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CORPORATE GOVERNANCE COMMITTEE

Wednesday, 16 November 2011

Present:

Councillor	S Foulkes (Chair)		
Councillors	P Davies AER Jones	A McArdle AR McLachlan	
Invited Members: (Non Voting)	Councillors	JE Green	T Harney

11 MEMBERS CODE OF CONDUCT - DECLARATIONS OF INTEREST

No declarations of interest were received.

12 MINUTES

It was noted that the draft Minutes did not differentiate between those Members who had voting rights and those who had been invited by the Leader and the Cabinet, to attend the Committee's meetings to speak, contribute to the debate and help shape its decisions but who had no voting rights.

Councillor S Foulkes told the Committee that he hoped the invitation he had extended to those Members without voting rights, had been received in the spirit it had been given and that it would be nice to get the full agreement of all the Members present at the meeting, when decisions were taken.

It was reported that since the last meeting Officers had revisited the meetings schedule, in the light of the input required from the Executive Team, and were now attempting to reschedule briefing meetings by trying to identify appropriate dates and times, prior to the statutory publication dates for the Committee's agendas and reports (five clear working days before meetings), in accordance with Access to Information regulations. This work was still ongoing.

RESOLVED: That

- (1) subject to Councillors JE Green and T Harney being recorded as in attendance as Invited Members (Non Voting), the Minutes of the meeting of the Committee held on 26 October 2011 be confirmed as a correct record; and
- (2) agreement be given for Officers to continue to consult with Political Group Offices in order to identify a series of suitable dates and times for the Committee's briefing meetings.

13 WORK PROGRAMME, PROGRESS AND ASSOCIATED ISSUES

At the inaugural meeting of the Committee held on 26 October 2011 Members had requested further development of the Comprehensive Work Programme. Consequently, a report by the Chief Executive presented the Committee with Project

Initiation Documents (PIDs) for prioritised areas from the programme previously considered; discussed issues around how external support was to be acquired; and contained an initial summary timeline for the programme.

The report also included a number of other issues considered by the Committee at its last meeting, including:

- a review of Legal and Committee Services;
- the formation of a Policy Unit; and
- the need for specific budgetary provision.

Some Members considered that a definition of the Lead Member's role should be drawn up to provide clarity whilst others were of the view that it was wrong to be too prescriptive and that a single definition might not suit all ten of the Key Lines of Enquiry (KLOEs). Ultimately, it was acknowledged that the Committee's role was to test, debate and reach final decisions.

It was proposed that an information gathering exercise be undertaken, best practice models identified and options, based on experience, be reported to the Committee at a future meeting for its consideration. Once the Committee was able to discuss this report, it was hoped that a consensus could be reached on how to take the KLOEs forward. The Chief Executive agreed that an email to this effect would be drafted and the three Group Leaders be consulted on it, before it was sent to all Members of the Committee for information and clarity.

The Committee considered the ten KLOEs in detail and noted their content. The Chief Executive circulated a revised list of suggested Lead Members, Lead Officers and Managers for the ten KLOEs. Councillor J Green offered support to Councillor S Foulkes the proposed Lead Member for KLOE 1 - Alignment of Corporate Planning & Budget Making Process and his offer was accepted.

Councillor S Foulkes referred to AKA's Supplemental Report entitled 'Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew' (The Corporate Governance Report) which had summarised organisational weaknesses which the Council had failed to address. He informed that one of its criticisms was that Members' involvement had not been sufficient. This had now been addressed and improved as Members would act as a conduit and lead on each of the KLOEs. It was noted that Lead Officers would be responsible for keeping Lead Members up to date and briefed on the KLOEs.

The Chief Executive also circulated a revised Appendix 2 to the Committee's report which set out a revised procedure for recruiting external assistance to support the Corporate Governance Improvement Programme. The Director of Law, HR and Asset Management reported that the revisions made closer reference to the recently revised Council's Procurement Rules. External assistance would now be procured in accordance with these rules. Councillor Foulkes informed that there had been some concerns expressed about giving priority to AKA's opinion and the Committee was happy to take her advice to make external appointments. Good practice was being encouraged in terms of the Council's Constitution and procurement process and Paragraph 7 summarised exactly what could be done. Councillor Foulkes also made specific reference to Paragraph 8 and reminded Members that AKA had been appointed by a resolution of the Cabinet and so, too, would any external support.

The Committee also considered Appendix 3 to the report detailed an initial summary timeline. It was proposed that if problems were encountered which meant that timelines needed to be amended, a report on the situation should be presented to the Cabinet, rather than Members and Officers finding themselves in a situation where it was obvious that they were working to unrealistic timescales.

RESOLVED: That

- (1) **the ten prioritised Projection Initiation Documents be agreed with the following amendments:**

KLOE 1 - Alignment of Corporate Planning and Budget Making Process

Lead Members: Councillor S Foulkes *with Councillor J Green*

KLOE 2 - Review and Refresh Code of Corporate Governance

Add to Objective *“Ensure issues raised in the Annual Governance Statement are addressed within this process, and that this includes issues raised within previous Annual Governance statements and action taken to address them.”*

Lead Member: Councillor S Foulkes

KLOE 3 - Relationships between Devolved and Central Corporate Functions

Add to Objective *“That this should include appropriate representations from Trade Unions”.*

Lead Member: Councillor AER Jones

KLOE 4 - Review of Internal Audit

Add to Objective *“to which management and all members respond”*

Lead Member: Councillor J Crabtree, Chair of Audit and Risk Management Committee assisted by the two Political Group Spokespersons

Other Member Involvement: Members of Audit and Risk Management Committee.

KLOE 5 - Review of Policy

In the light of the need to keep a separate identity and function for the Policy Unit, and the fact that the Corporate Governance report alludes to the need for a separate identity, delete under Assumptions the statement “A Policy Unit would be an integral part of the Council’s Performance Management Framework. (interdependency with KLOE 3).

Lead Member: Councillor P Davies

KLOE 6 - Review of Committee Services including a Review of Committee Reports over the last three months

Add to In Scope *“the provision of independent and consistent advice and guidance to members”*

Lead Member: Councillor A McLachlan

KLOE 7 - Review of Performance (Corporate)

Add in Link to HR Function as far as an appraisal process is concerned.

Lead Member: Councillor AR McArdle

KLOE 8 - Equalities

Under Objectives add: *To ensure that the Council takes on concerns of Trade Unions and external stakeholders in recruitment, employment, service delivery and policy development perspectives.*

Lead Member: Councillor AER Jones

KLOE 9 - Fees and Charges

Add to In Scope: Scope does not include political decision *making on the level of charges to be set.*

Officer led work in first instance.

KLOE 10 - Member Capacity

Lead Member: Councillor T Harney

Member Involvement: Member Training Steering Group

- (2) **the agreed Lead Members, Lead Officers and Managers for the ten KLOEs be as set out in Appendix A to the Minutes;**
- (3) **in the light of the need to move as quickly and expediently as possible to complete this Corporate Governance review by April 2012, and in the light of the urgency of the situation as outlined in the highly critical independent report on the Council's Corporate Governance, this Committee also agrees the recommendations on the procurement of External Support as outlined in Appendix B to the Minutes. The Committee is clear that this refers to advice related to this Committee and supporting improvements in Corporate Governance only; and**
- (4) **the provisional timelines set out in Appendix 3 to the report be endorsed.**

14 WIRRAL INTEGRATED SUPPORT - LOCAL GOVERNMENT ASSOCIATION (LGA)

The Chief Executive provided the Committee with a copy of a letter dated 11 November 2011 addressed to the Leader of the Council and himself from Dr Gill Taylor, Principal Advisor to the LGA. The letter set out an initial proposal, following their conversation on 20 October 2011 and subsequent discussions about how the Council could improve its Corporate Governance and how the LGA could support it.

The letter referred to the Corporate Governance Report that had raised a series of wider organisational and governance failures in the authority. These included a real need to turn round the culture and some systems and practices. It noted that the Cabinet had accepted the Report's findings and had implemented an action plan, titled 'Taking the Lead in Transforming Corporate Governance'. The LGA was aware that despite negative reports the Leader and the Chief Executive were united in their positive response. They were receptive to support and saw these challenges as presenting a 'catalyst for change'.

The Letter also set out the LGA's response which included two broad phases (immediate issues and longer term outcomes), outputs and outcomes, support for the administration and other political groups, cross party and joint activities, officer support and continuing support during 2012/13. Also, included were details of the LGA team who would support the Council, its proposition and its expectations on how the Council to work with it. The total cost of the support on offer was £33,660. This consisted of the following:

Phase and Work Stream 2011/12	Team Member	Days	Day rate	Fee
Project sponsorship	Principal Adviser NW	4	n/a	n/a
Project Manager	Pam Booth	5	n/a	n/a
Labour peer member	Steve Houghton	8 (5 met by CoC)	£300	£900
Conservative and LD peers	TBC	10, (5 days each)	£300	£3000
High level officer challenge	TBC	20 days	£600	£12,000
Officer support to improvement team	TBC	30 days	£400	£13,500

It was noted that evaluating the effectiveness and impact of LGA projects was central to its work and its client approach. The LGA wanted to discuss with the Leader and Chief Executive how:

- they could jointly evaluate the effectiveness of the project during its life and at its completion;
- the Council may wish to sustain the benefits of the project
- they could disseminate generic messages on practice more widely.

The Chief Executive reported that he had been in discussion with the Chief Executive of the North West Employers' Organisation (NWEO) over access to possible funding to assist the improvement work required. NWEO's total budget was somewhere between £50 and £75 K. It was not expected that the Council would be able to attract all of this funding but it was noted that it was the first Council to approach the NWEO with a view to submitting a bid for funding. It was worth making an application for this funding but it was also worth noting that if successful the funding may not all be in monetary form, it may be in terms of Member/Officer time. It was agreed that after the meeting, Officers would attempt to put a monetary value on it.

The Committee considered the letter in detail and raised concerns over the emotive language that Dr Taylor had used. She had written

"The council has decided to postpone the adults' peer challenge which was due to take place in November as a consequence of the current turmoil but it will be important to reschedule this as soon as possible. Wirral was previously categorized as 'adequate' for their adult services."

The Chief Executive told the Committee that he would clarify the situation with the LGA and inform Dr Taylor that the Council fully intended to take up the peer challenge offer but had reason to move the timescale.

RESOLVED: That

- (1) the content of the LGA's letter setting out the detail of its offer to the Council to provide integrated support be noted;**
- (2) the LGA's offer to provide integrated support be accepted; and**
- (3) a funding application to assist the support to be provided by the LGA, be prepared and submitted to the NWEO.**

15 APPROACH TO CORPORATE GOVERNANCE REVIEW, KLOE 10 - MEMBER CAPACITY

The Committee was informed that the Corporate Governance Improvement Plan listed two broad areas of activity:

- (a) informal discussions with Members to capture areas of development and concern; and
- (b) development activities which enable Members to more robustly undertake their roles and responsibilities.

Councillor T Harney, in his capacity as Chair of the Member Training Steering Group (MTSG), reported that the Group's remit was to drive and lead activity around the development of all Councillors. Activity over the previous twelve months had focussed on delivering a training programme designed to meet the learning and development needs of Elected Members as identified through the completion of Personal Development Plans.

The Group had considered the draft Programme to achieve improvements in Corporate Governance and a proposed action plan at its meeting on 11 November 2011 and a copy of its proposals, including its role in supporting the delivery of the Corporate Governance Improvement Plan and subsequent actions it was willing to take was circulated at the meeting for the Committee's information.

It was proposed that the role of MTSG in supporting the delivery of the Corporate Governance Improvement Plan would be to:

- assess what is required to support the improvement programme from a Member development perspective;
- make recommendations to the Council's Corporate Governance Committee on Member Development needs/activities;
- feedback wider aspects of the Group's work to the Council's Corporate Governance Committee;

- act as a conduit for ideas and suggestions made by other Councillors in relation to Member development; and
- develop a new Corporate Governance Development Programme for all Members.

Councillor Harney told the Committee that in order to perform its role, the Group wished to increase the frequency of its meetings so as to reflect the meeting cycle of the Corporate Governance Committee. The Committee was also informed that the proposed actions for MTSG were as follows:

- Step 1 -** informal telephone conversations with all Members to establish individual learning and development needs in the context of Corporate Governance potentially supplemented by two Focus Groups by 9 December 2011.
- Step 2 -** collate and evaluate responses from informal telephone conversations & Focus Groups by 16 December 2011;
- Step 3 -** design a Corporate Governance Development Programme for all Members which shall be commenced in January 2012;
- Step 4 -** evaluate the Corporate Governance Development Programme to determine its effectiveness (and identify any emerging development needs) by June 2012; and
- Step 5 -** revise (if appropriate) and incorporate the Corporate Governance Development Programme into the Council's mainstream Member development agenda in June 2012.

The Committee was also provided with copies of the proposed script/questions for the Corporate Governance Development Needs Analysis for consideration. The aim was to involve all Members and receive a response from all Members. This was also considered a good way to identify Members, with relevant expertise, who may wish to make a contribution. After some debate it was agreed that the questionnaire would be subject to some minor revisions to remove jargon etc.

The Committee turned its attention to the introduction and considered it important to make it as full as possible so that Members were made aware of exactly what was happening within the Council to bring about the required improvements. It agreed that Corporate Governance should be defined and it should be set out, in advance, exactly what it was hoped could be achieved in respect of Members' capacity. The Committee also questioned whether a telephone was the best way to draw out the information required and whether Members' aspirations should be raised in respect of training that could be provided. It was noted that it was difficult to engage with Members on training and development issues because of their other commitments. Some would prefer that contact was made with them by electronic means whilst others preferred the telephone. This was all about options and a lengthy discussion ensued about the best way to approach it. The three Political Group Leaders

confirmed that they were happy to sign a letter to all Members encouraging them to engage with the Corporate Governance Development Needs Analysis.

The Committee proposed that it would be very useful to send out the slides, from the presentation made on the Corporate Governance Report by AKA, to all Members. This presentation had included good examples of Corporate Governance and it would serve to remind Members exactly what AKA had identified. They could then think about this and what they required, in terms of their training and development needs.

Members considered the proposals in detail and the opportunities to share other local authority's best practice. They were of the view that the original role of a Councillor should be looked at, along with the required competencies and these should be assessed against this best practice. They also agreed that it would be helpful for Officers to carry out this work.

RESOLVED: That

- (1) a letter be sent to all Members of the Council, signed by all three Political Group Leaders, asking for their co-operation with the Corporate Governance Development Needs Analysis, explaining what is happening, including the support which is being offered by the LGA;**
- (2) at the same time as the letter at (1) above is despatched to Members an electronic version of the survey for Members to complete, will be circulated with background information, including the AKA presentation;**
- (3) Members not wishing to respond to the survey electronically will be offered the option of telephoning an Officer to relay their answers to the set questions orally;**
- (4) Members who do not respond, electronically or by telephone, to the survey, by a date to be agreed, will be contacted by an Officer as a reminder; and**
- (5) the MTSG be thanked for its work on the Corporate Governance Development Needs Analysis.**

APPENDIX A
Agreed Lead Members, Lead Officers, and Managers for the
ten Key Lines of Enquiry ('KLOEs')

KLOE	Lead Officer	Elected Member	Manager
1. Alignment of Corporate Planning & Budget Making Process.	Chief Executive	Councillor S Foulkes, Leader with Councillor J Green	Head of Financial Services, working with Corporate Planning & Policy Leads
2. Review & refresh Code of Corporate Governance.	Deputy Director of Finance	Councillor S Foulkes, Leader	Head of Regulation
3. Relationship between devolved and central functions	Director of Law, HR and Asset Management	Councillor AER Jones, Cabinet Member for Corporate Resources	Head of Regulation
4. Review of Internal Audit.	Deputy Chief Executive and Director of Finance	Councillor J Crabtree, Chair of Audit & Risk Management Committee, with Political Group Spokespersons	Deputy Director of Finance
5. Review of Policy.	Chief Executive	Councillor P Davies, Deputy Leader & Cabinet Member for Regeneration and Planning Strategy	Director of Public Health
6. Review of Committee Services.	Director of Law, HR and Asset Management	Councillor A McLachlan, Cabinet Member for Children's Services and Life Long Learning	Head of Legal & Member Services
7. Review of Performance.	Deputy Chief Executive and Director of Finance	Councillor AR McArdle, Cabinet Member for Social Care & Inclusion	Programme Manager, Strategic Change Programme, working with Head of HR & Organisational Development
8. Equalities.	Chief Executive	Councillor AER Jones, Cabinet Member for Corporate Resources	Head of Communications and Community Engagement
9. Fees & Charges.	Deputy Chief Executive and Director of Finance	Officer led in the first instance	Head of Financial Services
10. Member Capacity.	Chief Executive	Councillor T Harney, Leader of the Liberal Democrats with assistance from Member Training Steering Group	Specific Commission

APPENDIX B

Procedure for recruiting external assistance to support the Corporate Governance Improvement Programme

Outlined below are a number of steps which must be complied with in the recruitment of external assistance. The financial limits to which this process applies will be agreed by Cabinet.

1. A Project Initiation Document (PID) comprising the:
 - (a) scope of the document
 - (b) the objectives to be achieved
 - (c) the external benchmarks and information to be sought
 - (d) the methodology for the review including proposed member involvement
 - (e) the project timelines
 - (f) resource requirements including skills, abilities and experiences of those employees or external support required
2. The Chief Executive and Deputy Chief Executive will be asked to approve the requirement for external support. If approved, the Programme Lead Officer will move to the next stage.
3. In accordance with Contract Procedure Rule (CPR) 19.1.1 (i), where the estimated contract value is less than £10,000 (based on an estimate of the type or types of work required and the number of hours work of that type or those types), three written quotations (supported by CVs, or statements of skill, ability and experience) from different organisations, must be sought,. These quotations must be in writing and, normally, one of these organisations will be the Local Government Association.
4. In accordance with CPR 19.1.1 (ii), where the estimated value is between £10,000 and £50,000, procurement shall be by way of five quotations using the Council's eTendering and sourcing portal, unless the Director of Finance (or anyone authorised by him) is satisfied (in accordance with the CPRs) that it is not possible to obtain five quotations in which case a minimum of three quotations must be obtained or it is in the interests of the Council for its eTendering and sourcing portal not to be used in which case written quotations must be obtained.
5. As time is of the essence for the Corporate Governance Improvement Programme, all organisations will be required to submit their quotations and CVs etc. within 7 working days of the requirement being sent out. Those which cannot meet this deadline may be rejected.
6. The quotations and CVs etc will be evaluated on relevance of skills, abilities and experience to the Corporate Governance Improvement Programme together with value for money and a recommendation will be made by the project team to the Chief Executive within 3 days of receiving the submissions for approval.

7. Any exceptions to the above procedures will comply with CPR 21.1 'Exceptions to Procurement Procedure' (a copy of which is annexed to this Appendix). Examples of possible exceptions include where:

- (a) there is only one viable contractor;
- (b) the Council seeks the extension of an existing contract;
- (c) the procurement is required so urgently that it is not possible to invite tenders and the time likely to be taken to undertake the necessary procurement process would (in the opinion of the relevant Chief Officer) expose the Council to an unacceptable risk, challenge and/or reputational harm; and
- (d) where tenders have already been invited by a Local Government consortium or other public body.

8. In all cases, appointments of external support, with appropriate details – including costs and the reasons for decisions - will be recorded in writing by the commissioning officer and reported to the next available Cabinet Committee meeting (and, if required by the CPRs, to Cabinet and/or Council).

Contract Procedure Rule 21

21.1 Exceptions to Procurement Procedure

21.1.1 The procurement of goods and/or services or works valued at £50,000 (excluding VAT) or more but less than any applicable thresholds under European Regulations (minus ten percent), may be made by Official Order in the following circumstances (but only after consultation with the Chief Executive (or his authorised representative) or in his absence the Director of Law, HR and Asset Management or the Director of Finance (or their authorised representatives):

- (i) Where there is only one viable contractor and there would be no genuine competition.
- (ii) Where the Council seeks to procure goods and/or services or works through the extension of an existing contract.
- (iii) Where the procurement is required so urgently that it is not possible to invite tenders and the time likely to be taken to undertake the necessary procurement process would (in the opinion of the Responsible Chief Officer) expose the Council to an unacceptable risk, challenge and/or reputational harm.
- (iv) Where tenders have already been invited by a Local Government consortium or other public body e.g. the Office of Government Commerce, in accordance with the procurement procedures of that organisation, being subject to the provisions of any European or UK procurement legislation.
- (v) Where in the opinion of the Cabinet or Pensions Committee (as applicable) it is in the Council's interests to do so, a single tender may be invited from a contractor or negotiated with a contractor already engaged by the Council. The justification for this must be reported as soon as practicably possible to a meeting of Council.
- (vi) Where only one tender is received in the course of a tender exercise, in which case the Responsible Chief Officer shall, prior to accepting the tender, notify the Council's Cabinet of this fact and, if the intention is to accept the tender, explain to Cabinet how the tender satisfies the Overriding Objective.

21.1.2 Where Rule 21.1.1 applies, the officer leading the procurement shall, in consultation with the Director of Finance (or his authorised representative) undertake an assessment of the procurement which shall include consideration of relevant options available, issues and factors; and must be satisfied that the award of the procurement represents value for money to the Council.

- 21.1.3 The assessment undertaken under Rule 21.1.2 above shall be writing and shall include details of the options, issues and factors taken into account, together with all information considered. The assessment and decision shall be reported to Cabinet or the Pensions Committee (as applicable).
- 21.1.4 Unless otherwise provided for under legislation, where less than three expressions of interest have been received (or where the number of expressions of interests received is below any prescribed legislative minimum) in relation to any procurement exercise for goods and/or services or works valued at the relevant financial threshold under European Regulations (minus ten percent), then the procurement exercise shall proceed in accordance with Rules 7.1 to 17.1, unless it is considered by the Responsible Chief Officer after having had regard to the Overriding Objective that it would not be in the interests of the Council to do so. The Responsible Chief Officer shall keep a written record his/her decision to proceed or abandon the procurement exercise and before implementing the decision shall provide a copy of those reasons to the Director of Law, HR and Asset Management and Director of Finance (or their authorised representatives).

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