



# Cabinet

<b>Date:</b>	<b>Thursday, 22 September 2011</b>
<b>Time:</b>	<b>6.15 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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## AGENDA

### 19(a) INDEPENDENT REVIEW

The Leader has agreed to consideration of this item as a matter of urgent business.

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## WIRRAL COUNCIL

### CABINET

22 SEPTEMBER 2011

<b>SUBJECT:</b>	<b>INDEPENDENT REVIEW</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF EXECUTIVE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR STEVE FOULKES</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report advises Cabinet of the progress of an Independent Review of Wirral Council's Response to Claims made by Mr Martin Morton (and others). The Independent Review was commissioned by the former Leader of the Council from AKA (the trading name of Anna Klonowski Associates Ltd.). AKA have prepared a comprehensive draft report, together with a draft Executive Summary report, in relation to those matters. However, AKA's lawyers have advised that this Report and Executive Summary must not be published until those named in the report have had the opportunity for a right of reply. This right to reply process is underway. The Council's Monitoring Officer agrees with this legal advice.
- 1.2 AKA have also produced a Supplemental Report entitled 'Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew' ('The Corporate Governance Report'): copy attached at Appendix A. Therefore this paper addresses The Corporate Governance Report which summarises the organisational weaknesses that allowed the issues raised by Mr Morton to occur; and which the Council failed to address.
- 1.3 As Chief Executive I regard the issues highlighted in The Corporate Governance Report as the most significant challenge facing the Council and I will personally lead and drive the corporate changes that are urgently required.
- 1.4 Failure to address the issues detailed in The Corporate Governance Report has led to:
- A) A Public Interest Report,
  - B) Two reports under the Public Interest Disclosure Act,
  - C) A "red flag" raised by the Audit Commission in relation to Adult Social Services Data,
  - D) A Care Quality Commission (CQC) Report relating to issues raised by the "red flag",
  - E) Concerns raised by the Council's external auditors, and

F) A number of issues raised by the Director of Finance in the Council's own corporate governance statements.

1.5 Consequently, AKA concludes that *"the Council has not yet learned the necessary lessons to enable its corporate governance arrangements to become more robust and fit for purpose."* In the opinion of AKA, the Council remains at risk of some form of external intervention. Despite the Government's intention to move to a system of self-regulation from April 2012, until the existing legislation is repealed, the Council could be subject to an external corporate governance inspection under Section 10 of the Local Government Act 1999.

1.6 AKA recommends a number of actions. Specifically, AKA recommends that a Cabinet Committee be established to oversee the assessment, design and delivery of improvements in the Council's corporate governance arrangements. AKA recommends that the Cabinet Committee be supported by the Council's statutory officers – The Chief Executive, Monitoring Officer (Director of Law, HR and Asset Management) and S151 Officer (Director of Finance) – together with one or more working groups.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that:

- (1) Cabinet accept the findings of AKA's report.
- (2) Cabinet establishes a Cabinet Committee in accordance with the recommendations in the Corporate Governance Report and instructs the Chief Executive to present a further report, for Cabinet consideration on 13 October 2011, detailing an action plan to address the issues identified by AKA.
- (3) Cabinet considers whether or not to appoint external support to assist in the assessment, design and delivery of the identified improvements.
- (4) Cabinet thanks AKA for the report, and approves payment to AKA. It is currently estimated that this is likely to total £250,000, including external legal costs.
- (5) The Chief Executive be instructed to organise a presentation by AKA to which all Members of the Council will be invited.

## **3.0 REASONS FOR RECOMMENDATIONS**

3.1 Good Corporate Governance is at the heart of how an effective local authority operates. The Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives define governance as being:

*“about how local government bodies ensure that they are doing the right things in the right way for the right people in a timely inclusive open honest and accountable manner. It comprises the systems and processes and cultures and values by which local government bodies are directed and controlled and through which they account to engage with and where appropriate lead their communities.”* (Delivering Good Governance in Local Government Framework)

- 3.2 The Audit Commission asserts that *“Good governance adds value; it ensures effectiveness in ever changing circumstances”*.
- 3.3 The Council may be at risk from an external corporate governance inspection under the Local Government Act 1999.
- 3.4 From April 2012, the government intends that councils will be required to operate under a self-regulation regime.
- 3.5 The Council therefore needs to address the weaknesses identified by AKA as a matter of urgency, to ensure that it can comply with the intended revised regulatory regime from April 2012.

#### **4.0 BACKGROUND**

- 4.1 The report on matters of corporate governance arises from AKA’s appointment by the Council to review issues raised by the whistleblower relating to concerns in the Department of Adult Social Services Learning Disabilities Services.
- 4.2 AKA was appointed by the then Leader of the Council under delegated powers to:
  - A) Determine whether, in her professional opinion, all of the issues raised by Mr Morton have been properly and adequately addressed;
  - B) Determine if all lessons to be learned across the Council have been properly and thoroughly heeded; and
  - C) Reassure the Leader and the Portfolio Holder that no similar matters need to be addressed.
- 4.3 I extended these terms of reference whilst Interim Chief Executive, following consultation with the then Leader, to include work around the Improvement Plan produced in response to the report from CQC (see paragraph 1.3); issues around the Disability Discrimination Act; and issues raised by the Equalities and Human Rights Commission.
- 4.4 The Council has received a separate and comprehensive report together with an Executive Summary report in relation to those matters: however, AKA’s lawyers have advised that those reports cannot be published until those named in the report have had the opportunity for right of reply. The Council’s Monitoring Officer agrees with this advice.
- 4.5 AKA has produced an additional report into the governance issues arising from the work. This additional report is the subject of this paper.

## THE CORPORATE GOVERNANCE REPORT

- 4.6 The report is reproduced in Appendix 1.
- 4.7 AKA identifies examples of the impact of a variety of corporate governance weaknesses:
- A) Inadequate systems to manage performance and spot failures
  - B) Being unable to understand and implement fees and charges properly
  - C) Not being able to commission, manage and, where necessary, dismiss failing contractors and suppliers
  - D) Shortfalls in the way the Council evaluates the impact of its policies both prior to execution and in response to evidence about the impact
  - E) A reluctance to listen to and support Wirral Council staff when they have tried to raise and resolve issues on the Council's behalf
  - F) The reluctance of some staff to speak out because of the perceived impact this might have on them and/or their career at Wirral.

Additionally, and consistent with the self-regulation regime which is being introduced from April 2012, AKA asks the Council to assess its performance over a number of key corporate governance issues. AKA has provided an indicative assessment of these key issues based on the Independent Review.

Area of Corporate Governance	AKA's Assessment (X= issues to be addressed)
Financial Issues	X
Member Capacity	X
Officer Structures	X
Service Quality	X
Corporate Planning	X
Partnership Working	
Procurement	X
Community Engagement	
Risk Management	X
Equalities	X

- 4.8 For illustrative purposes, AKA highlights how other councils have addressed identified weaknesses in similar issues. It is clear that the Council must respond effectively to the issues identified in all these areas.

## **5.0 RISKS**

5.1 Embedded appropriate corporate governance arrangements ensure that:

- A) Authority policies are implemented in practice,
  - B) Authority values and ethical standards are met,
  - C) Laws and regulations are complied with,
  - D) Required processes are adhered to,
  - E) Published information is accurate and reliable,
  - F) Human, financial and other resources are managed efficiently and effectively, and
  - G) High quality services are delivered efficiently and effectively.
- A failure in effective corporate governance therefore means there is a risk that that these fundamental issues have not been met.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1 None: the Corporate Governance Report sets out issues identified through an independent external review commissioned on behalf of the Council.

## **7.0 CONSULTATION**

7.1 This report concerns issues raised by an independent review commissioned on behalf of the Council. The objective is to improve corporate governance which underpins how the Council engages with the community.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 The objective is to improve corporate governance which underpins how the Council engages with the community.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

9.1 Financial: the estimated cost of AKA is £250,000, including legal fees. However, this estimate is dependent on any further work required as a result of the 'right to reply' process. There may be additional costs should external support be engaged. These costs will be funded 2011/12 from balances.

9.2 IT, staffing and assets: there are no direct implications.

## **10.0 LEGAL IMPLICATIONS**

10.1 Until the existing legislation is repealed, the Council could be subject to an external corporate governance inspection under Section 10 of the Local Government Act 1999.

## **11.0 EQUALITIES IMPLICATIONS**

11.1 Equalities is an area of corporate governance weakness identified by AKA.

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 None.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 None.

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## **APPENDICES**

Appendix A: AKA Supplemental Report entitled 'Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew' dated September 2011.

## **REFERENCE MATERIAL**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet</b>	<b>6 November 2008</b>
<b>Audit and Risk Management Committee</b>	<b>4 November 2008</b>
	<b>29 June 2009</b>
	<b>29 September 2009</b>
	<b>3 November 2009</b>
	<b>(2 Reports)</b>
	<b>25 November 2009</b>
	<b>24 March 2010</b>



# **Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew**

**A Supplementary Report to the Independent Review of  
Wirral Metropolitan Borough Council's Response to Claims  
Made by Mr Martin Morton (and Others)**

**Prepared for Wirral MBC**

**By Anna Klonowski**

**19 September 2011**

**Final**

1. This report arises from the consultant being appointed by Wirral Council to review issues raised by a whistle-blower relating to concerns in the Department of Adult Social Services Learning Disabilities Services. A separate and comprehensive report together with an Executive Summary report are both in development and will be issued to the Council in due course.
2. The production of this report must not distract from the comprehensive response to the Whistleblower's concerns but should instead be seen as a summary of the weaknesses in Corporate Governance that allowed these issues to occur and, indeed has also allowed the Council to fail address to ongoing weakness such that it has led to the publication of:
  - A. A Public Interest Report;
  - B. Two reports under the Public Interest Disclosure Act;
  - C. A "red flag" raised by the Audit Commission in relation to Adult Social Services Data
  - D. A Care Quality Commission report relating to issues identified in the "red flag"
  - E. Concerns raised by the Council's external auditors, and;
  - F. A number of issues raised by the Director of Finance in the Council's own corporate governance statements;

Then the consultant must conclude that the Council has not yet learned the necessary lessons to enable its corporate governance arrangements to become more robust and fit for purpose.

3. The Independent Review undertaken between September 2010 and September 2011 involved an intensive examination of Wirral's performance over the last decade. It highlighted a significant number of failures in the quality of services for local people, many of whom were vulnerable and in need of the Council's support. It is these vulnerable people, ultimately, who have suffered as the Council has struggled to resolve a myriad of organisational issues that need attention and improvement.
4. The Council should have governance arrangements in place to ensure that:
  - A. Authority policies are implemented in practice.
  - B. Authority values and ethical standards are met.
  - C. Laws and regulations are complied with.
  - D. Required processes are adhered to.
  - E. Published information is accurate and reliable.
  - F. Human, financial and other resources are managed efficiently and effectively.
  - G. High-quality services are delivered efficiently and effectively.
5. This is not consistently the case. Wirral MBC's corporate governance failures include "hard" organisational basics, such as:
  - A. Inadequate systems to monitor and manage performance and spot failures (see evidence relating to the Audit Commission "red flag", CQC report etc.
  - B. Being unable to understand and implement fees and charges properly (see evidence outlined in the Comprehensive report on DASS).
  - C. Not being able to commission, manage and, where necessary, dismiss failing contractors and suppliers (see evidence outlined in the Comprehensive report on DASS) and PIDA reports.
  - D. Shortfalls in the way the Council evaluates the impact of its policies both prior to execution and in response to evidence about impact (e.g. informal concerns raised by the Equalities and Human Rights Commission).

6. There are other “softer”, but profound, cultural issues, which include:
  - A. A reluctance to listen to and support Wirral MBC staff when they have tried to raise and resolve issues on the Council’s behalf.
  - B. Confidential comments made during the DASS review that some staff were at the time of interview reluctant to speak out because of the perceived impact this might have on them and/or their career at Wirral MBC.
7. There is also evidence that the Council’s ability to ensure that staff, at all levels of the organisation, are performing to the standards required of them and are accountable for the decisions they have made also needs further improvement. This observation also extends to those senior officers who, despite a series of external reports, interventions and complaints, failed to recognise that things were going wrong and failed to take an effective lead in doing something about it. An associated but equally relevant point relates to the ability of Members to “test and check” the information being provided to them by these senior officers.
8. In short, the evidence confirms the consultant’s conclusion that, over a considerable period of time, this council has been consistently unable to get a grip of a range of inter-related issues. This indicates that Wirral MBC’s corporate governance arrangements were, and probably remain, inadequate.
9. The consequence of this inward, insular focus is that over time, residents and service users’ needs and rights have become submerged beneath an increasingly complex set of bureaucratic machinations. These have gripped different parts of the Council, diverting both attention and resources. Despite this, the organisation is still struggling to resolve the problems.
10. These machinations have had a corrosive impact on the basic levels of trust that need to exist between a council, its members, staff, residents and users.
11. Maintaining an appropriate level of trust sits at the heart of the relationship between government (at every level) and its citizens. Trust is damaged when services fail. But trust is lost when the openness, honesty and indeed, motives of the organisation and individuals charged with resolving problems come into question. This is what has happened at Wirral MBC. As the organisation has struggled to generate accurate information, not responded to complaints, failed to properly execute agreed decisions, people have suspected conspiracies rather than maladministration. Rebuilding this trust is crucial to underpinning the Council’s way forward.
12. In arriving at this assessment the consultant has reviewed various Corporate Governance issues at other councils and public sector organisations as well as reports that followed inspections by the Audit Commission and the Welsh Audit Office. This has allowed a comparative assessment of the seriousness of the Corporate Governance shortfalls at Wirral MBC (see Appendix S1).
13. It is suggested that now that the Independent Review is “on the record”, it is now incumbent on the Leadership, both members and officers, to build on the start made by the Independent Review, take ownership of the corporate governance issue going forward and agree the plan and associated a programme that transforms the way corporate governance at Wirral MBC works.
14. A failure to respond appropriately means that, rather than drawing a line under the various issues set out in the Independent Review, the Council and its residents, remain at risk of

more of the same sort of failures and associated complications that compound those failures.

15. A pertinent example of a council that took ownership of its own corporate governance renewal following service failure is Surrey County Council. During 2008 Surrey County Council found itself on the receiving end of two very negative reviews by Ofsted and CSCI (now CQC) in relation to Children's Services and Adult Services respectively. Two immediate consequences were that a number of senior and very senior staff left the County Council and restructuring to transform the authority's leadership, culture and governance was pursued.
16. At Wirral MBC there remains the risk of some form of external intervention. Despite the Government's intention to move local authorities to a system of self regulation, until the existing legislation is repealed, the Council could, technically, be subject to an external corporate governance inspection under the Section 10 of the Local Government Act 1999.
17. For example, as recently as March 2011, the Isle of Anglesey was subject to a Corporate Governance Re-inspection and subsequent directions under equivalent inspection and intervention powers available to the Welsh Audit Office.
18. The CQC retain inspection, intervention and powers of direction under the Health and Social Care Act 2008.
19. Looking forward, the Council will also be required to ensure its self improvement under the Coalition's plans for sector self regulation and improvement. Central government expects councils to take steps to enhance the way they are held to account locally. Wirral MBC can start work on responding to self regulation now and in doing so take a lead in demonstrating to the sector what good "corporate governance renewal" looks like.
20. Over the shorter term the Council's leadership must act to remedy its existing corporate governance shortfalls and must also be assured of the corporate health of the organisation and its component services; it would, however, be dangerous to conclude that shortfalls are confined only to the systems and services covered in the Independent Review. Such a review will require consideration of how Wirral MBC corrals and deploys the capacity and capability to deliver a corporate governance review and associated reforms.
21. The leadership must also be astute as to how it will ensure the organisation will not be deflected by fiscal, and associated, challenges that will increasingly flow from the Spending Review settlement for local government.
22. In conclusion, Wirral MBC's leaders must agree and take the necessary steps to ensure the Council stays focused on a longer term vision, direction and strategy, instead of defaulting to a series of short-term survival tactics in what will become an increasingly fraught operating environment. A high level plan of action to achieve this is set out at Appendix S2.

## GOOD CORPORATE GOVERNANCE DEFINED

*“Governance is about how local government bodies ensure that they are doing the right things in the right way for the right people in a timely inclusive open honest and accountable manner. It comprises the systems and processes and cultures and values by which local government bodies are directed and controlled and through which they account to engage with and where appropriate leads their communities.”<sup>1</sup>*

*“Governance is more than making sure that things do not go wrong or fixing them if they do. Good governance adds value; it ensures effectiveness in ever changing circumstances.”<sup>2</sup>*

1. The CIPFA Framework for Delivering Corporate Governance in Local Government (2007) suggests six core principles for local government and recommends that all councils should comply with them:
  - A. Focussing on the Council's purpose and on outcomes for its citizens and service users.
  - B. Members and officers working together to achieve a common purpose with clearly defined functions and roles.
  - C. Promoting high standards of conduct and behaviour across the Council.
  - D. Making transparent decisions which are subject to scrutiny and risk management.
  - E. Developing the capacity of members and officers to be effective.
  - F. Engaging with local people and stakeholders.
2. It also suggests that effective corporate governance requires councils to:
  - A. Review their existing governance arrangements against the Framework.
  - B. Maintain an up to date local Code of Governance, including arrangements for ensuring its ongoing application and effectiveness.
  - C. Prepare an Annual Governance Statement to report publicly on the extent to which they comply with the principles.
3. In practice, good governance combines “hard factors”- robust systems and processes with “softer” elements of effective leadership aligned with high standards of behaviours.
4. There is an evident link between corporate governance and service quality: good corporate governance supports effective decision making, poor governance can foster the climate, structures and processes that lead to poor decisions and/or the failure to detect and/or react to service failures.
5. Warning signs generally combine to indicate an organisation is experiencing difficulties or indeed, is at risk of service and/or governance failure.

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<sup>1</sup> ‘Delivering Good Governance in Local Government Framework’ (CIPFA/SOLACE)

<sup>2</sup> ‘Corporate Governance-Improvement and Trust in Local Public Services’ (Audit Commission)

<b>Corporate Governance Warning Signs</b>	
<b>Issue</b>	<b>Symptoms</b>
Poor quality leadership	A breakdown of trust between leader and cabinet and/or the chief executive and management team, “club cultures”, staff feeling unable to speak out and challenge the decisions and behaviour of people in senior roles
Poor decisions based on inadequate information and a failure to challenge	Decision making forums have a lack of rigour, decisions based on wrong or out of date information, poor quality information & data, systems that do not provide timely and/or accurate information, a culture where record keeping is undervalued, inadequate systems and processes
A lack of clarity in roles & responsibilities which creates poor accountability	Staff that are not clear about their roles, responsibilities not covered off in job descriptions, poor staff and management practice which means managers are unaware of what frontline staff are doing, a failure to work effectively with partner organisations and contractors
Poor working relationships and dysfunctional relationships	Working relationships that have broken down, ineffective working relationships between professional groups, poor interagency, multi disciplinary and team working exacerbated by poor organisational structures
An insular perspective with little or no focus on community needs	Inward focus with weak/hostile relationships with external agencies, a failure to prioritise overcoming the effects of poor services on users, a failure by senior managers to take responsibility for service failures, poor communication with members of the public, an inability to counteract myth and misunderstanding

**Adapted & Updated from Corporate Governance, Audit Commission 2003**

## Corporate Governance Inspections Overview

Council	Date	Financial Issues <sup>3</sup>	Member Capacity <sup>4</sup>	Officer Structures <sup>5</sup>	Service Quality	Corporate Planning <sup>6</sup>	Partnership Working	Procurement	Community Engagement	Risk Mgt	Risk Equalities
Hackney	2000	X	X	X	X						
Walsall	2002	X	X			X					
Hillingdon	2001	X	X								
Enfield	2001	X		X	X	X	X				
Corby	2002	X	X	X	X	X		X			
Mendip	2002		X	X		X					
Bromsgrove	2002	X	X	X		X			X		
Rotherham	2002			X		X				X	
Bristol	2002	X	X	X	X	X					
Torbay	2002	X		X		X			X	X	X
Merton	2002	X				X					
Rossendale	2002		X	X	X		X			X	
Hull	2002	X	X	X	X	X					
Harlow	2002	X	X			X					
Oldham	2002	X	X	X		X					X
Hull	2003		X	X	X						
Erewash	2003	X	X			X			X		
Swindon	2004	X	X	X		X					
Lincolnshire	2005		X	X							
S Cambridgeshire	2007		X								X
<i>Indicative assessment of Wirral MBC based on Independent Review September 2011</i>											
<b>Wirral MBC</b>		X	X	X	X	X	X	X	X	X	X

<sup>3</sup> Financial Issues includes: Financial health, stability and planning

<sup>4</sup> Member Capacity includes: Training, decision making, standards and member/officer relationships

<sup>5</sup> Officer Structures includes: Structure, capacity and support

<sup>6</sup> Corporate Planning includes: Business planning, target setting, monitoring and system management

## Examples of Recommendations for Each of the Above Categories

### 1. Financial issues, including financial health, financial stability and financial planning:

<b>Enfield</b>	Develop a medium term financial strategy driven by: <ul style="list-style-type: none"> <li>• The Council's priorities</li> <li>• The outcomes of the Council's key fundamental service reviews</li> <li>• An appraisal of risk, demographic trends and other contextual data</li> </ul>
<b>Bristol</b>	Develop resource planning so that resources are directed to clearly articulated priorities and there is a clear relationship between resourcing, anticipated service improvements and benefits for users by June 2002
<b>Merton</b>	To support and improve financial management by October 2002: <ul style="list-style-type: none"> <li>• Clarify the policy of using capital receipts to underpin revenue expenditure</li> <li>• Have an integrated capital and revenue plan for 3 years driven by the business plan and its priorities</li> <li>• Explore the range of options to generate increased income</li> <li>• Assess procurement in relation to Social Services, Voluntary Sector and the use of Consultants</li> </ul>

### 2. Member capacity, member training, decision making arrangements, standards and member officer relationships:

<b>Corby</b>	Enhance councillor capacity through a combination of external support, member training and development programmes by 31 March 2002
<b>Mendip</b>	The Council should demonstrate that it makes its decisions in an open and transparent way, by: <ul style="list-style-type: none"> <li>• Developing a programme of work for the Scrutiny Board</li> <li>• Testing the arrangements for monitoring standards</li> <li>• Requiring the officers with responsibility for probity matters to work together and report on these matters directly to the Scrutiny Board and Standards Committee</li> </ul>
<b>Rossendale</b>	The new political leadership (elected in May 2002) must make a considerable effort to mend the badly damaged relationships between members and officers. The new Leader of the Council should set out a plan for regular meetings to be organised between members and senior managers, middle managers and front line staff
<b>Erewash</b>	Develop a positive organisation culture supported by behaviours which exemplify good community leadership: <ul style="list-style-type: none"> <li>• Set clear expectations about behaviours and personal respect for officers and members</li> <li>• Develop an understanding of the impact of member and officer behaviours and ensure commitment to change</li> <li>• Understand the present culture of the organisation by commissioning an independent cultural survey and an independent staff survey</li> </ul> <p>April 2003 Erewash Borough Council - Corporate Governance, Page 9 of 72:          "In order to eliminate the fear and blame culture, ensure leadership exemplifies high standards of behaviour in public and internally and that these standards extend throughout the organisation"</p>



3. Officer structures / capacity / support:

<b>Oldham</b>	<ul style="list-style-type: none"> <li>• The Council should secure new chief officer expertise to strengthen corporate leadership; in particular it needs improved capacity to address weaknesses in human resources, performance management, communications, regeneration, ICT and e-government.</li> <li>• The Council must urgently re-structure the Chief Officer team to ensure it can deliver improvements against the revised priorities. Elected members and the chief executive must secure independent, nationally recognised expertise to assist in the development of job descriptions, salaries, national advertisement, recruitment and selection, to ensure Oldham Council can compete and secure the new staff it needs.</li> <li>• The chief executive should become more strategic with a reduced span of control. A new chief officer team and key second tier posts should be in place by March 2003. All executive directors should take forward key service tasks and also work corporately to deliver the new priorities.</li> <li>• One new post, possibly at deputy chief executive level, should take responsibility for improving the key corporate functions identified as weak, which are constraining improvements in services to the public. Expertise to support that post must be secured, including consideration of options involving partnerships with other public or private organisations.</li> </ul>
<b>Rossendale</b>	The management structure, as well as the management team of the Authority, must be subjected to a fundamental review using external advice and support, which produces firm recommendations for adoption by the Council to increase management capacity to deliver services.
<b>Bromsgrove</b>	Establish the smaller management team the Council is considering, to provide a forum for strategic planning and performance management (which may be separate from day to day service management arrangements). Ensure that the new team has senior officers with clear corporate briefs, that it is clearly focused on the Council's corporate agenda, and that it has sufficient fresh capacity to take this forward.
<b>Hull</b>	Ensuring the presence of a proven chief executive: - To bring about and sustain the necessary level of improvement, the Council needs the skills and experience of a chief executive with a proven track record of achieving, bringing about and embedding improvement in large and complex organisations. In the Commission's view, this requirement cannot await the outcome of the current proceedings concerning the suspended chief executive. The Audit Commission recommends that a direction under Section 15 of the 1999 Act should require the Council to contract with a person nominated by the Secretary of State, pending the outcome of these proceedings and the long term resolution of the position.

4. Improving services:

<b>Enfield</b>	<ul style="list-style-type: none"> <li>• The Council should make demonstrable improvements to its street services to ensure residents receive a better service.</li> <li>• Ensure that the proposals for a contact centre are those that cost- effectively best address the prioritised needs of local people.</li> <li>• Actively and visibly communicate with the people of Enfield on issues that matter to them and ensure demonstrable improvements to services as a result of this approach.</li> <li>• Visibly work with partners and the public to make services better.</li> </ul>
<b>Corby</b>	Set down and implement clear action plans to improve key services such as street cleansing and housing (including the gas servicing backlog) immediately.

<b>Rossendale</b>	<ul style="list-style-type: none"> <li>• Increase the level of rent collected to a level consistent with the average achieved by other district councils nationally (currently 97.2 per cent) so that the resources available to support the housing revenue account are maximised.</li> <li>• Improve housing management arrangements so that non-urgent responsive repairs are completed within a reasonable timescale (22 days) and that a higher proportion (88 per cent) of urgent repairs are undertaken within government time limits. The Council should also ensure that average re-let times are reduced to an acceptable level (39 days).</li> <li>• Appoint a Community Safety Officer and provide sufficient corporate support to achieve a positive working relationship with Lancashire Constabulary, which will contribute towards a measurable reduction in crime.</li> <li>• The Council should stop immediately all efforts to outsource the management of the leisure service until it is clear about the service that it ought to provide, and rather than pursuing new contractual arrangements as a means of improving the leisure services, the Council should develop a leisure strategy for the Borough. It may be necessary to work with an external consultant to do this by December 2002. Once the Council has a clear picture of the leisure services required for Rossendale, it should undertake an urgent review to assess whether the current level of provision meets these needs and also evaluate the options for delivering the service.</li> <li>• Clear the current backlog of housing benefit claims and deliver a quality service to claimants within the Borough.</li> <li>• Increase collection rates for Council Tax and NNDR to at least the average achieved by other district councils within a two year period (currently 97.13 per cent and 97.8 per cent respectively).</li> <li>• Reduce arrears of both council tax and NNDR by 20 per cent over the next two years.</li> </ul>
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5. HR / staffing:

<b>Rossendale</b>	<ul style="list-style-type: none"> <li>• Appoint a full-time qualified Head of Human Resources</li> <li>• Undertake a comprehensive review of staff training needs and develop and fund a relevant training programme</li> <li>• Change the powers of delegation to senior staff to ensure they have full responsibility for making speedy decisions on personnel matters</li> </ul>
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6. Corporate planning / business planning / target setting and monitoring:

<b>Bristol</b>	Develop strategic planning so that there is a clear vision and a corporate plan focussed on priorities with clear plans for action and time scales that have been effectively communicated to all appropriate stakeholders by June 2002.
<b>Torbay</b>	<p>The Council needs to actively improve corporate and service planning so that it clearly determines priorities and drives improved performance. It should:</p> <ul style="list-style-type: none"> <li>• At cabinet level determine immediately manageable, specific and measurable targets for the highest priorities for achievement for 2002/03.</li> <li>• Agree and explicitly link corporate, departmental and individual objectives for the top 3 management tiers to clear plans based on outcomes for local citizens</li> <li>• Formally structure the working relationships between leader and chief executive and portfolio holders and directors.</li> <li>• Establish councillor level appraisal for the chief executive and directors. Councillors should appraise the chief executive's performance and set objectives and the chief executive sets management team objectives with portfolio holders.</li> </ul>

	<ul style="list-style-type: none"> <li>• Apply throughout the organisation in the coming year the revised version of the staff appraisal system (RADAR).</li> <li>• By the beginning of 2003/2004 link securely the corporate objectives to the performance targets for all staff.</li> <li>• Identify and resource the training needs for performance management at all levels supported by adequate resources.</li> </ul>
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7. Partnership working:

<b>Enfield</b>	<p>Work to improve weak partnerships with the local Health Authority so as to better manage the risks associated with volatile demands on services and their impact on spending, and provide some real options for service users in the two following areas:</p> <ul style="list-style-type: none"> <li>• Mental Health</li> <li>• Older people's services affected by winter pressures</li> </ul>
<b>Rossendale</b>	<p>The Council needs to commit itself to the active and effective support of Rossendale Partnership and its development as a Local Strategic Partnership, in order to identify and secure a significant increase in external funding for the Borough and to ensure positive support from GONW, NWRDA and other external partners.</p>

8. Procurement:

<b>Corby</b>	<p>Establish effective corporate procurement procedures linked to the Monitoring Officer role by 30 June 2002.</p>
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9. Community engagement:

<b>Torbay</b>	<p>The council needs to be clearer about its approach to community leadership and be more active. It needs to make more systematic effort to be informed by the needs and expectations of its local community.</p>
<b>Erewash</b>	<p>Improve community engagement:</p> <ul style="list-style-type: none"> <li>• Develop a corporate approach and strategy for community engagement.</li> <li>• Use the outcomes from community engagement to inform decision making and priorities (through service and budget planning) so that public funds are directed in accordance with community needs.</li> <li>• Ensure community engagement at all levels within the organisation.</li> <li>• Ensure regular and clear feedback to the community.</li> </ul>

10. Risk management:

<b>Rotherham</b>	<p>Develop a comprehensive and robust risk management framework to ensure appropriate safeguards are in place whilst the Council moves into the future.</p>
<b>Rossendale</b>	<p>To implement a risk management strategy that puts risk management and awareness at the heart of the Council's decision-making process.</p>

11. Diversity / equalities:

<p><b>Torbay</b></p>	<p>The Council needs to demonstrate more clearly its compliance with key equalities legislation and support the agenda for better equalities awareness and access. It should:</p> <ul style="list-style-type: none"> <li>• Produce and implement a plan showing how the legislative requirements in the Race Relations Amendment Act and Disability Discrimination Act are to be met</li> <li>• Put in place rigorous processes to identify, monitor and tackle incidents of racial harassment through all the Council's services.</li> </ul>
<p><b>Oldham</b></p>	<p>The Council must actively promote community cohesion through the way it delivers its key services:</p> <ul style="list-style-type: none"> <li>• The Council must demonstrate its commitment to equal opportunities by more positive advertising of posts to broaden the diversity of its workforce to better represent the local population.</li> <li>• Officers must produce a report to the whole Council on the composition of the workforce by gender and race including proposals for ongoing monitoring and improvement.</li> <li>• The Council needs to develop a neighbourhood renewal approach in partnership with the LSP, to cover all its neighbourhoods, learn from existing work and spread that experience throughout the Borough.</li> <li>• The Council must evaluate the effectiveness of area committees in helping to deliver the Council's priorities and their scope for expanding community involvement and cohesion. The review should aim to redefine and clarify their future role and functions, considering the experience in other authorities, links to improved public consultation, communication and neighbourhood management.</li> <li>• The Council should evaluate the impact of all the different initiatives that tackle issues caused by the racial segregation of schools and use this to draw up a structured programme to roll out successful actions to support and link schools.</li> <li>• Chief Officers and the Executive should ensure there is a process for quarterly scrutiny across all Council services to ensure opportunities are taken to promote integration of people of different race.</li> </ul>

**WIRRAL MBC**  
**TAKING THE LEAD IN TRANSFORMING CORPORATE GOVERNANCE**

**Context:**

- “Local authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area.”
- “Local authorities are accountable to their local communities. Stronger accountability through greater transparency helps local people drive further improvement.”

Wirral MBC is committed to reviewing and improving the way it works for and with local people. The “Taking the Lead” programme set out below, and the associated work streams, will play a central part in ensuring Wirral MBC delivers better services and outcomes for local people.

<b>WORK STREAM 1</b>
<b>“A Councillor Working Group Supported by Officers”</b>
<ul style="list-style-type: none"> <li>• The consultant recommends that this “be led from the top” and that a Cabinet committee be established to drive the required change</li> <li>• The Cabinet Committee’s membership should comprise those individuals best placed to oversee the assessment, design and delivery of improvements in Wirral MBC’s corporate governance arrangements with support from Officers as determined by Members. The Chief Executive, the Monitoring Officer and Director of Finance should support this Cabinet Committee and consideration should be given to the co-opting of external advisors.</li> <li>• The local programme will be called “Wirral MBC, Taking the Lead”.</li> <li>• The programme will commence in October 2011 and conclude in April 2012 thereby ensuring the Council is fit for purpose against the requirements of the self regulation regime that commences in April 2012.</li> <li>• The Cabinet Committee may be supported by one or more working groups which will take account of the existing guidance and recommendations being made by the national Local Government Group<sup>7</sup> as well as any new guidance relevant to Wirral MBC’s local “Taking the Lead” programme. These working groups will be appointed by the Cabinet on the advice of the Cabinet committee and, will be time limited task and finished groups whose membership will be determined by the Cabinet as having the appropriate, skills, experience, focus and determination to address corporate governance issues without distraction. This may include specialist advisors and/or co-optees as appropriate.</li> <li>• The Cabinet Committee will include co-opted external representation/perspectives from local partners and appropriate and regular input and challenge from peer councillors and officers from other authorities, together with external advisors as required.</li> </ul>
<b>Terms of Reference (to be consulted upon before agreement)</b>
<ul style="list-style-type: none"> <li>• Assessing and reporting on Wirral MBC’s current performance against 7 Corporate Governance questions: <ol style="list-style-type: none"> <li>1. How well are the authority’s policies implemented in practice?</li> <li>2. How well are the authority values and ethical standards met?</li> <li>3. How well are laws and regulations complied with?</li> <li>4. How well are required processes adhered to?</li> <li>5. Are financial statements and other published information accurate and reliable?</li> <li>6. Are human, financial and other resources managed efficiently and effectively?</li> <li>7. Are high-quality services delivered efficiently and effectively?</li> </ol> </li> <li>• Identifying and agreeing recommendations that will address existing shortfalls and/or deliver improvements required by Sector Self Regulation and Improvement and existing CIPFA guidance setting out what good governance looks like.</li> <li>• Agreeing, initiating and overseeing the individual work streams and coordinating the collective work programme required to deliver the Wirral MBC “Taking the Lead” initiative.</li> <li>• Agreeing and monitoring “delivery trajectories” for each work stream.</li> </ul>

<sup>7</sup> Taking the Lead: Self Regulation and Improvement in Local Government, The Local Government Group, 2011

- Making regular progress and performance reports to Wirral MBC's Cabinet and Scrutiny functions.
- Where necessary, seeking approval to make changes that impact positively on Corporate Governance and, if required, making recommendations to the appropriate governance body authorised to make such changes.
- Reporting to the full Cabinet and/or full Council with feedback reports and/or recommendations as appropriate.

**WORK STREAM 2**

**“Set Up a Taking the Lead Delivery Team”**

- Recruit a suitably qualified cross council and/or externally resourced team to support the Cabinet Committee and any working groups (see definition above) established to support the programme as a whole and the various work streams.
- Cabinet Committee and other co-opted Members/external resources to lead on coordinating internal communications and consultation strategy with support from Officers including undertaking a series of councillor, staff, citizen/user assessments about Wirral MBC performance (*“How well is the Council working, what needs improvement and why?”*)



<b>WORK STREAM 3</b>
<b>“Review and Improve Corporate Governance Development and Training Across the Council”</b>
<b>Consult, design and commission appropriate development programmes for councillors, officers and partners.</b>
<p><b>3.1 Councillor Development Training</b>  <i>(“What is required of councils’ by self regulation, what does this mean for Wirral MBC and what changes are required in the way councillors govern the Council and work with officers?”).</i></p> <ul style="list-style-type: none"> <li>• For Groups: looking at Good Corporate Governance, the Requirements of Self Regulation, iterating against what this means for the way Wirral MBC works, testing and agreeing what councillors need to do to fulfil their role in the new environment, identifying other changes that will improve Wirral MBC’s corporate governance arrangements.</li> <li>• As required: leader, cabinet members and scrutiny members development sessions- covering any support necessary to make specific changes required to update and improve Wirral MBC’s governance arrangements</li> <li>• As required: follow up briefings and/or training for those councillors where there are specific “Taking the Lead” implications that affected their areas of responsibility.</li> </ul>
<p><b>3.2 Officer Development Training</b>  <i>(“What is required of councils by self regulation, what does this mean for Wirral MBC, what changes are required in the way officers manage the Council and work with councillors?”)</i></p> <ul style="list-style-type: none"> <li>• Looking at Good Corporate Governance, the Requirements of Self Regulation, iterating against what this means for the way Wirral MBC works, testing and agreeing what officers and councillors need to do to fulfil their role in the new environment, identifying other changes that will improve Wirral MBC’s corporate governance arrangements.</li> </ul>
<p><b>3.3 Councillors-Officers “Open Door” Sessions</b></p> <ul style="list-style-type: none"> <li>• A series of regular, facilitated, “open door” sessions that report back on “Taking the Lead” and introduce, test and interrogate specific issues identified by the wider work programme and work streams.</li> <li>• Data to inform and shape the wider work programme.</li> </ul>

#### **WORK STREAM 4**

##### **“Undertake a Series of ‘System Stress Tests’ Across the Council”**

*(“How effective is this council in agreeing policy and converting it into effective practice supported by proper systems?”).*

- Commission a series of council wide “stress tests” to assess the integrity of the different systems (governance, financial and performance management) that support delivery of Wirral MBC’s services and outcomes.

##### **Specific Lines of Enquiry**

- To include specific audit and assurance on the effectiveness of council’s fees and charging systems, an assessment of how well different departments work together to lawfully set fees and charges and recovers monies
- Test information and document management systems and performance across different departments against the requirements of Freedom of Information legislation and guidance.
- Identify capture, codify and disseminate “best in class” based on good practice in Wirral MBC and recognised excellence elsewhere.
- Review and report on the improvements required to improve the Council’s capability and capacity in respect of governance arrangements with a specific focus on Legal and Committee Service Team, the council’s Policy and Performance functions, Internal Audit and, by the conclusion of the “Taking the Lead” programme, make recommendations on options for a designated Corporate Governance Team/Capability, as well that capability’s form and function.

<b>WORK STREAM 5</b>
<b>“A Corporate Governance Amnesty”</b>
<ul style="list-style-type: none"><li>• A confidential and secure way for councillors, staff, contractors and partners to put governance and service issues they are concerned about “on the record”.</li><li>• Ensure that the resource and capability required to prioritise, investigate and resolve these issues is on place/made available.</li><li>• Ensure that the learning flowing from any such work is reported back to the Councillor-Officer working group for any further action/ recommendations.</li></ul>

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