomalies.

114. To test the changes that have been made, **two reviews of the arrangements will be carried out**. A survey will be carried out prior to the end of the calendar year to test Members views of the revised Council meetings, so that any amendments to support the effective running of the meetings can be made. Secondly, a full review of the constitutional arrangements, including scrutiny will be undertaken in January/February 2014.

Evidence links

• Wirral Council's response to critical reports 2010-13 (Appendix 3 of report to Improvement Board 27 September 2013).

Effective Assurance Framework

• Constitution including scheme of delegation, member / officer protocol, contract procedure rules and financial regulations
http://www.wirral.gov.uk/my-services/council-and-democracy/how-council-governed/constitution-council

• Revised Contract Procedure Rules (as reported to Audit & Risk Management Committee
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=119&MId=4346&Ver=4

• Annual Governance Statement / Governance Action Plan / Code of Corporate Governance
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=119&MId=4346&Ver=4

• 3 Year Strategic Internal Audit Plan
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=119&MId=4344&V

---

er=4

- Sample 'Policy Inform' document (as reported to Policy and Performance Coordinating Committee as Policy Update).
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=680&MId=4600&Ver=4

115. The emphasis of this priority was stated to be:

   To put in place an agreed Corporate Plan that sets out clear priorities reflecting a good understanding of citizens' and customers' views through consultation, participation and localism. This is to be underpinned by rigorous performance management and through effective performance appraisal arrangements secure specific outcomes for the borough.

116. Areas for focus:

   • A clear set of priorities based on understanding our customers' needs and expectations.

   • Develop a Corporate Performance Management Framework

   • Objectives aligned to individual performance appraisal and development

117. Wirral Council, like any good Council, produces a Corporate Plan. A key issue for Wirral was how far that Corporate plan was owned by the Council as a whole and its influence on corporate and departmental behavior. Financial planning, in particular, did not clearly support the identified aims and objectives and it was unclear how performance appraisal and staff objectives related to the delivery of the plan.

118. A new three year Corporate Plan was approved by Cabinet on 18th February 2013 setting out the principles for the future shape and design of the Council and its services. The Corporate Plan was underpinned by the successful What Really Matters consultation, which provided a good understanding of citizens' and customers' views, enabling clear priorities to be set in an informed way.

119. The Corporate Plan provided a firm foundation upon which to undertake the next tier of business planning, the development of Directorate plans in line with the new organisational structure. These were completed by the end of May and signed off with Portfolio Holders. These Plans were scrutinised by the new Policy & Performance Committees at their inaugural meetings in July.

120. Performance Reports were produced supporting previous corporate plans, however it was not clear how they were used to drive improvement, and the Peer Challenge team identified this as an area

which needed strengthening. A more rigorous Performance Management Framework to secure specific outcomes for the Borough has been developed. The framework was drafted in consultation with senior managers and Members, and was approved by Cabinet in July. Policy & Performance Committees now receive regular performance dashboards, containing information that is accessible, clear and candid. Exception reports are presented where performance is falling below targets.

121.   In the event of a performance exception, senior managers attend Committee meetings to present an action plan detailing how they intend to get back on target. This promotes accountability amongst responsible officers and encourages robust target setting. Feedback from scrutiny Members is positive in terms of the information provided and the process increasing the level of accountability for managers in terms of service performance.

122.   The new performance management framework is underpinned by revised performance appraisal arrangements. A new performance appraisal process has been developed and initially rolled out for the top three tiers of management, with the remainder of staff still undergoing the former Key Issues Exchange.

Next steps

123.   The **Corporate Plan will need to be refreshed** to reflect the updated vision and proposed model for delivery and taken through the Council for debate and approval. It would be helpful if it was also able to reflect the outcomes of the remodeling of the council that will be presented in January.

124.   It will be really important to **ensure that the performance management and appraisal systems are properly embedded in the Council** so that more proactive management of risks and staffing resources can mitigate against future pressures.

Evidence links

- Corporate Plan
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3872&Ver=4

- Performance Management Framework, [Performance Appraisal]
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4360&Ver=4

- Annual Business Planning Cycle (as reported to Cabinet – Planning the Budget Process for the Next Budget Round 2014 – 17) http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4447&Ver=4

PRIORITY 4 ▪ BUDGET AND FINANCIAL STABILITY

125.   The emphasis of this priority was stated to be:

To ensure there is a clear longer-term financial plan in place, linked to the Corporate Plan, setting out how the Authority will respond to reducing levels of resources. This will include the development and enhancement of the Strategic Change Programme, and the development of a clear commissioning strategy for the Authority.

126.   Areas of focus

- Ensure that the service review and consultation programme reflects the impact of reducing levels of resources
- Review governance and scope of Strategic Change Programme

127.   It has already been highlighted earlier in this report, that when the Improvement Board arrived there was a significant lack of proper strategic financial planning in place. Additionally, during the last 18 months, the size of the financial challenge has been clarified and the Council has had to recognize the seriousness of its poor management of debts. The connection of financial planning to strategic aims has been inverse – the finances appeared to drive organisational strategy rather than the other way round.

128.   The Medium Term Financial Strategy 2013-16 was agreed on 5 March 2013 and identified a £109m budget gap. The Council are on track to achieve the first year's savings (£49m) and monitor this through the monthly revenue monitor. This monitoring was introduced in October 2012 as part of the improvement of financial monitoring which previously had been quarterly. These savings include £5.5m from senior management ?% of which has come from non-frontline staff. The Comprehensive Spending Review (June 2013) set out the Governments plans for 2014 to 2016. For Wirral, the figures produced by the LGA broadly mirror the Council's own calculations which forecast that they will be required to make savings of between £13.5m and £24m during the period 2015 to 2018. This is in addition to the £109m required between 2012 -15. Council agreed budget savings of £48.4m for 2013/14.

129.   As noted in Priority 1, the Council intends to pro-actively respond to the changing needs of their communities through remodeling Wirral Council to ensure they are able to deliver the most sustainable, effective, targeted services for our communities possible. The structure and makeup of the entire Council will be addressed by working with

staff to transform the workforce – its structure, its skills, its priorities and its size. At the end of next year Wirral Council's funding will have been reduced by around one third – the size of the workforce does not currently reflect this. Over a five year period, funding is projected to decrease by 57%.

130.   This approach would see the workforce reduced in a targeted, strategic fashion, taking an equitable and fair approach to staff regardless of service area. The Council will particularly look to remodel and achieve savings within back office, administrative areas where we have a particularly high comparative cost.

131.   This important exercise will deliver a flexible, fit for purpose organisation better able to adapt to the changing demands of our residents at a time of rapidly diminishing resources. This will also mean that even deeper cuts will not be made in front line services. Support and training will be required for staff during this difficult transition period.

Combined authority

132.   Wirral together with Liverpool, St Helens, Knowsley, Sefton and Halton (Liverpool City Region) have submitted a plan to DCLG to create a Combined Authority for the area. The benefits of this include the strengthening of current arrangements to enhance the transparency of decision making and importantly to provide greater opportunity to access funding. The Liverpool City Region Combined Authority will formalise existing informal arrangements, signal to businesses and the Government that the City Region was serious about working together and potentially draw down extra powers and funding from Government.

133.   This is a great opportunity for Wirral. Driving growth in the economy is a priority for the Council and partners and a Combined Authority means Wirral will be well placed to benefit from any opportunities that will support key areas such as transport, housing, employment and skills.

134.   The Liverpool City Region has requested overall responsibility of the areas strategic transport routes through the establishment of the Combined Authority which will provide similar powers to the Greater London Authority and if granted will be the only area outside London to do have this responsibility.

135.   Wirral is also proposing to establish a network across all Combined Authority areas in the North of England which would include a population of almost 10 million. The network provide opportunities for joint working, sharing best practice and ensuring that there is a robust

approach to act as a coordinated voice in discussions with central government.

<u>Shared Services</u>

136.   The Leader of Wirral Council has signed a formal agreement with the Leader of Cheshire West and Chester Council which outlines proposals to share a number of back office services to deliver efficiencies and substantial savings in future years.

137.   A joint team has been established, with a key objective of implementing a shared service by October 2014 that will release savings of at least £3.8m out of the current operating costs of £30m. Following implementation, it is envisaged the company will grow to provide services to other local authorities and public bodies.

138.   To support this initiative a £2.7 million joint bid to the transformational award fund was been submitted to the government by Wirral, Cheshire West & Chester and Cheshire East Councils. Although unsuccessful on this occasion, it illustrates the willingness of the Council to work collaboratively with neighbouring authorities. The intent now is to establish a local authority controlled company, which other Councils have indicated they would be keen to join. If this is successful it will provide significant support to progress our plans to transform back office functions.

<u>Neighbourhood working</u>

139.   Neighbourhood Working' describes an approach to service provision which engages communities in decisions made by the council and its public sector partners, including decisions about funding and the provision of services. The Council is implementing a model of Constituency Committees, and is seeking to identify and devolve responsibility for suitable services – currently provided centrally by the council - to these committees. The Council is one of nine authorities that have recently been invited to participate in the Public Sector Transformation Network.

140.   The LGA has provided additional support and capacity to the Council including dedicated support to review our assets and develop proposals, and externally facilitated workshops to review Council services and explore new models for alternative delivery.

141.   The following areas of transformation are all linked to the draft Corporate Vision and new model of working as described in Priority 1 and Appendix 1.

142.   Leisure Services - a future delivery model for Leisure Services is being developed based on the outcomes of the Strategic Review of Leisure undertaken by V4 Services. This will include consideration of options in relation to the current Sport & Recreation Service, investments proposals, golf courses, staffing structures and assets. A key outcome will be to save £2m by 2015/16.

143.   Technical Functions – alternative models of delivery are being explored for a number of Wirral Council's technical service areas, aiming to ensure the continuation of high-quality services on a more cost-effective basis. The Council will examine models such as shared services, outsourcing, social enterprises and retention in-house and seek approval for the most appropriate model.

144.   Transforming Business Support – the Council will consider options about how individual elements of business support can be best delivered whether this is via self-service, centrally, departmentally, at front of house, in a shared service arrangement, or through outsourcing. This will deliver £2.8m over the next three years.

Transforming Children and Adults

145.   The Council are seeking to transform the way it delivers services across the Families and wellbeing Directorate. The financial benefits of the approach are all outlined in detail within the Directorate Improvement Plan – but total circa £40m over a three year period. The purpose of the 3 year Improvement plan sets out the changes the directorate needs to make which are focused around 4 themes: managing the money, delivering differently, working together and transforming the business. Key areas of change include moving to an early intervention and prevention model of delivery, developing robust Commissioning processes reflecting the Councils outcome focused Commissioning approach, developing services which reflect the journey of people's lives eg all age disability service and modernising working practices eg introduction of a new care management system.

Strategic Commissioning

146.   Wirral has identified its intention is to adopt a corporate approach to how the Council strategically commissions activities for the benefit of its communities recognising that this will need to complement the commissioning activities being undertaken at a neighbourhood and individual level. The aims are to reduce duplication, reduce costs to the organisation, ensure the impact of commissioning activity is the best it

can be, to decommission where appropriate, to co commission with a range of key stakeholders and deliver through a mixture of models.

<u>Customer Access</u>

147.	The Council is seeking to transform the way it delivers its services to customers and deliver savings by driving more customer contact through lower cost access channels, by developing the range of services available to self access, making these interactive and responsive minimising the requirement for staff support in these actions. This approach is closely linked to the outcomes of the Neighbourhood Working approach in which a range of public services will increasingly be devolved to a neighbourhood level and these interdependencies will be closely managed. A report detailing service delivery options will be submitted to Cabinet in November 2013.

Next steps

148.	There is now a strong grip on budgetary control, however it is important to **create additional emphasis on financial planning aligned to the overall corporate vision**.

149.	Wirral needs to **keep the pace on delivering transformation, and particularly to address the issues facing us in respect of the health and social care system (both for children and adults).** It is positive to note that a multi-agency group, supported by AQUA, is taking responsibility, through the Health and Wellbeing Partnership, for looking at how the Wirral economy can create a sustainable health and social care system for the future.

Evidence links

- Medium Term Financial Strategy
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=3872&Ver=4

- Transformation Projects
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4473&Ver=4

- Combined Authority Report
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4360&Ver=4

- Shared Services
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4359&Ver=4

- Neighbourhood working
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4473&Ver=4

- Review of Leisure Centres and Golf Courses
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=121&MId=4360&Ver=4

- Community budget pilot submission

    Draft Wirral
    Statement of Intent

PRIORITY 5 ▪ CRITICAL SERVICES AREAS: SAFEGUARDING AND DEVELOPING THE ECONOMY

150.   The emphasis of this priority was stated to be:

To ensure that there is a clear organisational focus on critical service areas such as safeguarding (children and adults) and developing the local economy through ensuring we improve the skills of local residents and stimulate the private sector to grow and create jobs. Adopting this approach will develop skills in service and strategic review processes.

151.   Two key targets were agreed to deliver this priority:

- Deliver improvements in safeguarding through implementation of the action plan arising from the safeguarding peer review
- Develop approach to enhancing and adding value to the local economy though 'Your Economy' goals and focuses.

152.   This priority was identified to ensure that there is a clear organisational focus on critical service areas such as safeguarding (children and adults) and developing the local economy through ensuring we improve the skills of local residents and stimulate the private sector to grow and create jobs.

153.   The Improvement Board has previously acknowledged that the Council's Investment Strategy and approach to economic development are an area of high achievement (Key messages, 19 October 2012). The Improvement Board further agreed that the Investment Strategy Board is the most appropriate forum to continue its successful work in championing this priority for the Council.

154.   Wirral has had strong partnerships as a Borough, but have not always 'punched their weight' in the region. This is clearly changing, for example Wirral is actively engaged in the development of the Combined Authority, and also links with the Mersey-Dee Alliance.   The Leader of the Council is taking the lead in developing a new EU Structural Funds Programme for the period 2014-2020. Wirral is also the lead local authority in the Liverpool City Region for sustainable energy, shared services and youth unemployment at both Elected Member and officer level.

155.   An independent Safeguarding Peer Challenge was undertaken in May 2012. The Safeguarding Peer Challenge exercise focused on issues stemming from the Care Quality Commission inspection of 2010, which

found performance in relation to safeguarding 'poor with uncertain capacity for improvement'.

156. The Peer Challenge report praised the structure and accountability of the Safeguarding Adults Board, which has been cited as an example of good practice by the national Improvement and Development Agency.

157. The appointment of a new Director of Adult Social Services and changes in the senior management team were described as having had a positive effect on the ability of leadership to set a clear agenda for safeguarding adults.

158. The Adult Social Care Peer Review reported that there was a new Departmental culture with a clearer sense of direction and increased communication with staff. A clear link was observed between the corporate priorities and those of the department, with Adult Social Care central to achieving corporate priorities.

159. The review also praised the quality of self-awareness, self-assessment and a new openness to external challenges.

160. Whilst the progress the Council had made in relation to safeguarding was acknowledged, areas for improvement were also identified. An action plan was developed to deliver improvements in safeguarding and On 24th January 2013 the Director of Adult Social Care presented a report to the Towards Excellence in Adult Social Care Board, outlining the progress made since 2011. A letter from Peter Hay, the Chair of the Board (and then national President of ADASS), endorsed the Director's appraisal of the progress made so far and his recognition of the challenges still to be faced.

161. A new Strategic Director for Families and Wellbeing was appointed in March 2013 and developed an improvement plan for the directorate. The purpose of the plan is to clearly set out the changes the Directorate needs to make to its position as a commissioner and deliverer of services at a time of very challenging fiscal constraint.

Next steps:

162. It will be important to ensure that the **corporate safeguarding role is embedded across Wirral**. This would be enhanced by ensuring that within transformation programmes the quality of services remains the highest priority, and that the most vulnerable are protected and enabled.

163. There is much to celebrate in the economic achievements of Wirral and in its increased role within the Liverpool City Region and more widely. It will be very important for the Council to **continue to punch its weight and look outwards**

Evidence links

Investment Strategy
http://www.wirral.gov.uk/my-services/business/investment-strategy

Outcome of Safeguarding Peer Challenge and Adult Social Care Peer Review.
Health and Well Being O&S Committee 10th September 2012:
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=531&MId=3911&Ver=4

Implementation of recommendations from AKA Report. Health and Well Being O&S Committee 10th September 2012 (see link above).
http://democracy.wirral.gov.uk/ieListDocuments.aspx?CId=531&MId=3911&Ver=4

SUMMARY OF NEXT STEPS FOR WIRRAL

164. This report has been written to provide a position statement for Wirral, but also to highlight those steps that will support its aim of continuous improvement. It is important to acknowledge that work on these areas has already started, and we endorse their importance. The issues identified below bring together the next steps identified throughout the document.

165. **The immediate and urgent need for a clear framework to deliver the vision remains a high priority**. This needs to be supported by s**trategic financial planning aligned to the overall corporate vision** and **a remodeling of the Council to enable delivery.**

166. **Embedding the culture change is vitally important,** and both Members and Officers have a key role to play. The approach that is planned is welcomed, so it will require everyone to ensure that it doesn't get lost in the need to meet financial pressures. D**elivering a step change shift in the way senior staff and managers think, plan and act to build the skills, knowledge and behaviours is needed to transform the counci**l.

167. A key challenge is to **ensure compliance to the revised procedures**. Compliance with the constitution will be through more rigorous challenge from Audit and Risk Management Committee. It is proposed that would be enhanced by (subject to Council agreement) appointing a majority of independent members of the committee. The Leader of the Council has indicated that he will develop a proposal for consideration by Councillors alongside the review of the Constitution.

168. There is much to celebrate in the economic achievements of Wirral and in its increased role within the Liverpool City Region and more widely. It will be very important for the Council to **continue to punch its weight and look outwards**

169. **There are significant risks financially, we would advise that the Council keeps the pace on delivering transformation, and particularly to address the issues facing the health and social care system (both for children and adults).** An effective programme management approach should be integrated across the Council.

170. **Reflection is important for a learning organization. In particular it will be important to review the changes** through Members surveys, staff surveys and feedback from the local community. There is still a residual sense that some members are unwilling to embrace change, so the Board feels it is also important that opportunities for learning and development are taken up by Members and officers of the Council to

ensure that every opportunity to strengthen the Council's capacity for improvement is realized.

Next steps for the Report

171.   This draft report will be shared with all Elected Members, local MPs, the Department of Communities and Local Government, the Local Government Association, our external auditor and other stakeholders such as the Public Sector Board. It will be made public for any interested parties to be able to read and respond with their comments or questions should they wish to do so.

172.   It is also recommended that the draft report be shared with the Policy & Performance Coordinating Committee for their comments.

173.   The November meeting of the Improvement Board will consider a final draft of the report and any recommendations for the future.

SECTION E:

LEARNING AND RECOMMENDATIONS

REFLECTION FROM THE BOARD

174. During the construction of this report, Board Members were asked to comment individually on how they felt Wirral had developed since the Board was established. There was then a discussion at the last meeting of the Board. The key themes which emerged were as follows.

The scale of the change in Wirral

175. Wirral Council is now a place transformed from two years ago. Previously there was a rather toxic mix of concerns over governance, finances, culture and (some) services and an inward looking approach. The public profile and reputation of the authority was poor and there was a sense of being under siege with FOIs and negative publicity, including from local MPs. The first couple of meetings of the Improvement Board were examples of things that you would not see in most Councils. These included late papers, confused reports tabled on the day and rooms not set up, little clarity of roles and a substantive number of the senior management team excluded from meetings. In terms of atmosphere there was not surprisingly a feeling of confusion and fear. One of the most chilling quotes from the AKA report was that the 'abnormal had become normal'.

176. The authority has progressed rapidly under the clear leadership of the current Leader and the Chief Executive supported by a very able cabinet and top team. The authority now in contrast seems stable, well-led, open and far more inclusive. Wirral has developed much quicker than similar interventions which were imposed. This is in no small part due to a substantial change in the Council's political and officer leadership who have shown great commitment to moving the authority forward. One example which would illustrate this is the recent Annual Authority Conference which was very constructive. The Improvement Board itself functions well and has been able to focus on the strategic issues and to challenge progress. There are now clear structures and lines of authority in place and an urgency to get things done which was not apparent at the beginning when there were lots of plans but weak delivery of them. Governance and accountability are now clearer and the deadlines including tight budget ones are in the main being met.

177. The most significant progress has been in shaping a long-term vision for the future, putting systems in place and getting to grips with the financial situation, leadership presence and direction creating an outward-facing organisations which learns from others and networks well.

<u>The change in culture</u>

178. The Council, from the perspective of the Board, has changed its culture. There are many ways in which this can be demonstrated and a few are highlighted below.

179. Political and senior management leadership is now more purposeful and professional. The three Group Leaders took some tough decisions together in the early days to ensure the Council moved on an tackled its challenges. The current strong leadership partnership of the Leader and the Chief Executive ensures the right climate of political and officer relationships enabling a strong cabinet and senior management team to make their best contribution to moving the organization forward. There is increasing confidence, more challenge and being held to account. The Council meeting feels more relevant, the scheme of delegation is more appropriate. Policies are in place that weren't there, and are being tested now.

180. It feels there is more time, space and opportunity for members to engage. At times this can mean that it is more challenging, but it is another symbol of how changed the Council is, that this is welcomed.

181. A stronger sense of strategic direction, planning and performance management is in place. There is greater confidence and sense of direction in the organization and a growing ability to plan, deliver and hold to account. The desire to change, the need to change, and the willingness to change have become stronger as the Council moved forward and there is a greater sense of accountability and sound performance management.

182. One of the big shifts has been the change to Wirral in being more open and a learning organization. The Council is now more outward-looking and has adapted what it has learned into practice. That engagement has been with the Wirral community, key partners in Wirral and outside to broader government and key advisers.

<u>The self-awareness around the many challenges ahead</u>

183. All members of the Board recognize that the improvement of Wirral still requires further work, and will be challenging. There are many positive signs, but the improvement needs to be sustained. The future shape and funding base of the Council will be very different to what currently exists. The Council is very aware of the considerable further efforts which will be required and the difficult choices that will need to be made. Capacity is limited, and being clear about priorities will be a key part to delivering the new shape of the organization.

LEARNING FROM TAKING A SECTOR-LED IMPROVEMENT APPROACH

184. This is the first sector-led improvement approach taken to supporting a Council facing significant governance issues, and it is important that this report not only records the progress made by the Council, but also questions what learning can be shared that others may find of value.

Learning Points

185. The fact that Wirral Council requested this support rather than having it imposed on them has allowed the Improvement Board to operate in an environment which has increasingly led to shared ownership of the learning and is a positive signal for that learning to be sustained at the point when the Improvement Board is no longer in place. There is a sense of the sector-led approach being welcome because it is an approach that has been 'done with' rather than 'done to' the Council. The Board has not imposed action, but rather 'worked with the grain' of the authority.

186. One of the first learning points we would want to highlight is about the work that needs to be done when establishing an Improvement Board. The Improvement Board needs to be developed as a team approach with a good balance of skills and experience relevant to the issues that need to be addressed. The roles that each Board member is expected to play should also be made clear as well as their commitment and a minimum level of attendance. We found that progress was perhaps slower at first that we would have liked. On reflection, this was probably because Board members were only initially able to see reports that reflected the symptoms of what was wrong, rather than really understanding the root causes of the problems. We would advise that an important first step for any future such arrangement would be an in-depth piece of diagnostic work to help Board members really understand what are the main causal issues within an organization that is failing.

187. Making sure there is proper engagement within the Council is critical. At the time that the Improvement Board was established, the Council had accepted all the recommendations of the AKA report and criticisms from other public interest reports, but the arrangements agreed upon did not allow effective engagement from the wider executive team. This meant that only a few key individuals had any in-depth knowledge of discussions at Improvement Board, and a lack of ownership more widely. In the Summer of 2012, at the request of those wider members of the Executive team, it was agreed by the Chair that members of the Councils executive team should be allowed to attend, and this was really the start of real ownership of the organisation's

response to the critical issues that had been raised. It would be useful for any other organization considering this sector-led approach to ensure that there is effective engagement and ownership of the issues.

188. Tough decisions have to be made to deliver change. Changing culture sometimes requires changing people. In Wirral there had never been an external appointment to Chief Executive before the appointment of Graham Burgess. This meant Wirral was not exposed to new thinking and different ways of working. It was important to make sure that the appointment of the Chief Executive brought in a breadth and depth of experience. This is a role which would be difficult for a lesser experienced officer to take on without significant external support.

189. In any successful change of this nature, it is crucial to ensure that there is positive engagement with those who have served the organization well, and who have the organizational memory that can assist in navigating the future, and who will remain to support future work. Having an Improvement Board to talk through and support those decisions is helpful in dealing with difficult decisions.

190. There were concerns expressed during the last 18 months about the broader engagement of Members in supporting the improvement of the Council, and in respect of their relationship with Officers. The role of Member Peers on the Board has been vital to the success of the Improvement Board. They have been able to work closely with their peers through one-to-one arrangements with the Leaders of all three parties, and have supported learning and development for all elected members. They have been able to acknowledge the challenges of the role that members have, and to bring in their own experience, knowledge and networks in a supportive and constructive manner.

191. One of the obvious strengths that has supported the improvements made, has been the strong and positive working relationship between the Leader of the Council and the Chief Executive. This has helped to shape the emerging culture of the organization through their demonstration of how Member-Officer relationships can deliver positive change. Equally important to acknowledge for Wirral is that despite the expected differences in politics the politicians on the whole get on well. The Leaders group meeting as a forum to discuss issues of organizational concern has been important. Such a meeting does, however, need to be clear on its purpose and its terms of reference.

192. Valuably, the connections provided through the Board, for example by the Regional Associate, and NW Employers has raised awareness of, and enabled access to, other support available through them. The Council has really welcomed the support it has been able to access

through visits to other local authorities, its review of Assets, and its transformation projects through Local Partnerships (Mark Poppy). In addition the input of the LGA to Member development events, and in bringing national speakers to them has been very valuable.

193.   The Board has collectively brought a focus to the authority's improvement work and reinforced the need both for pace and to make hard decisions. It has added capacity and capability though the insights, expertise and support from Board members on key issues (including practical suggestions on which places to talk to who are doing well on a particular issue); has provided a degree of assurance for the public and for local stakeholders (especially the MPs); and has publicly demonstrated that the authority is serious about improvement. Its existence has undoubtedly added value in that it has demonstrated to government that the authority is open to support and challenge and has the demonstrable support of the sector. There has been considerable added value brought by the activities and practical support of individual Board members outside of the formal meetings, especially the work of the Member Peers but also of the Chair.

194.   The Improvement Board has occupied an interesting space of being 'supportive allies' and 'critical friends' and provided both support and challenge but at different times it has provided more of one than the other, and it would be useful in future arrangements to have some open discussion about how the relationship between the Council and the external board members was developing, and to reflect during the process what was going well and not so well.

195.   One area that it would be valuable for the LGA to consider for future arrangements is the relationship between the Board and the public and local community. It is an opportunity to improve transparency, but it should not be seen as a mechanism for dealing with individual complaints or to take the place of the appropriate methods for dealing with complaints. Managing public expectations and determining how best the Improvement Board relates to the public needs to be carefully thought through.

196.   From an administrative point of view it is really important to make sure that the responsibilities for arranging meetings, communicating messages and ensuring the timely production of reports and follow-through of actions are made clear, and the work of the Improvement Board is owned and enacted throughout the Council.

197.   In summary, it is critical to be really clear about what the issues are for a Council in difficulty; and what skills and input is required from external members of the Board that will be helpful in addressing them. The ethos of sector-led improvement is what should drive the approach

being taken – the Improvement Board has to be a body that invests shared responsibility between the Council and its external members to help with improvement; but the decisions to be taken are the responsibility of the Council alone.

RECOMMENDATIONS

198. The Improvement Board recommends that:

(a) The need for an Improvement Board in its current form is no longer the best way forward for Wirral.

(b) Instead the Council will need to drive improvement through the future actions suggested in the Next Steps sections of the report.

(c) There should be a review of Wirral's progress overall at the end of the year end as suggested in para x.x, on page x of this report.

SECTION F:

APPENDICES

F 1: New Council Model

A flow diagram titled "New Council Model". The diagram flows from left to right:

- **VISION FOR THE COUNCIL** (green box) leads to the central strategic areas.

Top row of strategic themes (yellow boxes):
- **DRIVING GROWTH AND ASPIRATION**
- **PROMOTING INDEPENDENCE**
- **LOCAL SOLUTIONS LOCAL DECISIONS**

Under DRIVING GROWTH AND ASPIRATION (purple box):
- INVESTMENT STRATEGY
- EMBRACING CHANGE – AN ENTERPRISE STRATEGY FOR WIRRAL
- EMPLOYMENT FOR ALL – A FULL EMPLOYMENT STRATEGY FOR WIRRAL
- CLEAR LEADERSHIP WITHIN THE CITY REGION AND COMBINED AUTHORITY

Under PROMOTING INDEPENDENCE (purple box):
- TRANSFORMING CHILDREN'S AND ADULT SERVICES
- STRATEGIC COMMISSIONING PROJECT
- TRANSFORMING LEISURE SERVICES
- MAXIMISING PUBLIC HEALTH IMPACT
- IMPROVED REGULATION AND INSPECTION

Under LOCAL SOLUTIONS LOCAL DECISIONS (purple box):
- NEIGHBOURHOOD WORKING
- DEVOLUTION OF APPROPRIATE SERVICES
- COMMUNITY BUDGETS
- LOCAL PUBLIC SERVICE BOARDS
- COMMUNITY EMPOWERMENT AND RESILIENCE, INCLUDING BEHAVIOUR CHANGE

Leading to **WIRRAL COUNCIL OF 2016** (green box).

Bottom enabling boxes (orange):
- CHANGING BEHAVIOUR
- IMPROVED BUSINESS PERFORMANCE
- NEW DELIVERY MODELS
- WORKFORCE MODERNISATION

Supporting boxes (red):
- ASSETS
- PEOPLE
- BUSINESS SUPPORT

F 2:   Short biographies for external board members

Joyce Redfearn (Chair)
Joyce Redfearn served for 17 years as a Chief Executive in Wigan, Gloucestershire and Monmouthshire and retired from Wigan council at the end of March 2013. She has played a very active part in Improvement and Efficiency in the North West and at a National level. She has served on two previous improvement boards for Blaenau Gwent and for Liverpool.

Gill Taylor, Principal Advisor LGA
Gill Taylor is the Principal Advisor, North West, for the Local Government Association. She helps local councils and supports the local government sector on improvement, innovation and performance. Her career history includes being a corporate director at the Homes and Communities Agency, the Chief Executive of the Academy for Sustainable Communities (a national body established by government to improve skills and knowledge for placemaking) and ten years as a local authority Chief Executive.

Cllr Glen Sanderson
Cllr Glen Sanderson is the Conservative group peer member He is the LGA Conservative Regional Lead Peer covering the North West with Yorkshire and Humberside. He is deputy Leader of the Conservative Group on Northumberland County Council and was Group Leader for a number of years on Castle Morpeth District Council holding a wide range of positions from being an Executive member to Chairing Scrutiny.

Paul Rowen
Paul Rowen was MP for Rochdale from 2005-2010 and was a Councillor on Rochdale Council for 23 years including two periods as Leader of the Council. He has been an LGA Peer since 2003 and has worked with authorities across the country. He is a board member of Passenger Focus – the independent consumer organisation representing passengers and is a Trustee of Arthritis Research (UK).

Cllr Sir Stephen Houghton
Sir Stephen Houghton CBE was first elected to Barnsley Metropolitan Borough Council in 1988, becoming leader in 1996. He became Chair of the Special Interest Group of Metropolitan Authorities (SIGOMA) in 1999, and has held a position on the LGA Executive since 2010 as a representative of SIGOMA. He has also worked as an LGA lead regional peer since 2006. Cllr Houghton led the Central Government Review into the Role of Local Partnerships in Tackling Long-Term Unemployment in 2008 (Houghton Review) and holds a Masters Degree in Local Governance from the University of Birmingham.

Liz McQue, Chief Executive North West Employers

Liz McQue took up post as Chief Executive of North West Employers in April 2008; the main focus of her work is representing the interests of the local authorities in the region as employers and working with partners to improve outcomes for the people of the North West. She has a strong commitment to the public sector and previously worked in both county and metropolitan authorities in three major service departments and started her working life in social services at Cheshire County Council. She has led several cross sector development initiatives including the development of the North West's first Public Sector Chief Executives Coaching Programme.

Steven Pleasant, Chief Executive Tameside Metropolitan Borough Council

Steven Pleasant is Chief Executive at Tameside Metropolitan Borough Council. He has an MSc from Cranfield Institute of Technology and in his early career worked as a town planner after graduating as a Master of Civic Design from Liverpool University. He has spent much of his local government career managing Corporate Services. Steven has been involved in mentoring with a range of councils on such issues as performance management, local strategic partnerships, area assemblies, the operation of scrutiny and local public area agreements. He has performed a lead role in 6 successful Beacon awards.

Mike Thomas, Grant Thornton

Mike Thomas is a Director in the Public Sector Assurance team based in the North West. Prior to joining Grant Thornton he worked for the Audit Commission for 12 years as a District Auditor responsible for a range of audits across Merseyside, Lancashire and Cumbria. He has significant experience in Local Government audit with responsibility for the audit of four of the largest authorities on Merseyside. He is also responsible for auditing a range of other bodies including in the health sector, police, fire, waste disposal and the Merseyside Pension Fund.

F 3: Terms of Reference for the Improvement Board

LGA Wirral Improvement Board

Terms of Reference

The Programme Board is a partnership between Wirral Metropolitan Borough Council and the Local Government Association and will provide oversight, support and challenge to Wirral's improvement and transformation journey.

The Board aims to support the Council to:
- Demonstrate its ambitions for its local communities
- Drive forward its plans for improvement in corporate governance and services in a timely way
- Prioritise what is most important
- Create the capacity and plans to embed lasting improvements and culture change
- Deliver improved services within realistic spending constraints

The Improvement Board's role is to:
- Provide support and guidance
- Identify and signpost appropriate good practice
- Provide challenge and act as a critical friend
- Ensure the contributions from different external agencies/bodies to Wirral's improvement journey are coordinated
- Ensure there is a single, integrated and holistic improvement plan that can be clearly understood and communicated internally and externally
- Endorse decisions which impact on political and managerial leadership arrangements, corporate governance and improvement in advance of them going through Wirral's own decision-making structures, e.g. Cabinet or Council.

Board meetings

Chair – Joyce Redfearn

Duration – We expect the Improvement Board to be in place for at least eighteen months i.e. summer 2013 in order to guide and support Wirral's improvement journey.

Frequency – monthly for the first six months then review

Venue – at a Wirral Council venue.

Agenda – at each meeting the Board will agree the content of the agenda for the next meeting. Standard agenda items should include:
- Actions from the previous meeting
- Report on progress against the improvement plan
- Risk review
- Additional items for the agenda for the next meeting
- Confirmation of date, time and venue for the next meeting

Forward Planning – A forward plan of agenda items will be developed by the Council and reviewed at each meeting.

Meeting in Public - Every third meeting of the Board will be held in public to report on progress and take questions. Theses sessions will be organised by the Council. The public will be asked to supply questions in advance of the meeting. The Chair will be responsible for answering these questions. Any questions relating to issues that are not the business of the Improvement Board will be forward to the correct officer for them to respond directly.

Review – These Terms of Reference will be kept under review by the Improvement Board as things develop. A protocol for delegation of urgent matters to the Chair of the Improvement Board in consultation with the Council Chief Executive will be developed.

Attendees
Wirral Council – Council Leader and Leaders of the two other main political parties, the Deputy Leader of the Council responsible for Improvement, Chief Executive, Corporate Directors for People, Places and Resources, and the Programme Manager for the Improvement Programme. Local Government Association – Principal Advisor North West, Associate Support Officer, Labour, Conservative and Liberal Democrat Member Peers. Independent Chief Executive, District Auditor.
Advisors – the Chief Executive of North West Employers.
Other officers or Members, or indeed representatives from other external bodies may be invited to attend as appropriate.

Action Notes – A note outlining the actions agreed will be produced by the LGA after each meeting and this will be available for wide circulation. It will be the duty of everyone identified as leading on an action to undertake it on behalf of the Improvement Board.

Communication – Key Messages will be produced by the LGA and agreed with by the Council following every Improvement Board meeting. These Key Messages will be circulated, by the Council, to all Wirral Councillors, staff and placed on the Council's website.