

WIRRAL COUNCIL

COUNCIL

16 JULY 2012

SUBJECT:	REPORT IN THE PUBLIC INTEREST HIGHWAYS AND ENGINEERING SERVICES CONTRACT AWARD AND MANAGEMENT AUDIT 2012
WARD/S AFFECTED:	
REPORT OF:	ACTING CHIEF EXECUTIVE
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is for Council to consider The Report in the Public Interest: Highways and Engineering Services Contract Award and Management 8 June 2012. The report has been issued by The Audit Commission under Section 8 of The Audit Commission Act 1988 (The Act).

2.0 CURRENT POSITION

2.1 On the 6 June 2012 the Council received a letter from the District Auditor outlining his decision to write a Report in the Public Interest under Section 8 of The Audit Commission Act 1988. The letter and Report was formally issued on 8 June 2012 which are set out at Appendix 1 of this report.

2.1.1 In accordance with Sections 11 and 12 of The Act, the Council is now required to consider The Report at a meeting within one month of the date of the letter from the District Auditor. The District Auditor has extended the time for compliance to enable the report to be considered at this meeting.

The Council meeting should decide:

- Whether The Report requires the Council to take any action or whether any recommendations made in it are accepted; and
- What, if any, action is to be taken in response to The Report or recommendations made in it.

2.1.2 Following the meeting the District Auditor must be provided with a draft notice summarising the decisions of Council.

2.1.3 The Report identifies a series of concerns and issues in regard to the Council's Corporate Governance arrangements which the Council must consider. The Council must then identify the next appropriate course of action.

2.2 ROLE OF STATUTORY OFFICERS

2.2.1 In response to the Report the Council suspended the following Statutory Officers on the 28 June 2012.

- Acting Chief Executive (Director of Finance);
- Deputy Director of Finance and S151 Officer and
- Director of Law, HR and Asset Management and Monitoring Officer.

2.2.2 The decision to suspend certain officers and to investigate their conduct means that the Council in debating the report should not discuss any matters which might impact on those investigations or in any way inhibit the fairness and independence of those investigations.

2.2.3 The investigation process for Statutory Officers is outlined in the report titled 'Statutory Investigation Process' later on the Council agenda.

2.2.4 As a result of the suspensions of the Statutory Officers, decisions which those officers are authorised to take fall to be dealt with under Paragraph 14 of Schedule 4 of Part 3 to the Council's Scheme of Delegation which provides that "in the event of the Chief Officer referred to in Paragraph 2 not being available for whatever reason, his or her deputy or where there is no officer designated as such, the next most appropriate Senior Officer of the Department shall be authorised to implement approved delegated arrangements".

2.2.5 It is now proposed to Designate certain Council Officers to act in place of the suspended Chief Officers and that those Council Officers will have all the delegated powers attaching to the substantive post. There will be consequential appointments arising from those decisions.

3.0 RELEVANT RISKS

3.1 The Council has a legal obligation to consider the PIR.

4.0 OTHER OPTIONS CONSIDERED

4.1 Not applicable.

5.0 CONSULTATION

5.1 Not applicable.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 Not applicable.

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

7.1 Not applicable.

8.0 LEGAL IMPLICATIONS

8.1 Set out in the main body of the report.

9.0 EQUALITIES IMPLICATIONS

9.1 Not applicable.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 Not applicable.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Not applicable.

12.0 RECOMMENDATION/S

12.1 In response to the issues raised and the requirements outlined above the following is recommended:

That Council

- 1) Acknowledges and accepts the findings and recommendations set out in the Public Interest Report ('PIR').
- 2) Refers the PIR for further consideration to the Executive and appropriate committees and sub-committees of the Council and to the Council's Improvement Board (or any other relevant body/group considered appropriate by the Executive).
- 3) Agrees to the amendment of the terms of reference of the Improvement Board to include consideration of the PIR, and assist the Council (as necessary) address/deal with the findings and recommendations set out in the PIR.
- 4) Note the actions already taken by the Council in relation to the PIR and the commitment of the Council to take all necessary steps to improve its corporate governance arrangements.
- 5) Notes the current position set out in the report in relation to the three Statutory Chief Officers named below:
 - Acting Chief Executive (Director of Finance);
 - Deputy Director of Finance and S151 Officer and
 - Director of Law, HR and Asset Management and Monitoring Officer.
- 6) Notes that all matters arising from the potential action against council officers will be dealt with in strict confidence
- 7) Appoints the following Council Officers from 16th July 2012 until the first meeting of Council after the Interim Chief Executive is in post as follows:
 - a) For the avoidance of doubt, David Armstrong as Acting Chief Executive and Head of the Paid Service
 - b) Surjit Tour as Acting Director of Law, HR and Asset Management and as Monitoring Officer, Returning Officer and Electoral Registration Officer (noting and recommending that the designated Monitoring Officer designate a Deputy Monitoring Officer as soon as possible
 - c) Tom Sault as Acting Director of Finance and Section 151 Officer

- d) Chris Hyams also as Proper Officer for the purposes of any employment related matters arising out of or in connection with the PIR.
- 8) Notes the appointment of an external Interim Director of Technical Services under Delegated Authority.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 To meet legal obligations.

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APPENDICES

Appendix 1 District Audit letter dated 6 June and PIR dated 8 June 2012.

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
N/A	