



ANNUAL GOVERNANCE STATEMENT

2019-20

Annual Governance Statement 2019/20

INTRODUCTION

Local authorities are required by statute to review their governance arrangements at least once per year.

Throughout the last year, Wirral Borough Council has continued with its strategy to improve upon the manner in which it discharges its governance responsibilities.

This statement explains how the Council has complied with its Code of Corporate Governance and continues to build upon the work of previous years, constantly improving, as a Council, that is learning, maturing and delivering for its constituents.

Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council also retains a best value duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

By discharging this responsibility (including as accountable body for the Merseyside Pension Fund), the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

Wirral Council is the administering authority for the

Merseyside Pension Fund which publishes its own statement of accounts on an annual basis and includes a "Governance Compliance Statement". The statement outlines compliance to industry specific governance principles.

The Council has approved and adopted the Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government 2016. A copy of the Code is available on our website: www.wirral.gov.uk.

This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6 (1) (b) of the Accounts and Audit (England & Wales) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

The Council also fulfils a governance role in relation to the businesses that it wholly or jointly owns:

- Edsential - a Community Interest Company jointly owned by Cheshire West and Chester Council and Wirral Council to provide services to the Education sector: <https://edsential.com/>. The Council owns 50% of the shares in the company and provides governance oversight via a joint shareholder board with Cheshire West and Chester Council.
- Wirral Evolutions Ltd - a Council owned company, which delivers adult social care services: <http://www.wirralevolutions.org/>. The company shareholder board provides governance oversight. The board membership includes a Council Cabinet member to make strategic decisions on the behalf of

the Council. Operational decisions are taken by the company board of directors.

- Wirral Growth Company - a limited liability partnership between the Council and Muse Developments Limited. The Council and Muse Developments Limited are equal partners in this venture and are jointly responsible for making all decisions. The partnership was created to promote the economic regeneration of the Borough.

What is Corporate Governance?

Corporate Governance generally refers to the processes by which organisations are directed, controlled, led and held to account.

The Council's governance framework aims to ensure that in conducting business it:

- Operates in a lawful, open, inclusive and honest manner
- Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively
- Has effective arrangements for the management of risk
- Secures continuous improvements in the manner in which it operates.

The purpose of the Governance Framework

The governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Adhering to this framework enables the Council to monitor the success of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate / cost effective services.

Both risk management and internal control measurements are a significant part of the Council's corporate governance framework and are designed to manage risk to a reasonable level.

These safeguarding processes cannot eliminate all risk

of failure to achieve the goals set by the Council's policies, aims and strategic objectives and can therefore only provide reasonable, rather than absolute assurances of their effectiveness.

The system of risk management and internal control is based upon an ongoing process, designed to identify and prioritise the risk to the achievement of the Council's policies, aims and strategic objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

This statement builds upon those of previous years. Many of the key governance mechanisms remain in place and are referred to in previous statements, as well as in the Council's Code of Corporate Governance. These are available on the Council's website: www.wirral.gov.uk. This statement therefore describes the key changes and developments within the Council's governance framework during 2019-20 and up to the date of the approval of the annual statement of accounts.

The progress that has been made in dealing with the significant governance issue included in last year's statement and those governance issues that have been identified from this year's governance review are highlighted in this statement.

Council	Cabinet	Audit & Risk Management Committee	Overview and Scrutiny Committees	Corporate Governance	Risk Management	Audit
<ul style="list-style-type: none"> • Approve Constitution including Codes of Conduct • Approve the Wirral Plan. Approve budget and policy framework. "Holds cabinet to account" • Hold decision making meetings in public 	<ul style="list-style-type: none"> • Set priorities in line with the Council's vision and recommend budget proposals to underpin delivery • Deliver financial performance within the budget and policy framework set by Council. • Hold decision making meetings in public 	<ul style="list-style-type: none"> • Scrutinise and approve Financial Statements on behalf of the Council • Review Contract & Procurement Procedure Rules • Review and scrutinise governance arrangements, including internal and external audit updates / reports, and the management of risk • Holds meetings in public 	<ul style="list-style-type: none"> • Provide a critical friend to challenge Cabinet as well as external authorities and agencies • Reflect the voice and concerns of the public and its communities • Holds meetings in public 	<ul style="list-style-type: none"> • Review performance management and projects against milestones, resource allocation, risks and performance. • The Corporate Governance Group has responsibility for overseeing the annual review of the governance framework and the preparation of the annual governance statement • Corporate oversight by Council's additional governance boards; including Investment & Change Board • The Corporate management team including the role of its three statutory officers: the Head of Paid Service (Chief Executive), the Monitoring Officer and the Chief Financial Officer 	<ul style="list-style-type: none"> • Review risk registers for corporate, operational and project risks • Corporate risks reviewed by the Senior Leadership Team and Audit & Risk Management Committee 	<ul style="list-style-type: none"> • Set the internal audit strategy to meet the Council's overall strategic direction and provide assurance on risk management, governance and internal control arrangements • Undertake annual programme of internal audits, present progress reports including recommendations for improvement in systems and control • External Audit review and report on the Council's financial statements and vfm conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

REVIEW OF EFFECTIVENESS

Wirral Council has a responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control.

The review of effectiveness is informed by the work of the Chief Officers and senior managers within the Council who have responsibility for the development and maintenance of the governance environment. Their feedback and comments provided in Governance Assurance returns and meetings are an essential part of this review. It is also informed by the work of Internal Audit, the Chief Internal Auditor's Annual Report, together with findings and reports issued by the external auditor and other review agencies and inspectorates.

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance.



Reproduced from 'Delivering Good Governance in Local Government Framework 2014' published by CIPFA/IFAC

The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2019-20 are set out in the table below, demonstrating how the Council has complied with the seven principles set out in the CIPFA/SOLACE Framework during 2019-20.

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</p>	<p>Key elements of the Council's governance arrangements, as detailed in the Council's Code of Corporate Governance, continue to include:</p> <ul style="list-style-type: none"> • The Wirral Plan sets out the Council's key priorities; • The Constitution details how the Council operates, how decisions are made, and the procedures that are to be followed to ensure that arrangements are efficient, transparent and are available for constituent scrutiny as required; • Codes of Conduct define the standards of behaviour for Members and officers; • Arrangements to apply the set of standards (the Nolan principles) of conduct and behaviours expected of Members with constitutional oversight; • Relevant policies in operation include declarations of conflict of interest, declaration of gifts and hospitality, Dignity at Work and Whistleblowing; • An Anti-Fraud and Corruption policy and strategy, Anti-Bribery policy, Anti-Money Laundering policy and Fraud response plan demonstrate the Council's stance against fraud; • Monitoring Officer provisions, including the review of reports by Legal qualified officers and the record of legal advice provided, ensure the lawfulness of decisions taken by the Cabinet, Council and officers. <p>Improvements in the year included workshops and roadshows to help develop, communicate and embed updated organisational priorities and values.</p>

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>B. Ensuring openness and comprehensive stakeholder engagement.</p>	<p>Key Elements of the Council's Governance Arrangements continue to include:</p> <ul style="list-style-type: none"> • All Committee meetings are held in public, unless prevented by legislation and available on webcast. Minutes, reports and webcast recordings are available on the Council's website; • The Wirral Plan, pledge strategies, pledge action plans, and quarterly performance and update reports are available on the Council's website; • The various partnership arrangements supporting the Wirral Plan, including the Wirral Partnership Delivery Group and partnership based pledge steering groups evidence strong partner engagement; • An innovative approach to neighbourhood working designed around Wirral's four constituency areas; Birkenhead, Wallasey, Wirral South, Wirral West; • Utilising the Wirral View publication and associated websites to communicate and share information with constituents and stakeholders; • Budget papers, in-year financial monitoring reports and the Council's Medium Term Financial Strategy are published on the Council's website. Additional arrangements to support setting the budget include public consultation exercise to provide constituents with an opportunity to engage in budget proposals and influence decision making; • Public consultation exercises; those conducted during 2019/20 included consultation on the development of the Local Plan; • Equality Impact Assessments are undertaken and embedded in all Council decision making; • Relevant Council policies and strategies include an Engagement & Stakeholder Relations Strategy, a Corporate Equality and Cohesion strategy and Freedom of Information compliance publication. <p>Improvements in year have included:</p> <ul style="list-style-type: none"> • Improved SLT communications and transparency including Chief Executive Roadshows and regular issues of Exec View; • Further development of effective partnership working including the Multi-Agency Safeguarding team, which went fully live from September 2019, the developed Partnership for Children and close partnership working with Wirral University Hospital Trust and other local partners in connection with the successful repatriation of nationals from Wuhan province at the outbreak of the COVID-19 pandemic.

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<p>C. Defining outcomes in terms of sustainable economic, social and environmental benefits.</p>	<p>Key Elements of the Council's Governance Arrangements continue to include:</p> <ul style="list-style-type: none"> • The Wirral Plan, pledge strategies action plans, and quarterly performance reports outline the Council's vision, priorities and performance against planned outcomes; thus providing an effective framework for close working with partners and stakeholders (Wirral Plan performance). • An established corporate performance management framework; • Regular revenue and capital monitoring reports, and effective medium term financial planning ensure that the Council retains its commitment to stability, utilising available resources, whilst monitoring savings and income plans; • Council reports to support major decisions outline key implications, including economic, social, environmental, (where applicable); • Continued commitment to developing commercial opportunities. <p>Improvements in year have included:</p> <ul style="list-style-type: none"> • A revised Wirral Plan that clearly outlines the purpose and priorities for the Council; • Greater use of intelligence data to inform decisions at department and corporate level, recognising there is more to develop in this area. <p>Ongoing initiatives to further strengthen corporate governance arrangements include:</p> <ul style="list-style-type: none"> • An updated business planning process currently being developed that should ensure a more consistent and timely approach to developing business and service plans. This should be supported by regular performance monitoring of business plan delivery at all Department Management Teams; • Work to develop the new Council evidence based target operating model and outcomes based budgeting.

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<p>D. Determining the interventions necessary to optimize the achievement of the intended outcomes.</p>	<p>Key Elements of the Council's Governance Arrangements continue to include:</p> <ul style="list-style-type: none"> • The arrangements for joint strategic needs assessment across services, including factors such as economy, skills and business, help ensure the right insight and evidence is available to make evidence-based decisions and set strategic priorities; • The partnership approach to needs assessment, led by the over-arching Wirral Partnership Delivery Group, includes listening to the local voice of residents, service users and Members through various forms of consultation and communication; • All significant change programmes have evidence-based business cases to support the delivery of programmed work; • Council reports and underlying business cases outline options considered, risk assessments, and financial, legal, resource and equality implications; • Robust arrangements exist for reporting, monitoring and review of programme, pledge and service performance to support the delivery of impact and outcomes; • Optimising partnership approaches including integration to derive best value. • An ambitious programme for service review and change helps ensures effective use of transformational and programme management expertise and capacity; • Effective budget planning processes underpinned by the Medium Term Financial strategy. <p>Ongoing initiatives to further strengthen corporate governance arrangements include:</p> <ul style="list-style-type: none"> • Work to refresh the new Wirral Partnership.

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>D. (continued)</p> <p>Determining the interventions necessary to optimize the achievement of the intended outcomes.</p>	<p>Improvements in the year have included :</p> <ul style="list-style-type: none"> • The Partnership Board for the Council's Joint Venture with Muse (The Wirral Growth Company) met for the first time in April 2019. The Partnership Business Plan was approved in January 2020. Further progress with taking forward plans for some of the major developments that comprise the Wirral Waters One joint venture with Peel Holdings; • Embedding of improved governance structure for key Boards, including the Investment and Change Board and the Boards that provide Programme and Project oversight and structure; • Improved Leadership at SLT level. There have been more regular SLT meetings and changes to structure have meant clearer responsibility and accountability. Feedback confirms improved communications, more collaborative working with better recognition of joint issues, earlier identification and resolution of issues and stronger Leadership challenge; • A more open and transparent approach with more cross party working.; examples have included a Party Leaders Working Group on the Local Plan and pre-decision scrutiny on the Wirral Growth Company – Partnership Business Plan; • Improved Member / officer communication, including briefings in Group Leaders meetings. <p>Ongoing initiatives to further strengthen corporate governance arrangements include:</p> <ul style="list-style-type: none"> • It is recognised some of the financial systems, including the Oracle Ledger system, are out of date and out of support and as a result not fully fit for purpose, although adequate workaround processes are in place. These systems are to be replaced in 2021/22 under the Smart Business project. Implementation of the new Smart Business project is a key corporate project that will help support wider organisational change. The wider Digital strategy is in its infancy and will require more in the way of organisational communication and subsequent buy-in. • The Council has decided to move to a new Committee system from September 2020; which it is hoped will lead to improved accountability, transparency, collaboration and responsibility, e.g. as the committee structure will be more closely aligned to directorates. It is recognised that this significant change will bring challenges, including the need for training for officers and members, and to ensure the delivery (service committee) and oversight roles (including Policy & Resources) work efficiently together. • Urgent action was needed during 2019/20 to meet an emerging in-year budget deficit. Ongoing financial pressures have been exacerbated by the impact of Covid-19. Actions are in place to address these issues as detailed in the following sections.

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
E. Developing the entity's capacity including the capability of its leadership and the individuals within it.	<p>Key Elements of the Council's Governance arrangements continue to include:</p> <ul style="list-style-type: none"> • Regular and transparent oversight of delivery and performance, through insightful reports including a quarterly performance and update report for Wirral Plan Pledges and regular Corporate Operational Health report to SLT; • Closer working relationships with business partners and stakeholders to improve delivery of key Council strategies; • The constitution clearly sets out roles and responsibilities of Members and Officers, including executive and non-executive functions and the scrutiny function; • A comprehensive Member development training programme; • An ongoing senior leadership development programme, including SLT away-days; • The provision of appropriate training and personal development opportunities for staff linked to the Council's corporate performance appraisal process; • The Council's graduate and apprentice recruitment programmes. <p>Improvements in year have included:</p> <ul style="list-style-type: none"> • Launch of a new People Strategy which guides how the Council develops and supports employees in five key areas: attracting & retaining talent; strong and visible leadership; values, behaviours and performance; embracing change; and workplace wellbeing; • Continuing to promote and embed the new "learning culture" throughout the organisation, with improved communications and learning and development opportunities, as promoted for example through the Learning and Development Opportunities bulletin; • A greater focus on workplace wellbeing, supported by regular and effective communications, for example the Wellbeing newsletters; • Training to help ensure effective working relationships between members and officers and a better understanding of the processes and procedures that underpin the organisation. <p>Ongoing initiatives to further strengthen corporate governance arrangements include:</p> <ul style="list-style-type: none"> • Preparations to introduce a new appraisal process. There have been significant improvements in recent years in completing appraisals; its envisaged the new process will help increase the effectiveness of appraisals held. The new simplified Wirral Plan, with a clear set of 5 priorities, will improve links between individual and organisational / department objectives; • Developments with regard to SLT coaching; • A new values and competency based approach to recruitment, linked to the introduction of a new e-recruitment platform, applicant tracking system and recruitment policy.

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<p>F. Managing risk and performance through robust internal control and strong public financial management.</p>	<p>Key Elements of the Council's Governance arrangements continue to include:</p> <ul style="list-style-type: none"> • An effective ARMC is in place, as confirmed by the Committee's self-assessment. The ARMC receives, approves and monitors the delivery of Audit Plans and monitors the effectiveness of risk management arrangements, including regular updates of the corporate risk register. The Chair produces an Annual Report that demonstrates the value added by Committee over the year; • Regular review of activity and performance as part of the Performance Management Framework; • Rigorous and transparent decision-making processes in place, with the publication of agendas ,minutes and the webcasting of meetings; • Financial management is a key element of the structure and processes that comprise the Council's governance arrangements; with key aspects including financial regulations, budget and policy framework procedure rules, monthly revenue and capital monitoring, quarterly reporting to Members, and periodic updates to the medium term financial strategy; • Effective scrutiny arrangements; • An Internal Audit function that complies with Public Sector Internal Audit Standards for Local Government with an audit programme that reflects corporate risks, plan and update reports to ARMC, bi-monthly activity reports to SLT and ARMC Members and the annual report and opinion prepared by the Chief Internal Auditor; • An annual programme of proactive and reactive internal audit fraud work; • Key projects are managed within the Programme Management Office (PMO) framework; with projects reporting to one of five programme boards which each report to the Investment & Change Board, in its overall 'gatekeeper' role. The Council is also undertaking a programme of service reviews, which are helping to bring together all aspects of change in the Council.

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>F. (continued)</p> <p>Managing risk and performance through robust internal control and strong public financial management.</p>	<p>Improvements in the year have included :</p> <ul style="list-style-type: none"> • Initial progress to strengthen the Council's arrangements for the improved management of Health & Safety. In the light of some recent events, including the tragic fatality from a tree fall and ensuing Coroner enquiry and prosecution against the Council, and investigation following the fire on Hilbre Island, the Council has implemented a Strategic Health & Safety Board, chaired by the Chief Executive to ensure health and safety remains high on the corporate agenda, and an operational sub-group. A dedicated training session in directing and managing safely was held for the corporate management team to ensure leaders are aware of expectations and responsibilities, with further training sessions for senior managers; • Appointment of a new Risk, Continuity and Compliance manager, regular updates of the corporate risk register including new risks added during the year, improved arrangements for the review of departmental risk registers and improved communications and transparency with ARMC members, including Member risk workshops and briefings with senior officers including the Chief Executive; • Improved controls for the appointment of consultants, following the additional ARMC meeting in April 2019; • Improved performance reporting to SLT through the further development of the Power BI Dashboard. <p>Ongoing initiatives to further strengthen corporate governance arrangements include :</p> <ul style="list-style-type: none"> • Updating, post the impact of Covid-19, and implementing a Health and Safety (H&S) Improvement Plan, updating the H&S strategy and policy and developing the H&S risk profile and risk register. There are also plans to improve arrangements for recording Health and Safety training, improving the quality of manager risk assessments and including key performance indicators in the dashboard reviewed by SLT. • Work is planned to further embed the corporate risk management processes, including plans to strengthen risk management for some of the major development projects, including risk workshops for all new projects, and to review the risk management strategy and training to ensure greater consistency. • It is recognised that more needs to be done to strengthen arrangements around procurement and contract management. Monitoring during the year has continued to report high levels of purchases without requisite purchase orders and ongoing compliance issues linked with breaches of contract procedure rules, including instances where poor service planning has left insufficient time to undertake expected procurement exercise leading to exceptions and contract extensions. Linked to this, it is also recognised that across the Council there are inconsistencies in the approach to contract management with scope to improve the standards of contract management and secure better value from existing contracts. • Work is ongoing to strengthen the Council's arrangements in relation to information governance. Training has been provided for information asset owners and administrators, plans are being developed for an enhanced SIRO report and an Information Governance risk register has been developed. The risk register does include nine assessed high risks; with the highest scoring risks relating to an inability to demonstrate GDPR compliance, a lack of awareness visibility and understanding of information management policy and procedures across the Council, and high levels of unmanaged Information owing to the lack of a corporate content / records management system. During 2020/21 the information governance monitoring strategy will be implemented to ensure that all elements of information governance are regularly reviewed by the Council's executive. This is planned to include key performance data, including for training and data breaches.

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>G. Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<p>Key Elements of the Council's Governance arrangements continue to include:</p> <ul style="list-style-type: none"> • Public access to meetings and minutes and webcasting of Council meetings; • Regular Overview and Scrutiny Committee meetings; • An established process for the declaration of Member and Officer interests; • Adhering to all access to information statutory requirements and being committed to meeting the standards set out in the Transparency Code; • Publicising a robust complaints process and responding effectively to complaints, e.g. in statutory areas; • Accurate and reliable public reporting on performance (Wirral Plan), stewardship of resources (Statement of Accounts, in-year financial reporting and the Medium Term Financial Strategy), and compliance with the Governance Framework (AGS); • Internal Audit arrangements that comply with Public Sector Internal Audit Standards, including regular reporting of progress with the plan to ARMC. <p>Improvements in year have included:</p> <ul style="list-style-type: none"> • Wirral Council Workforce case study published in the Municipal Journal discussing how the Council connected with, supported and engaged its workforce to respond at pace to the COVID-19 pandemic and support local residents; • Nominated for a Municipal Journal award for Health and Social Care Integration. <p>Ongoing initiatives to further strengthen corporate governance arrangements include:</p> <ul style="list-style-type: none"> • Further training and related support for those responsible for compiling committee reports and plans to use the Committee 'Modern Gov' reporting system for reporting to SLT meetings.

Progress against the Significant Governance Issues reported in the 2018/19 AGS are set out in the table below..

Key area for improvement for 2019/20	Action taken to address the issue in 2019/20
<p>Ofsted - Action required to address issues raised in the Improvement Notice issued by the Secretary of State for Education (30th September 2016) (Corporate Risk 9) (SGI Criteria 1,3,4,6)</p>	<p>The Improvement Notice issued by the Secretary of State for Education was formally lifted in July 2019 following the ILACS inspection of children's services in June 2019.</p> <p>The inspection recognised that leadership in Wirral Children's Services is good and that social care practice to help and protect children and young people required improvement and was no longer inadequate. The inspection outlined five key areas for continued improvement to be monitored as part of the 'supervision and support' arrangement with the Department for Education.</p> <p>Since June 2019, Children's Services has continued to move at pace to drive improvement. An action plan was drawn up against the five recommendations made by Ofsted and monthly operational review meetings were established to monitor delivery and align actions.</p> <p>A new Accountability Meeting was also established as a transition arrangement from the Improvement Board, dis-established in October. This governance group, led by the previous Independent Chair of the Improvement Board, is responsible for ensuring that continued progress is made and for offering constructive challenge and scrutiny.</p> <p>Since June, meetings of the Accountability Board have been held quarterly in December 2019 and February 2020. An Accountability meeting was also held virtually on 21 May 2020 during the COVID-19 crisis, which was a key meeting in outlining Children's Services response to supporting and protecting children in need and in demonstrating the continued focus on improvement and change to support positive outcomes for children and young people.</p> <p>The Director for Children's Services speaks regularly with the Department for Education to report on progress and discuss key issues as part of the supervision and support arrangements. This has also provided an opportunity to report on the relevant COVID response to ensure vulnerable children are kept safe.</p> <p>The Department for Education has confirmed that they are comfortable with the pace of continued improvement in children's services in Wirral. It is therefore expected that the supervision and support period will cease in July and no further monitoring from the DfE will be required.</p> <p>The local authority will continue to ensure that improvement continues through the development of a accountability framework involving both internal and external review and challenge in order to provide assurance and ensure the scale of improvement continues.</p>

Key area for improvement	Action taken to address the issue
<p>The Council continues to face significant financial challenges. Uncertainty over the level of future funding and increased demand pressures mean the Council's ability to deliver future essential services depends on effective delivery of key actions to ensure financial resilience; including delivery of savings plans and planned actions to increase income. (Corporate Risk 1) (SGI Criteria 1,4,6</p>	<p>The Financial Sustainability programme was developed as a project to holistically manage and action the issues around sustainability.. Part of the project was to deliver the restructure to the finance team, a key starting point in resourcing the requirements for financial reporting and support for the organisation. This started on October 2019 and the first phase was complete by January 2020.</p> <p>A further significant action, was the design, development and implementation of a working model - the Medium Term .Financial Plan, a key outcome of which is to support the MTFS.</p> <p>Monthly and quarterly reporting were reviewed and revised. This had the impact of harmonisation of application of accounting treatments across the directorates, improved internal controls and enabled directorate-led forecasting. This will continue to be developed, and forms the basis of a proposed move to dashboard reporting in 2020/21</p> <p>During the budget setting process, some additional measures were implemented, including improved pressure and savings documentation. This has enabled a baseline to which future items can be measured for progress.</p> <p>The global COVID-19 pandemic has paused the Financial Sustainability project, as resources and priorities have shifted. Finance continue to provide support to the wider organisation, but the medium and longer term actions within the programme are delayed.</p>

Key area for improvement	Action taken to address the issue
<p>The Secretary of State has issued a Direction for the Council to produce an Action Plan for the Delivery of the Local Plan. If the Council fails to deliver agreed requirements for the consultation, publication and implementation of the Local Plan it could result in intervention, a loss of control over future development and missed opportunities to promote economic growth.</p> <p>The Secretary of State has also threatened intervention in respect of the Council not meeting statutory timescales for planning decisions. (Corporate Risk 5) (SGI Criteria 3,4)</p>	<p>Action taken during 2019/20 included:</p> <ul style="list-style-type: none"> - Action Plan agreed with MHCLG; - An extensive suite of evidence studies to inform a 'sound' Local Plan were completed; - Birkenhead Regeneration Framework and associated priority Delivery Actions Plans were commissioned to provide key evidence relating to brownfield housing supply and the comprehensive regeneration of Birkenhead; - A comprehensive Issues and Options Document including the Council's Prepared Urban Option for meeting Housing and employment needs was prepared and approved for consultation by Council in January 2020-meeting key MHCLG milestone; - Extensive consultation on the Issues and Options Document commenced on 27th January 2020 involving over 20 public walk in events and workshops. <p>It has been necessary to extend the Local Plan preparation programme in consultation with MHCLG as a result of:</p> <ul style="list-style-type: none"> - delays to existing studies arising from COVID-19 emergency; - the need to undertake new evidence studies to respond to significant issues raised in responses to the Issues and Options Regulation 18 consultation which was completed on 6th April. <p>Action planned for 2020/21 is outlined in the Significant Governance Issue for Regeneration provided below.</p> <p>Performance in progressing major planning applications continues to be above the Government set target and MHCLG have confirmed that the improved performance means that the Council is no longer under the threat of formal designation. Performance is under constant monitoring by Officers to ensure performance remains high.</p>

Key area for improvement	Action taken to address the issue
<p>The Council, through the Wirral Growth Company, has ambitious plans for development and regeneration. If the WGC were to fail to deliver anticipated benefits, it would undermine the Council budgetary position, economic growth aspirations and public and investor confidence in the Authority. (Corporate Risk 10) (SGI Criteria 1,6)</p>	<p>The Partnership Agreement (PA) for the Joint Venture (JV) with Muse was signed in March 2019. The JV PA is underpinned by a suite of robust corporate legal documentation.</p> <p>The first JV Board meeting took place in April 2019 and meetings have taken place on a quarterly basis thereafter.</p> <p>The JV Board approved the first Year 1-3 Partnership Business Plan (PBP) in January 2020. This was approved by Cabinet on 24 February 2020.</p> <p>The PBP is underpinned by draft indicative Site Development Plans (SDPs) for the priority areas which will be monitored through the agreed SDP process agreed in the PA.</p> <p>The PBP will be updated annually and agreed at both the JV Board and Cabinet (or alternative Committee).</p> <p>The JV Board met in April 2020 and are due to meet again in July 2020.</p>

Key area for improvement	Action taken to address the issue
<p>Following a very serious tragic incident in November 2016 involving a section of tree falling on to a vehicle on the highway from Arrowe Park, which resulted in the injury to the driver and her unborn child who sadly died shortly after birth, a full review of the council's systems and processes for the inspection and maintenance of trees on its land and highways has been carried out. (Corporate Risk 14) (SGI Criteria 3,4)</p>	<p>Progress with implementing the required improvements to the Council's risk management strategies and procedures regarding trees continued at good pace during 2019/20.</p> <p>The cross-department Tree Action Plan working group continued to meet regularly, chaired by the Assistant Chief Executive, monitoring and reporting on progress, addressing issues and embedding agreed practices and procedures into business processes across Council services.</p> <p>Consultation has concluded on the newly developed Tree Strategy, including analysis of feedback from the public. A scrutiny review of the tree strategy has also now concluded with a number of recommendations for consideration. The strategy was approved by Cabinet on 27 July 2020.</p> <p>The first complete round of tree inspections in Parks and Countryside sites concluded in February, and subsequent required tree works emerging as a result, were on track for completion in Spring 2020, in line with the surveying recommendations. This work is overseen by the Council's Tree Risk Management Office (TRMO), who has worked with relevant teams across multiple service areas in the Council to ensure a consistent, and collaborative approach in tree management.</p> <p>A Highways and Assets Management Tree Officer and Parks and Countrysides Tree and Woodland Officer were recruited and started with the Council in early Spring 2020, operating under the strategic guidance of the corporate TRMO. Both positions provide specialist arboricultural advice to officers in these departments regarding all tree enquiries and also contract manage the tree maintenance contract in their respective areas. Work is ongoing between senior officers, supported by the expertise of the Tree Risk Management Officer to manage the tree related risks on school sites, as well as other Council owned assets and leased land.</p> <p>Officers are in the final stages of user acceptance testing the tree inventory functionality of a new Insight software package. This has been developed for the council to accommodate the tree risk matrix / concept prepared for the council by the TEP consultants in 2018. Capturing all tree data in an inventory package will be a vast improvement and will aid in the scheduling of future tree inspections and reporting compliance of reinspection within the designed resurvey frequency. The go live date for this package is the beginning of August 2020. All historic survey data has been loaded into Insight. A process has been devised to quality assure the records from previous inspections.</p> <p>It is planned to recruit two internal tree inspectors to be in place for when the current tree inspection contract concludes late 2020. The tree maintenance contract was due to be re-procured in summer 2020. In the light of COVID-19 restrictions, the decision was taken to extend the contract. The Council benefited from additional contractor availability during this period and the vast majority of the outstanding legacy tree works from the initial surveys has now been completed; the only exception being the low risk / elective works from the last of the major parks to be inspected. Officers are in the final process of reviewing the specification and preparing the tender information for the new tree maintenance contract, which will start in Spring 2021.</p> <p>The Council submitted a guilty plea to the Court hearing for the HSE prosecution and were fined £100,000 and HSE costs.</p>

The impact of COVID-19 and the Council's response on the effectiveness of the Council's Governance processes is considered in the table below.

Impact of COVID-19	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2019-20
<p>The COVID-19 pandemic is a key event that started in 2019/20 but has continued to have an impact on the governance of the Council until the time of publication of the AGS.</p>	<p>The impact of COVID-19 and the Council's response has highlighted the following concerning the effectiveness of the Council's Governance arrangements:</p> <p>The Council responded quickly to the impact of the pandemic making significant changes to its arrangements for decision making and the conduct of meetings.</p> <p>The Council mobilised structures early, adopting new ways of working. It quickly moved from an organisation structured primarily around department and service, to an emergency response structure led by a Strategic Co-ordination group, with close links to a cross-party leaders group. The operational response was led by a Tactical Co-ordination Group, operating through a series of delivery cells, including for example Economic Resilience, Humanitarian, Scientific Technical Advisory and Health and Social Care. The approach was flexible, with frequency of meetings varying through the different stages of the pandemic response. Effective close partnership working was continued through this period by means of the Merseyside Resilience Forum and the Chief Executive's regular meetings with Health partners.</p> <p>Initial feedback confirms this was a highly effective approach enabling decisions to be made quickly in a crisis and empowering senior and middle management to think innovatively to solve emerging issues, facilitating a sharp and single-minded focus on supporting the community. Appropriate governance arrangements were ensured, with Group Leader and Leader of Council ratification of decisions and a system to track all decisions made.</p> <p>The response is developing but continues to be on-going. Key challenges in the next few months will include devising and overseeing appropriate decision-making and governance arrangements for managing local outbreaks, enforcing lockdown arrangements where necessary, including the operation of the new Outbreak Board, and managing the return to Business as Usual for increasing numbers of Council services.</p> <p>It is recognised that the pandemic will continue to have a significant impact on the health economy and in economic terms, including on businesses, the community and on the Council's income.</p> <p>A process for reviewing and formally reporting the lessons learned from the Council response is currently underway.</p>

SIGNIFICANT GOVERNANCE ISSUES

The following table details the Significant Governance Issues facing the Council that have been identified from this year's review of the effectiveness of the Council's governance framework. In preparing this statement, the criteria used for 'significant governance' are issues which:

- Significantly undermine or threaten the achievement of a core organisational objective.
- Represent a significant failure to meet the principles (and sub-principles) of good governance (as detailed in the Code of Corporate Governance).
- Have resulted in significant public interest or have seriously damaged reputation.
- Are of significant concern to an inspector, external audit or regulator.
- Have been recommended by the head of internal audit or one of the statutory officers to be included.
- Require significant organisational and corporate cooperation to address it.

Issue	Action proposed during 2020/21	Lead Officer
<p>Financial Resilience</p> <p>The Council's increased budget gap represents a significant financial risk to Wirral Council</p>	<p>The Council planned use of reserves during 2019/20 allowed a balanced budget and outturn to be achieved which was a £2.7m improvement from the quarter 3 forecast; the use of capital receipts of £8.3m, which is a one off use, played a key part in achieving this outturn. Reserves net of COVID reserves (£25.3m) at year-end are £41.5m. Use of some reserves set aside for specific projects is budgeted for in 2020/21 as these projects materialise. It is recognised that General Fund balances need to be strengthened.</p> <p>The key financial impacts of the COVID-19 pandemic can be described in three key ways</p> <ul style="list-style-type: none"> • Expenditure for COVID-19 activity exceeds the additional funding we have received • Savings initiatives has largely been paused by limitations to resource through emergency activity • The movement from emergency to recovery to business as usual operations adds uncertainty which is difficult to assess. <p>The combination of these items means that the budget gap has grown (£79m for 2020/21-2021/22 as at quarter one reporting). This represents a significant financial risk to Wirral Council</p> <p>The Council is to receive a third tranche of discretionary COVID-19 funding of £3.2m; a total of £23.9m over the three tranches. The Government has agreed to mitigate some of the income the Council has lost due to COVID-19; the total funding, along with final guidance and conditions, are yet to be confirmed.</p> <p>As a result of these increased pressures, a full review of how services will be delivered going forward is in progress; a re-design of services and a revised budget is expected. Risks associated with the 20/21 budget have been presented to SLT and Cabinet during July 2020 along with mitigating actions. The loss of income through fees and charges will significantly impact the Council in 2020/21 along with pressure on adults and children's services. Sundry debtors, Council Tax and Business Rates debtors will be closely monitored during 2020/21.</p> <p>A series of budget workshops are being held with Directorates to consider earmarked reserves, 2020/21 savings and growth items and 2021/22 budget pressures. There is currently a weekly process where potential proposals to bridge the 2021/22 budget gap are discussed in SLT workshops and reviewed by a cross-directorate Financial Challenge & Monitoring Group. Agreed proposals will be reported to Policy and Resources Committee in October for decision; any proposals agreed to be actioned immediately.</p> <p>Organisational restructure has aligned the procurement and commercial services with finance. This means that the support mechanisms for the organization in terms of expenditure control, income enhancement and wider financial acumen are strategically aligned and more able to provide a holistic service.</p> <p>There is a six-weekly FMCG (Financial Monitoring and Challenge Group) in place, where senior members of the directorate are tasked with identifying, challenging and supporting the actions associated with savings plans.</p>	<p>Shaer Halewood Director of Resources</p>

Issue	Action proposed during 2019/20	Lead Officer
Financial Resilience (continued)	<p>Work continues on user-led reporting, which will reduce production effort and improve financial acumen across the organisation. A pilot will be conducted for quarter 2. A budget process has been developed for 2021/22 which will provide clarity over the scale and delivery of actions required to meet a balanced budget position (SLT 29 July 2020).</p> <p>The Capital Outturn programme for 2020/21 resulted in £40m of capital expenditure against a revised budget of £61m, a number of schemes were re-profiled at Q3. The Capital Programme and associated processes for 2021/22 are undergoing a widescale review. Improvements are being made to governance processes including a reconstituted Capital and Asset Group; Business case production and challenge, cradle to grave monitoring and training for officers and members. In addition an in year review is taking place to review the current programme to ensure it is investing in current priority areas and to identify opportunities for the release of funding.</p>	Shaer Halewood Director of Resources
<p>Non- Compliance</p> <p>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to financial penalty and ultimately loss of life.</p>	<p>Actions included in the corporate risk register for addressing the corporate issue of non-compliance include:</p> <ul style="list-style-type: none"> - Implement the new Scheme of Delegation; - Ensure improvements to managers' ability to address under-performance; a project to introduce a new performance management framework is underway; - Develop reporting to highlight the Council's legal obligations/statutory duties and whether these are being met; - Ensure appropriate training programmes, and targeted roles, for key risk areas, such as Health and Safety, Information Management; - Implement recommendations of external review carried out by Zurich Municipal in December 2019 to provide an evidence base and recommendations from which to resolve issues in Health and Safety; - Ensure Investigations into specific H&S incidents provide an evidence base upon which to put in place appropriate preventative action. <p>Other actions include:</p> <ul style="list-style-type: none"> - The procurement team have redesigned the purchasing system to improve visibility, accountability and monitoring, this will go live in Autumn 2020. 	Shaer Halewood Director of Resources

Issue	Action proposed during 2020/21	Lead Officer
<p>Regeneration</p> <p>The Council needs to effectively drive and deliver key regeneration projects and growth, including Wirral Waters and the Wirral Growth Company (WGC), which are key to the achievement of the Council's financial resilience plans. This will require the Council to develop and deliver a comprehensive regeneration strategy that can attract the substantial resources needed to deliver the projects.</p> <p>The Local Plan needs to be delivered to help drive Regeneration and avoid potential Government Intervention.</p>	<p>Key actions for 20/21 include:</p> <ul style="list-style-type: none"> - The Draft Birkenhead Regeneration Framework (BRF) and initial priority Delivery Action Plans (DAPs) (Hind Street, Town Centre, 'Hamilton Park') to be subject to consultation in summer 2020 with plans to complete late 2020; -final DAPs (Scotts Quay, Kelvinside and Seacombe Corridor) to commence summer 2020 for completion early 2020; - Collectively BRF and DAPs to provide spatial and investment framework for comprehensive regeneration of Birkenhead and will provide key evidence for emerging local plan; - Draft Liscard masterplan subject to consultation in summer 2020 with plans to complete later in 2020; - Draft New Brighton masterplan subject to consultation in spring 2021 with plans to complete late spring 2021. <p>The WGC is on track for planning application submission for Birkenhead development in August 2020. This includes a detailed application for the first two office buildings and outline application for the masterplan area. Development plans for Moreton have been stalled due to Covid19 and the inability to carry out full public consultation as planned. Public consultation for Pasture Road is now planned for Autumn 2020 and will be carried out virtually / within social distancing guidelines as appropriate.</p> <p>The Publication of the Draft Local Plan under Regulation 19 is now expected between June and July 2021 with Submission for Examination in October / November 2021. Intensive work is underway to:</p> <ul style="list-style-type: none"> - complete the preparation of the detailed Draft Local Plan and essential outstanding studies and workstreams including the Birkenhead Regeneration Framework; - engage with key strategic brownfield site owners to bring forward housing development within the Local Plan period. <p>Further consultations on key evidence studies will take place over the summer and autumn 2020 period including engagement with members.</p>	<p>Alan Evans, Director of Regeneration & Place</p>

Issue	Action proposed during 2020/21	Lead Officer
<p>New Political arrangements</p> <p>There are significant implications for the Council in changing its decision making structure to a new form of governance. Across the Council, the change to potentially different ways of working and briefing with Members will require greater and different input from officers. The extent of the resource implications in the longer term will vary dependent on a number of factors. The process of change will raise a number of associated risks which will need to be identified and managed as part of the ongoing process of implementation and practice post September 2020. A key risk to the objectives of the decision made by Council is that a change to the form of governance arrangements fails to bring with it the desired change in culture.</p>	<p>Ongoing training for Members and officers together with the approach of the Constitutional drafting, including role descriptors, improved working protocols and mandatory training, and a service review and staffing re-design within Democratic Services will assist in mitigating the risks. A Committee Services Cell has also been established.</p>	<p>Philip McCourt Director of Law & Governance</p>

CERTIFICATION

To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our annual review.

Signed:



Paul Satoor, Chief Executive

Date: 24th August 2020

Signed:



Councillor Pat Hackett, Leader of the Council

Date: 24th August 2020