

# WIRRAL COUNCIL

## INVESTIGATION AND DISCIPLINARY COMMITTEE

21 SEPTEMBER 2012

<b>SUBJECT:</b>	<b>STATUTORY INVESTIGATION PROCESS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>HEAD OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Investigation and Disciplinary Committee (I&DC) on the suspension of the Council's three current Statutory Officers, the preliminary investigation and to seek agreement on the way forward:

Acting Chief Executive and Head of Paid Service (and Substantive S.151 Officer)  
Director of Law, HR and Asset Management and Monitoring Officer  
Acting Director of Finance and S.151 Officer (and substantive Deputy Director of Finance)

- 1.2 The report is exempt by virtue of paragraph 9.4 Part 1 of the Local Government Act 1972; information relating to an individual.

### 2. BACKGROUND

- 2.1 On 13 March 2012, the Council received a draft of the Audit Commission's Report into the Highways and Engineering Services Contract Award and Management.
- 2.2 On 26 March 2012, the Director of Technical Services was suspended from work whilst the Council investigated his role in relation to the issues raised in the report. This matter is being dealt with under the appropriate procedure for a Chief Officer, which is different to the procedure for a Statutory Officer.
- 2.3 On 8 June 2012, the Council received the final version of the Audit Commission's Report into the Highways and Engineering Services Contract Award and Management which was a Public Interest Report (PIR). The PIR raises serious concerns about the adequacy of the Council's Corporate Governance arrangements.
- 2.4 On 27 June 2012, The Leader of the Council, in discussion with the Conservative and Liberal Democrat Group Leaders took the decision, under

delegated authority and after taking external legal advice, to suspend the above mentioned Statutory Officers whilst an investigation took place.

2.5 On 28 June 2012, the Acting Chief Executive (and Head of Paid Service), the Council's Director of Law, HR and Asset Management (and Monitoring Officer) and Acting Director of Finance (and Section 151 Officer) were suspended from work.

2.6 Council on the 16 July 2012 received a report into the statutory investigation process in relation to the Council three Statutory Officers:

Acting Chief Executive and Head of Paid Service (and Substantive S.151 Officer)

Director of Law, HR and Asset Management and Monitoring Officer

Acting Director of Finance and S.151 Officer (and substantive Deputy Director of Finance)

2.7 Council resolved the following in relation to the statutory investigation process:

1.	Given the concerns in the Public Interest Report considered at Item 7, concerning the statutory roles of the Chief Executive and Head of Paid Service, Director of Finance and Section 151 Officer and Director of Law, HR and Asset Management and Monitoring Officer and the key roles they would need to play in responding on behalf of the Council to the Public Interest Report and the personal and professional difficulties in them continuing in their roles during an investigation, confirms that the three Officers named should be suspended whilst investigation is undertaken. It is noted that the Council has taken legal advice on these matters.
2.	Notes the current position set out in the Public Interest Report in relation to the three Statutory Chief Officers below:  The Acting Chief Executive (and Head of Paid Service); The Director of Law, HR and Asset Management (and Monitoring Officer); and The Acting Director of Finance (and Section 151 Officer).
3.	Notes that all matters arising from the potential action against council officers will be dealt with in strict confidence.
4.	Agrees that an Investigation and Disciplinary Committee be established in accordance with the Terms of Reference set out in Appendix One of the report and that the Council's Constitution be amended accordingly; and that these matters be referred to the Committee henceforth.

5.	Formally commissions a preliminary investigation in accordance with the Terms of Reference set out in Appendix Two of this report.
6.	Authorises the Head of Human Resources and Organisational Development to appoint Mr Richard Penn to undertake the preliminary investigation, referred to in the Report which shall be considered by the Investigation and Disciplinary Committee.
7.	Authorises the Acting Director of Law, HR and Asset Management to appoint Eversheds LLP as legal advisers to the Council in relation to all legal issues arising from the PIR and associated actions, including disciplinary action, upon such terms that are considered appropriate and necessary
10 (e)	Also Recommended: Chris Hyams also as Proper Officer for the purposes of any employment related matters arising out of or in connection with the PIR.

2.9 The I&DC met on 20 August 2012 to consider the suspension of the Statutory Officers and authorised the Head of HR and OD to seek the voluntary agreement of the three Statutory Officers to stay at home until the I&DC had received the preliminary investigation and concluded the next steps. In the event that the voluntary agreement was not reached the I&DC authorised the Head of HR and OD to issue a management instruction that the Statutory Officers concerned not attend work.

### **3. PROCEDURE FOR INVESTIGATING STATUTORY OFFICERS**

3.1 For Statutory Chief Officers, the process for the investigation of potential disciplinary issues and any subsequent disciplinary hearing must comply with provisions set out in the Local Authorities (Standing Orders) (England) Regulations 2001 and also with reference to the model disciplinary procedure and guidance set out in the JNC Conditions for Local Authority Chief Executives National Salary Framework and Conditions of Service Handbook (JNC Handbook).

3.2 The keys stages of the investigation and, if appropriate, disciplinary process are as follows:

a) A preliminary investigation is commissioned by the Council and an Investigating Officer appointed. The preliminary investigation must ensure Statutory Officers have the opportunity to make representations and provide relevant evidence.

An Investigating and Disciplinary Committee (I&DC) receives the preliminary investigation report and considers its findings. On 16 July 2012, Council was requested to approve arrangements for the establishment of the I&DC (see Paragraph 5). All Statutory Chief Officers can make representations at the I&DC meeting.

b) The I&DC decide whether:

- The concerns raised require no further formal action under the procedure; or
- The concerns raised should be referred to a Designated Independent Person (DIP)

If the I&DC consider that there is a potential case to answer, a Designated Independent Person must be appointed to undertake a further, detailed investigation.

c) The nomination for a Designated Independent Person must be agreed between the I&DC and each Statutory Officer (if there is a failure to agree, the matter is referred to Secretary of State to nominate a Designated Independent Person).

The Designated Independent Person will undertake investigation and produce a report setting out his/her findings and recommendations for action that the I&DC may take.

d) The I&DC will consider the report of the Designated Independent Person and also give each Statutory Chief Officer the opportunity to state his case before making a decision. In accordance with the JNC Handbook, having considered any other associated factors the Investigating and Disciplinary Committee may:

- Take no further action;
- Recommend informal resolution or other appropriate procedures;
- Refer back to the Designated Independent Person for further investigation and report;
- Take disciplinary action against the Statutory Officer short of dismissal; or
- Recommend dismissal of the Statutory Chief Officer to the Council.

e) In the event that the I&DC propose/recommends dismissal of any of the Statutory Chief Officers, there is a requirement to follow an Executive Objections procedure.

The Executive Objections Procedure in the JNC Handbook states that The I&DC will inform the Proper Officer that it is proposing/recommending to the Council that a Statutory Chief Officer should be dismissed and that the Executive Objections procedure should commence.

The I&DC will consider any objections received from the Executive Objections Procedure and satisfy itself as to whether any of the objections are both material and well founded.

If they are, the I&DC will consider the objections in accordance with the JNC Handbook, for example, consider the impact of the Executive Objections on the report of the Designated Independent Person and relevance to the sanction, commission further investigation by the Designated Independent Person and report if required etc.

If, having satisfied itself that there are no material and well-founded objections to the proposal/recommendation to dismiss, the Statutory Chief Officer will be notified of the decision and the proposal/recommendation referred to Council along with any necessary material (e.g. the Designated Independent Person's Report).

- f) Where the I&DC proposes/recommends dismissal, the Regulations require the Council to approve the dismissal before any notice of dismissal is issued. The Council must therefore consider the proposal/recommendation from the I&DC and reach a recommendation before a Statutory Chief Officer can be dismissed. The Statutory Chief Officer has the opportunity to put forward their case to Council before a decision is reached by Council.

The hearing of the matter by the Council will also fulfil the statutory appeal function.

- g) With regards to appeals against dismissal, the Council's Employment and Appointments Committee will consider any such appeal.

#### **4.0 STATUTORY AND INDICATIVE TIMESCALES**

- 4.1 An important principle when potentially taking disciplinary action is that the process should be conducted expeditiously and fairly. There is, therefore, a need to conduct investigations with appropriate thoroughness, to arrange hearings in a timely manner and allow for appropriate and necessary representation. It is not in the interests of the Council or the Statutory Chief Officers if proceedings are allowed to progress without a sense of urgency and importance.

- 4.2 The JNC Handbook does not set out explicit timescales except those relating to the specific reference in the Local Authority (Standing Orders) (England) Regulations 2001 for the suspension of Statutory Officers (which must last no longer than 2 months unless directed by the Designated Independent Person (DIP)).

#### **5.0 CURRENT POSITION**

- 5.1 The Independent Investigator, Mr Penn has concluded the preliminary Investigation. Attached is a copy of his report in respect of:

Acting Chief Executive and Head of Paid Service (and Substantive S.151 Officer)

Director of Law, HR and Asset Management and Monitoring Officer

Acting Director of Finance and S.151 Officer (and substantive Deputy Director of Finance)

5.2 The I&DC is asked to consider the report of Richard Penn and make a decision

### 5.3 **Options**

The available options are as follows:

Option 1 – Decide that the concerns raised require no further formal action under the procedure;

or

Option 2 – Decide that the concerns do require further formal action.

The Statutory Officers should be written to setting out the allegations and providing them with any evidence. The I&DC will then meet again on 15 October 2012. The Statutory Officers would be invited to attend the meeting to make oral or written representations. At the meeting on 15 October 2012 the I&DC would need to decide whether the issue requires no further formal action or the issue should be referred to a Designated Independent Person.

Option 3 – Consider the reports. Defer a decision, whilst further options are explored further

Option 4 - Consider the reports. Reach a decision; defer further action whilst further options are explored further

5.4 It is therefore recommended that the I&DC considers the report of Richard Penn and all options available to them.

## **6.0 RELEVANT RISKS**

6.1 The Council is required to follow the Statutory process and meet all legal and contractual obligations. The options seek to reduce the risk of challenge to the process.

## **7.0 OTHER OPTIONS CONSIDERED**

7.1 Options are outlined at paragraph 5.4.

## **8.0 CONSULTATION**

.8.1 Not applicable.

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

9.1 Not applicable.

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

10.1 Resources implications set out in report.

## **11.0 LEGAL IMPLICATIONS**

11.1 Legal implications set out in report.

## **12.0 EQUALITIES IMPLICATIONS**

12.1 All relevant equality implications shall be complied with. EIA is not required.

## **13.0 CARBON REDUCTION IMPLICATIONS**

13.1 Not applicable.

## **14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

14.1 Not applicable.

## **15.0 RECOMMENDATION/S**

15.1 The I&DC note progress of the preliminary investigation; and

15.2 The I&DC agree the way forward in relation to the three Statutory Officers as outlined in paragraph 5.3.

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## **APPENDICES**

Appendix One Terms of Reference for Investigating and Disciplinary  
Committee

Appendix Two Terms of Reference for Preliminary Investigation

Appendix Three Draft letter to the Statutory Officers [REDACTED]  
[REDACTED]

## **REFERENCE MATERIAL**

*(Include background information referred to or relied upon when drafting this report, together with details of where the information can be found. There is no need to refer to publicly available material: e.g. Acts of Parliament or Government guidance.)*

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Statutory Investigation Process</b>	<b>16 July 2012</b>