

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

31 JANUARY 2012

SUBJECT:	CORPORATE GOVERNANCE COMMITTEE – PROGRESS REPORT
WARD/S AFFECTED:	ALL
REPORT OF:	THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR STEVE FOULKES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 At the request of the Chair, the Committee, at its meeting on 17 November 2011, had received a report of the Chief Executive in relation to Work Programme Progress and Associated Issues, which had been considered by the Corporate Governance Cabinet Committee at its meeting on 16 November 2011.

1.2 Following consideration of the report the Committee resolved:

‘That

- (1) the report be noted; and
- (2) the Director of Law, HR and Asset Management be requested to present an update on the work of the Corporate Governance Committee to the next meeting of the Committee.’

2.0 RECOMMENDATIONS: That

2.1 the progress made by the Corporate Governance Committee to date in addressing the findings of the AKA Report on Corporate Governance be noted; and

2.2 the Director of Law, HR and Asset Management be requested to bring a further report on how the weaknesses in the Council’s Corporate Governance identified in the AKA Report are being addressed to the next meeting of this Committee scheduled for 26 March 2012, so that this Committee can monitor how the Cabinet Committee is bringing about improvements.

3.0 REASON(S) FOR RECOMMENDATIONS

3.1 The reason for these recommendations is to ensure that this Committee continues to have an overview, for monitoring purposes, of the work being carried out in an attempt to strengthen the Council’s Corporate Governance by developing and progressing the Corporate Governance work programme. The Committee needs this information to be assured that the weaknesses that have been highlighted in the AKA Report are being properly addressed.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 The Council must develop a comprehensive work programme to strengthen its Corporate Governance. A Corporate Governance Cabinet Committee has been established for this purpose.
- 4.2 The Corporate Governance Cabinet Committee's Terms of Reference are as follows:
- 4.3 'Assessing and reporting on the Council's current performance against seven Corporate Governance questions:
- (1) How well are the authority's policies implemented in practice?
 - (2) How well are the authority values and ethical standards met?
 - (3) How well are laws and regulations complied with?
 - (4) How well are required processes adhered to?
 - (5) Are financial statements and other published information accurate and reliable?
 - (6) Are human, financial and other resources managed efficiently and effectively?
 - (7) Are high-quality services delivered efficiently and effectively?

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.

Agreeing, initiating and overseeing the individual work streams and coordinating the collective work programme required to deliver the Wirral MBC "Taking the Lead" initiative.

Agreeing and monitoring "delivery trajectories" for each work stream.

Making regular progress and performance reports to the 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.'

5.0 PROGRESS MADE

The Corporate Governance Cabinet Committee has met three times and is scheduled to meet next on Wednesday, 18 January 2012. After that four further meetings are scheduled for 8 and 29 February 2012, 21 March 2012 and 11 April 2012. Progress being made is as detailed in the table of agenda items and Committee resolutions below:

Meeting on 26 October 2011

Agenda Items considered	Decisions made
Corporate Governance	<p>That the Committee:</p> <ul style="list-style-type: none">(1) notes the Terms of Reference for the time-limited Committee (to 31 March 2012);(2) notes its Membership;(3) agrees to a schedule of meetings which ties in to the existing three-weekly Cabinet cycle to 31 March 2012 when it is anticipated that its role in relation to Corporate Governance will come to an end;(4) agrees the proposed whole-systems approach, including the establishment of a turnaround team together with the proposed comprehensive programme of activities;(5) notes that proposals for the review of Internal Audit are presented elsewhere on the Agenda as part of the comprehensive programme;(6) notes that proposals for the review of Legal and Committee Service Team are presented elsewhere on the Agenda as part of the comprehensive programme;(7) notes that proposals for the review of Performance Management are presented elsewhere on the Agenda as part of the comprehensive programme;(8) notes that proposals for the establishment of a dedicated Policy Unit are presented elsewhere on the Agenda as part of the comprehensive programme; and(9) agrees a review of all reports submitted by the Officers to any Committee of the Council within the last 3 months, from a Corporate

	<p>Governance perspective, by the turnaround team to identify opportunities for improvement, this will be included as part of the comprehensive programme.</p>
<p>Corporate Governance – Comprehensive Work Programme</p>	<p>That</p> <ol style="list-style-type: none"> (1) the work programme to achieve improvements in corporate governance be approved; (2) a detailed timeline identifying future meetings, key activities and milestones be developed to reflect decisions made at this Committee meeting; (3) the Chief Executive be requested to report to each meeting of the Committee on progress made against the programme and the timeline in delivering improvements in corporate governance; (4) as part of the work programme specific Member involvement be Identified at every stage; (5) in terms of specific budgetary provision, the Committee agrees, in principle, to providing support to deliver the work programme and requests that the Chief Executive reports to a future Committee meeting detailing how this can be achieved; and (6) authority be delegated to the Chief Executive, in consultation with the Leader, to establish a turnaround team of officers to work on strengthening the Council’s corporate governance.
<p>Review of Internal Audit</p>	<p>That</p> <ol style="list-style-type: none"> (1) the additional areas of work that Internal Audit could conduct to strengthen further corporate governance be noted and the

	<p>Deputy Chief Executive/Director of Finance be requested to obtain external perspectives of the workload, organisation and structure of Internal Audit to identify possible improvements;</p> <p>(2) the Committee agrees that the objective of this work is:</p> <ul style="list-style-type: none"> • to provide a fit for purpose Internal Audit Service – both in terms of planned work and skills availability to which management responds; • thereby strengthening the corporate governance of the Council; and • consequently, enhancing service delivery; <p>and</p> <p>(3) the Deputy Chief Executive / Director of Finance be requested to present a further report on proposals flowing from this work to the Committee's meeting scheduled for 7 December 2011.</p>
<p>Review of Legal and Committee Services</p>	<p>That</p> <p>(1) the Director of Law, HR and Asset Management be requested to bring a further report to the next meeting of the Committee detailing his future requirements as set out above; and</p> <p>(2) the Deputy Chief Executive / Director of Finance be requested to consider the options available for addressing the challenges facing Legal and Committee Services, including identifying any best practice of other local authorities who have gone through similar processes and report back to the Committee.</p>

Performance Management	<p>That</p> <ul style="list-style-type: none">(1) the content of the report be noted and performance management be considered holistically, along side the Council's wider performance issues and concerns and in the context of the Committee's work programme as a whole; and(2) the Director of Law, HR and Asset Management be requested to present a report to the next meeting informing of the preparatory work being undertaken, in the light of the discussions at this meeting, and setting out detailed proposals on how to move initial performance management and development training forward for the Committee's consideration.
Policy Unit	<p>That</p> <ul style="list-style-type: none">(1) the Chief Executive be authorised to establish a Policy Unit through, in the first instance, secondment of existing staff;(2) the Chief Executive be authorised to appoint a Head of Policy Unit;(3) further discussions take place on the precise role of the Policy Unit and the ability to take into account perspectives from Departments across the Council; and(4) a further detailed report be presented to the Committee considering the role of the Policy Unit in enhancing corporate governance and how it can help all Council Departments with future planning.

Meeting on 16 November 2011

Agenda Items considered	Decisions made
Work Programme, Progress and Associated Issues	<p>That</p> <p>(1) the ten prioritised Projection Initiation Documents be agreed with the following amendments:</p> <p style="padding-left: 40px;">KLOE 1 - Alignment of Corporate Planning and Budget Making Process Lead Members: Councillor S Foulkes <i>with Councillor J Green</i></p> <p style="padding-left: 40px;">KLOE 2 - Review and Refresh Code of Corporate Governance <i>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."</i> Lead Member: Councillor S Foulkes</p> <p style="padding-left: 40px;">KLOE 3 - Relationships between Devolved and Central Corporate Functions <i>Add to Objective "That this should include appropriate representations from Trade Unions".</i> Lead Member: Councillor AER Jones</p> <p style="padding-left: 40px;">KLOE 4 - Review of Internal Audit <i>Add to Objective "to which management and all members respond"</i> 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.</p>

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.

	<p>Officer led work in first instance.</p> <p>KLOE 10 - Member Capacity Lead Member: Councillor T Harney Member Involvement: Member Training Steering Group</p> <p>(2) the agreed Lead Members, Lead Officers and Managers for the ten KLOEs be as set out in Appendix A to the Minutes;</p> <p>(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</p> <p>(4) the provisional timelines set out in Appendix 3 to the report be endorsed.</p>
<p>Oral Report regarding a letter dated 11 November 2011 addressed to the Chief Executive and Leader of the Council from Dr Gill Taylor, Principal Advisor to the Local Government Association (LGA) (which was circulated at the meeting.)</p>	<p>That</p> <p>(1) the content of the LGA's letter setting out the detail of its offer to the Council to provide integrated support be noted;</p> <p>(2) the LGA's offer to provide integrated support be accepted; and</p> <p>(3) a funding application to assist the support to be provided by the LGA, be prepared and submitted to the North West Employers' Organisation.</p>

<p>Oral Report regarding the Corporate Governance Improvement Plan which listed two broad areas of activity:</p> <p>(a) informal discussions with Members to capture areas of development and concern; and</p> <p>(b) development activities which enable Members to more robustly undertake their roles and responsibilities.</p>	<p>That</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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</p> <p>(5) the MTSG be thanked for its work on the Corporate Governance Development Needs Analysis.</p>
--	--

Meeting on 7 December 2011

Agenda Items considered	Decisions made
Wirral Council's Members' Questionnaire (which was circulated at the meeting).	That (1) the Members' questionnaire and accompanying letter be amended as detailed above, the three Political Group Leaders' electronic signatures be added to the bottom of the letter and they be despatched to Members without delay; and (2) the MTSG and the Organisational Development Manager, Melissa Holt be thanked for their contributions to the Members' questionnaire.
Improving the Council's Corporate Governance	That (1) the Director of Law, HR and Asset Management be requested to provide each of the three Political Group Leaders with a copy of the draft Protocol – Promoting Good Governance in Wirral MBC and the Deputy Director be requested to provide them with a report on Action 2 and if there is a consensus of agreement the Protocol and recommendations in respect of Action 2, they be adopted, but if not, a special meeting of the Committee be convened to consider all of the issues raised in detail; (2) the recommendations of the Improving Corporate Governance in Wirral MBC Report, as set out in Appendix A to the report, be agreed in principle, subject to the agreement of the draft Protocol at (2) above; (3) the project plans, as set out at Appendix B to the report, be noted; and

	<p>(4) the current Committee meeting schedule will remain in place for the time being but meetings will be cancelled if there is insufficient business to be transacted.</p>
<p>Performance Management – Delivering the Council’s Vision and Values</p>	<p>That</p> <p>(1) the proposed Values and Behaviours, PERFORM, be reviewed in the context of the 2012/13 Corporate Plan and that the revised Vision and Values will clearly underpin the performance management framework;</p> <p>(2) the proposed performance improvement framework be reviewed to ensure that it fully reflects the revised values and behaviours and that Corporate Governance issues and improvements are embedded in the Corporate Planning process;</p> <p>(3) a programme of quarterly review and challenge of performance against Corporate and Departmental Plans be developed to ensure that progress in the achievement of outcomes is monitored and supported. (An outline of key actions is detailed in Appendix1 to the report.); and</p> <p>(4) the proposed organisational development process be reviewed to ensure that it supports the delivery of the outcomes reflected in the hierarchy of plans – Corporate, Departmental, Service and individual.</p>

Meeting on 18 January 2012	
Agenda Items to be considered.	Decisions – At the time of going to print this meeting had not yet taken place. The Director of Law, HR and Asset Management will provide the Committee with an oral update on the Corporate Governance Cabinet Committee's proceedings.
Corporate Governance Comprehensive Work Programme Progress Report	
Review of Code of Corporate Governance	
AKA Supplemental Report and KLOE Matrix	
Members' Survey	

6.0 RELEVANT RISKS

- 6.1 Failure to improve the Council's Corporate Governance by addressing the weaknesses identified in the Corporate Governance Report will mean that the Council may be further criticised and suffer further reputational harm.

7.0 OTHER OPTIONS CONSIDERED

- 7.1 There are no other options to consider at this time. The Improvement Programme addresses the issues raised in the Corporate Governance Report.

8.0 CONSULTATION

- 8.1 Members have already been consulted on the options available to improve the Council's Corporate Governance. Opportunities for them to review progress by engaging with officers and citizens are included in the detailed work programme which Lead Officers are continuing to develop.
- 8.2 Where appropriate, external agencies, Councillors and officers from other Councils will be consulted and invited to share knowledge.

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 9.1 Increasingly, the Council works with and through a range of organisations and partnerships in order to deliver services and enhance local prosperity. Partnerships are regarded as an essential part of the pattern of local government provision. Working in partnership can bring many benefits that the Council could not achieve by other means. However, partnership working brings governance challenges. A one-size-fits-all approach to governance is inappropriate. Governance arrangements must be proportionate to the risks involved. In future it is likely that the Council will be less concerned with direct service delivery and more with commissioning and regulation, influencing behaviour and supporting the local community. Community leadership may become the most important feature of local governance.

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 There will be a cost to the Council if external resources to implement the Improvement Programme are acquired.

10.2 **IT:** None identified at this stage.

10.3 **STAFFING:** Significant senior resources will be required to implement the programme.

10.4 **ASSETS:** None identified at this stage.

11.0 LEGAL IMPLICATIONS

11.1 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.

12.0 EQUALITIES IMPLICATIONS

12.1 Equalities is an area of corporate governance weakness identified by AKA in the Corporate Governance Report.

12.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No

(b) If 'yes', has one been completed?

13.0 CARBON REDUCTION IMPLICATIONS

13.1 None

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 None

REPORT AUTHOR: Shirley Hudspeth
Democratic Services Manager
Telephone: 0151 691 8559
Email: shirleyhudspeth@wirral.gov.uk

REFERENCE MATERIAL

AKA Report on Corporate Governance.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	22 September 2011
Corporate Governance Committee	26 October 2011 16 November 2011 7 December 2011 18 January 2012