

WIRRAL COUNCIL
CORPORATE GOVERNANCE COMMITTEE
WEDNESDAY 8 FEBRUARY 2012

SUBJECT:	FUTURE CORPORATE GOVERNANCE IMPROVEMENT FRAMEWORK
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	STEVE FOULKES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an overview of the products which will result from the work taking place on the Key Lines of Enquiry (KLOEs) that underpin the Corporate Governance Comprehensive Work Plan. It also identifies a number of linkages between the KLOEs and proposes that these inform the development of a framework for implementing, sustaining and ensuring compliance of improvement actions. This improvement framework would also provide a clear context for progressing the recommendations contained in the AKA Final Report and other external reports, together with issues raised by employees through the range of discussions, questionnaires, meetings that are currently taking place.

2.0 RECOMMENDATIONS

- 2.1 That a report is taken to the Corporate Governance Cabinet Committee in March that draws out the key strategic linkages and recommendations from across the KLOEs and includes operational information as supporting annexes.
- 2.2 That the Corporate Governance Improvement Team (CGIT) be requested to develop an Improvement Framework.
- 2.3 That consideration is given as to how improvements and compliance will be driven forward and sustained.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Corporate Governance Cabinet Committee has agreed a work programme to address the corporate governance weaknesses identified in the AKA supplemental report which will result in specific operational recommendations. In addition further recommendations for improvement are coming forward through other external reports, strategic proposals arising from the KLOEs and feedback from the range of Destination Excellence events and activities. This report therefore requests the Committee's views on developing a framework for implementing and sustaining both strategic and operational improvements.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Cabinet on the 22 September 2011 considered and agreed the recommendations of the AKA supplemental report and as a result a Corporate Governance Comprehensive Work Plan was put in place to address the identified organisational weaknesses. The work plan sets out ten Key Lines of Enquiry (KLOEs) that require immediate attention and Project Initiation Documents for each KLOE were considered by the Corporate Governance Cabinet Committee on the 16 November 2011.
- 4.2 In addition cultural change, together with a supporting communications plan, has been recognised as a key theme running throughout the programme. The Corporate Governance Committee on the 7 December 2011 agreed recommendations for reviewing and improving Corporate Governance development and training together with a cultural audit programme. Employee meetings, open door sessions with Cabinet Members, a staff questionnaire etc are now underway and feedback from employees will inform improvement actions.

5. KLOE PRODUCTS AND LINKAGES

- 5.1 Work is progressing on each of the KLOEs and this will result in a number of discrete operational proposals that are relevant to each one. Appendix 1 sets out the anticipated Products from each of the KLOEs together with an outline of when and how the improvement proposals will be brought forward.
- 5.2 This work is not being done in isolation, either from the other KLOEs or from existing mainstream delivery, as it is recognised that there are linkages across all of the programme. These linkages are still emerging as the reviews near completion, but a number of strategic actions and principles can be identified.
- 5.3 Strategic Actions include:
- **Robust evidence base** - Review of Policy, Review of Central and devolved functions, Review of Performance
 - **Involvement of partners, service users** etc in developing evidence base - Review of Equalities, Review of Code of Corporate Governance
 - **Shared Vision and Values** – Review of Corporate Plan and Budget, Communications, Review of Member Capacity, Review of Equalities
 - **Cultural Change** – Review of Equalities, Communications Plan, Review of Performance Management
 - **Budget** – Review of Corporate Plan and Budget, Review of Fees and Charges, Strategic Change programme
 - **Performance Management Framework** – Review of Policy, Review of Performance management (HR and Corporate); Review of Committee Services
 - **Self assessment** – Review of Policy, Review of Performance, Review of Corporate plan (alignment of resources), Peer Review – stress testing current improvements

- 5.4 It is proposed that these strategic actions form the basis of the report to the March Corporate Governance Cabinet Committee on the outcomes of the Corporate Governance Work Plan. This report would be supported by a number of annexes setting out specific detailed recommendations relating to the individual KLOEs where relevant.

6. IMPROVEMENT FRAMEWORK

- 6.1 The majority of the work to deliver the ten KLOEs will be completed and reported on by the end of March. However, whilst this work ensures that a range of improvement actions are put in place, it also highlights further longer term actions that will be required to ensure that improvements to corporate governance are fully embedded in how the council does business.
- 6.2 In addition, the range of employee engagement activities that Members have now put in place will give rise to a wealth of feedback that is likely to inform not only issues relating directly to corporate governance, but also potentially to wider issues of culture, service delivery, efficiencies and possible improvements.
- 6.3 Cabinet has also agreed to accept the recommendations contained within the AKA Final report and to develop an action plan to address them. There are other external reports which may also give rise to recommendations that need to be taken on board.
- 6.4 The CGIT with the support of the LGA team, has begun to identify how all of the recommendations and feedback outlined above can be captured in order to inform the development of an Improvement Framework that addresses these wider areas of work. This would be likely to include:
- Identification of themes within which the actions arising from the KLOEs (as set out in section 5.3 above), together with recommendations from the AKA Final report and other external reports, can be further developed, implemented and sustained;
 - Recommendations regarding cultural change and equalities – informed by the feedback from the employee engagement activities with Members, Member and staff surveys, and including on-going communications.
- 6.5 A further emerging theme is that of compliance. It is of critical importance that once improvements are made they are sustained and reviewed so that they continue to be drivers of the delivery of the Council's key priorities. It is proposed that explicit responsibility for ensuring compliance needs to be agreed. The AKA Final report proposes that the council give consideration to the creation of a Corporate Governance team - driving improvements and compliance could be one of the key functions of such a team.

7.0 RELEVANT RISKS

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

8.0 OTHER OPTIONS CONSIDERED

8.1 The KLOE products and linkages addresses the issues raised in the AKA Supplemental Corporate Governance Report. This has given rise to the recognition that further work will be required to ensure that improvement actions are fully embedded and drive the delivery of the Council's Values and priorities.

9.0 CONSULTATION

9.1 This report is to inform Members of the links between the Key Lines of Enquiry and of further improvement work.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no direct implications arising from this report. However this report should be considered in the light of the recommendations made in the AKA Final Report, considered by Cabinet on 12 January 2012

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

9.1 There are no direct resource implications arising from this report.

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 in the Corporate Governance Report.

11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No

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

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 None

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APPENDIX 1 KLOE Products

REFERENCE MATERIAL

AKA Independent Review of Wirral Metropolitan Borough Council's Response to Claims Made by Mr. Martin Morton (and Others) : Final Report

AKA Supplemental Report 'Wirral Metropolitan Borough Council's Corporate Governance Arrangements: Refresh and Renew'

SUBJECT HISTORY (last 3 years)

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

APPENDIX 1

Key Line of Enquiry	Output / Product	Delivered by:	Committee
KLOE 1: Alignment of Corporate Plan with Budget Making process	Corporate plan (2012/13)	02/02/2012	Council
	6 Departmental Plans (2012/13)	16/03/2012	Cabinet
	Budget agreed	10/03/2012	Council
	Recommendations to Governance Committee	March 2012	CG Committee
	Framework and plan for phase 2 (2013/14 onwards)	Early April 2012	
KLOE 2: Review Code of Corporate Governance			
Review Code of Corporate Governance	Revised Code of Corporate Governance	18/01/2012	CG Committee
	An underpinning system to ensure review and compliance of the Code and supporting policies.	01/04/2012	
	Development of project to adopt Documentum to ensure document management/version control of the code's supporting documents	01/04/2012	
KLOE 3: Review relationship between devolved and central functions			
Review relationship between devolved and central functions	Review of finance function with recommendations	08/02/2012	CG Committee
	A framework and timetable for review of remaining devolved and central functions	29/02/2012	CG Committee
KLOE 4: Review of internal audit			
Review of internal audit	Consultants report	17/02/2012	
	Recommendations for the future function will be presented to Audit & Risk Management Committee	13/03/2012	Audit & Risk Management
KLOE 5: Review of policy			
Review of policy	Options paper to Corporate Governance Committee	29/02/2012	CG Committee
	Unit established in line with Committee recommendations	01/04/2012	
KLOE 6: Review of Committee Services			
Review of Committee Services	Review and revise the Council's current report template	21/03/2012	CG Committee
	Develop a Summary Report Template.	21/03/2012	CG Committee
	Review the distribution lists of hardcopy agendas.	21/03/2012	CG Committee
	Review the Council's Scheme of Delegations to Members	21/03/2012	CG Committee
	Review agenda setting	21/03/2012	CG

	arrangements for all Committees		Committee
	Establish a clear processes and procedures to monitor the timely implementation of Committee approved actions	21/03/2012	CG Committee
	Council to join the CIPFA Comtt Services Benchmarking Club	21/03/2012	CG Committee
	Review process for administering Licensing Act 2003 applications	21/03/2012	CG Committee
	A framework and timetable for further improvements to Legal and Member Services including IT development and use	21/03/2012	CG Committee
KLOE 7: Review of Performance (Human Resources)	Review of Behaviours in light of the Corporate Plan	21/03/2012	CG Committee
	Review of Leadership & Management expectations grid	21/03/2012	CG Committee
	Revised performance appraisal process	April 2012	
KLOE 7: Review of Performance (Corporate)	Framework for monitoring and reporting the Corporate Plan	Early April 2012	
	Produce Performance Management toolkit	21/03/2012	CG Committee
	Devise format, timing & content of quarterly challenge sessions	21/03/2012	CG Committee
	Framework for monitoring and reporting the Corporate Plan and wider PMF 2013/14 & onwards	21/03/2012	CG Committee
	Performance Unit – proposals for roles, responsibilities & resources	21/03/2012	CG Committee
KLOE 8: Review of Equalities	Corporate Equality Programme	Established	
	Adoption of Equality Impact Assessments	12/01/12	Cabinet
	EIA training for all Chief Officers and Heads of Service	January 2012	
	Corporate Equality Scheme 2012/13	April 2012	
KLOE 9: Review of fees and charges	A comprehensive set of fees and charges for all council services	12/01/2012	Cabinet
	Framework for refresh	12/01/2012	Cabinet
KLOE 10: Review of Member capacity	A series of corporate governance Member training sessions	Feb/March 2012	
	Revised Members Training Programme launched	from 01/06/12	