# ANNUAL GOVERNANCE STATEMENT

**2020-21**

**WIRRAL**

# Annual Governance Statement 2020/21

**EXECUTIVE SUMMARY**

Wirral Council has a responsibility for conducting an annual review of the effectiveness of its governance framework including the system of internal control.

The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2020-21 are set out in this Annual Governance Statement (AGS). Many of the key governance mechanisms remain in place and are referred to in previous statements, as well as in the Council's Code of Corporate Governance. This statement therefore focusses on the key changes and developments within the Council's governance framework during 2020-21, and up to the date of the approval of the annual statement of accounts.

Slides 8 – 20 consider each of the seven principles in the CIPFA/SOLACE Framework and demonstrate how the Council has complied with the Framework during 2020-21. Within each principle, where relevant, the AGS provides an overview of how the Council responded to the COVID-19 pandemic and the consequent significant adaptations to its governance arrangements. These included the emergency planning arrangements introduced to determine and deliver the interventions necessary, strong local leadership, close working relationships with partners and the significant redeployment of staff to spearhead key COVID-19 response initiatives; all contributing to ensure that good governance was maintained.

For each of the seven principles the AGS highlights:

• the key aspects of the Council's governance arrangements that have developed during 2020/21

• areas where it is recognised governance arrangements can be further strengthened, with comments as to plans in place.

Slides 21 – 25 summarise actions taken in 2020/21 to address the significant governance issues highlighted in the 2019/20 AGS, namely - Financial Resilience, Regeneration, Compliance, and the move to the New Committee System.

The criteria used for determining the issues considered to be significant governance issues are outlined on slide 26. The significant governance issues facing the Council that have been have identified from this year's review of the effectiveness of the Council's governance framework remain

• Financial Resilience and Management – recognising the significant challenge the Council faces to ensure the budget is rigorously monitored in year and the MTFP remains in balance at all times and is delivered

• Regeneration – recognising the incredibly ambitious scale of the regeneration agenda, reflected in the number and scale of change programmes, schemes and initiatives, the considerable organisational and corporate cooperation needed to deliver and that a failure to deliver on this agenda would significantly undermine or threaten the achievement of core organisational objectives

• Compliance – recognising that non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, puts the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to legal challenge, financial penalty and ultimately loss of life.

The planned actions in 2021/22 to address each of these issues are outlined on slides 27 - 30.

Based on the annual governance review undertaken, the conclusion is that the Council's governance arrangements overall are effective in delivering against the seven Principles of Good Governance and supporting the delivery of sustainable outcomes.

## CERTIFICATION

To the best of our knowledge, the governance arrangements, as outlined in this AGS have been effectively operating during the year with the exception of those areas identified as requiring improvement. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our annual review.

Signed:                                                        Signed:

Paul Satoor, Chief Executive                    Councillor Janette Williamson, Leader of the Council

Date:                                                            Date:

# Annual Governance Statement 2020/21

## INTRODUCTION

Local authorities are required by statute to review their governance arrangements at least once per year.

Throughout the last year, Wirral Borough Council has continued with its strategy to improve upon the manner in which it discharges its governance responsibilities.

This statement explains how the Council has complied with its Code of Corporate Governance and continues to build upon the work of previous years, constantly improving, as a Council, that is learning, maturing and delivering for its constituents.

### Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council also retains a best value duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

By discharging this responsibility (including as accountable body for the Merseyside Pension Fund), the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

Wirral Council is the administering authority for the Merseyside Pension Fund which publishes its own statement of accounts on an annual basis. The Fund publishes a "Governance Compliance Statement" that outlines compliance to industry specific governance principles.

The Council has approved and adopted the Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government 2016. A copy of the Code is available on our website: www.wirral.gov.uk.

This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6 (1) (b) of the Accounts and Audit (England & Wales) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

The Council also fulfils a governance role in relation to the businesses that it wholly or jointly owns:

- Edsential - a Community Interest Company jointly owned by Cheshire West and Chester Council and Wirral Council to provide services to the Education sector: https://edsential.com/. The Council owns 50% of the shares in the company and provides governance oversight via a joint shareholder board with Cheshire West and Chester Council.

- Wirral Evolutions Ltd - a Council owned company, which delivers adult social care services: http://www.wirralevolutions.org/. The company shareholder board provides governance oversight. The board membership includes a Council member to make strategic decisions on the behalf of the Council. Operational decisions are taken by the company board of directors.

- Wirral Growth Company - a limited liability partnership between the Council and Muse Developments Limited. The Council and Muse Developments Limited are equal partners in this venture and are jointly responsible for making all decisions. The partnership was created to promote the economic regeneration of the Borough.

- The Council also owns shares in two other companies both of which are currently dormant (Wirral Growth Company Nominee Ltd and Wirral Holdings Ltd).

## What is Corporate Governance?

Corporate Governance generally refers to the processes by which organisations are directed, controlled, led and held to account.

The Council's governance framework aims to ensure that in conducting business it:

- Operates in a lawful, open, inclusive and honest manner

- Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively

- Has effective arrangements for the management of risk

- Secures continuous improvements in the manner in which it operates.

## The purpose of the Governance Framework

The governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Adhering to this framework enables the Council to monitor the success of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate / cost effective services.

Both risk management and internal control measurements are a significant part of the Council's corporate governance framework and are designed to manage risk to a reasonable level.

These safeguarding processes cannot eliminate all risk of failure to achieve the goals set by the Council's policies, aims and strategic objectives and can therefore only provide reasonable, rather than absolute assurances of their effectiveness.

The system of risk management and internal control is based upon an ongoing process, designed to identify and prioritise the risk to the achievement of the Councils' policies, aims and strategic objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

This statement builds upon those of previous years. Many of the key governance mechanisms remain in place and are referred to in previous statements, as well as in the Council's Code of Corporate Governance. These are available on the Council's website: www.wirral.gov.uk . This statement therefore describes the key changes and developments within the Council's governance framework during 2020-21 and up to the date of the approval of the annual statement of accounts .

The progress that has been made in dealing with the significant governance issue included in last year's statement and those governance issues that have been identified from this year's governance review are highlighted in this statement.
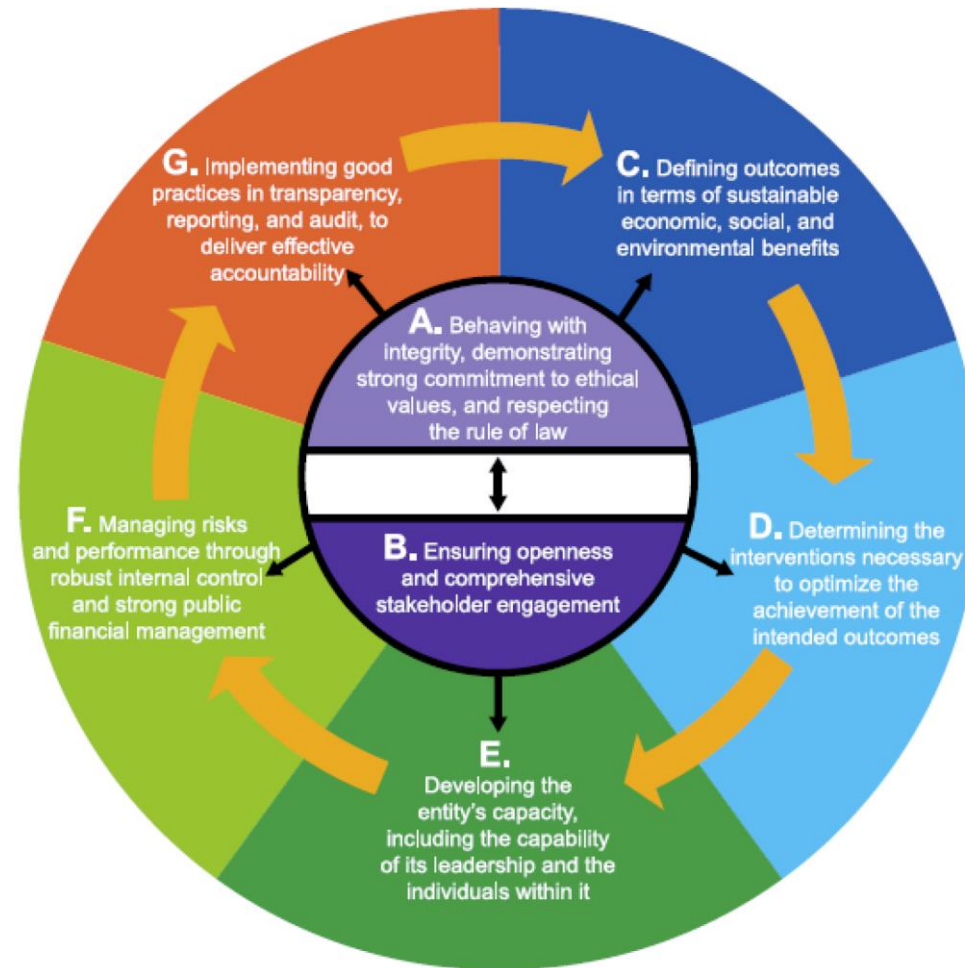
## Overview of Governance Framework

| Council | Committees including Policy & Resources | Audit &Risk Management Committee | Partnerships Committee | Corporate Governance | Risk Management | Audit |
|---|---|---|---|---|---|---|
| • Approve Constitution<br><br>• Approve the Wirral Plan. Approve budget and policy framework.<br><br>• Hold decision making meetings in public | Part 3B of the Council's Constitution details the Terms of Reference for the Council's:<br>• Policy and Service Committees<br>• Decision Review, Partnership and Scrutiny (Joint Health) Committees<br>• Statutory, Regulatory and Other Committees.<br><br>The Terms of Reference for the Policy and Resources Committee includes:<br>• formulate, co-ordinate and implement corporate policies and strategies and the medium term financial plan (budget)<br>• provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management<br>• undertake responsibility for developing and monitoring the enabling corporate services | • Scrutinise and approve Financial Statements on behalf of the Council<br><br>• Review Contract & Procurement Procedure Rules<br><br>• Review and scrutinise governance arrangements, including internal and external audit updates / reports, and the management of risk<br><br>• Holds meetings in public | • Undertake reviews and make recommendations on services or activities carried out by external organisations which affect the Borough of Wirral or any of its inhabitants, including the review and monitoring of the contractual and operational performance of shared service partnerships, joint ventures and outside organisations to which the Council makes a resource contribution. | • Review performance management and projects against milestones, resource allocation, risks and performance.<br><br>• The Corporate Governance Group has responsibility for overseeing the annual review of the governance framework and the preparation of the annual governance statement<br><br>• Corporate oversight by Council's additional governance boards; including Investment & Change Board<br><br>• The Corporate management team including the role of its three statutory officers: the Head of Paid Service (Chief Executive), the Monitoring Officer and the Chief Financial Officer | • Review risk registers for corporate, operational and project risks<br><br>• Corporate risks reviewed by the Senior Leadership Team and Audit & Risk Management Committee | • Set the internal audit strategy to meet the Council's overall strategic direction and provide assurance on risk management, governance and internal control arrangements<br><br>• Undertake annual programme of internal audits, present progress reports including recommendations for improvement in systems and control<br><br>• External Audit review and report on the Council's financial statements and vfm conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources |

## REVIEW OF EFFECTIVENESS

Wirral Council has a responsibility for conducting, a review of the effectiveness of its governance framework including the system of internal control.

The review of effectiveness is informed by the work of the Chief Officers and senior managers within the Council who have responsibility for the development and maintenance of the governance environment. Their feedback and comments provided in Governance Assurance returns and meetings are an essential part of this review. It is also informed by the work of Internal Audit, the Chief Internal Auditor's Annual Report, together with findings and reports issued by the external auditor and other review agencies and inspectorates.

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance.



*Reproduced from 'Delivering Good Governance in Local Government Framework 2014' published by CIPFA/IFAC*

The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2020/21 are set out in the table below, demonstrating how the Council has complied with the seven principles set out in the CIPFA/SOLACE Framework during 2020/21.

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. | Key aspects of the Council's governance arrangements that have developed during 2020/21 have included:<br>• From the start of the pandemic in early 2020, the Council provided strong local leadership on compliance with COVID-19 regulations; this served to maintain public trust and respect for rule of law. The Council responded well to the initial & continued challenges of the pandemic and lockdown and feedback from community, voluntary groups and partners has confirmed how the Council's core values have been clearly evident in the cohesive response to support the local community across the wide range of activity and support including humanitarian, financial, advice and guidance. This has helped to strengthen the Council's standing and reputation as the Community Leader.<br>• This has also helped to drive cultural change within the organisation. Internally, the cohesive, cross-departmental response to COVID-19 and the improved corporate and departmental communication and engagement (see Principle B), has meant the values, previously established via the People Strategy, have assumed a higher profile and become more embedded in behaviours, creating a stronger ethos and more connected and cohesive organisation.<br>• The Council has been alert to the need to anticipate potential issues and demonstrate integrity. This has been evident in the proactive response to learn lessons from reviews in other authorities in respect of governance and ethical values, e.g. Best Value review (LCC) and Public Interest Reports in other authorities, to help prevent similar issues occurring locally.<br>• The move to the new committee structure has provided a focus to further strengthen processes in respect of committee reporting and decision-making (further detail under Principle G).<br><br>Areas where it is recognised governance arrangements can be further strengthened include:<br>• It is recognised that in organisations of this size there remain some issues with values and behaviours and consistency of compliance;  these will be addressed through a new appraisal process and stronger compliance enforcement, both discussed later in this statement<br>• There is a need to formalise and standardise training provided for officers and members in areas such as ethics so the Council can better evidence the training delivered. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| B. Ensuring openness and comprehensive stakeholder engagement. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>From a positive base reflected in last year's AGS, there has been further significant strengthening of arrangements in this area with much stronger collaboration with a wide range of partners and stakeholders, and within the Council.<br><br>The Council's COVID-19 response involved very close working with public sector, voluntary and community partners. The active and comprehensive stakeholder and partner engagement involved a multi-agency emergency response infrastructure which included, for example:<br>• Scientific, Technical and Advisory Committee which included health providers and the CCG<br>• Tactical Co-ordination Group (TCG) which included Fire & Rescue<br>• Humanitarian cell – including over 30 Voluntary, Community and Social Enterprise (VCSE) organisations<br>• Outbreak Cell set up in Autumn 20 including NHS, Fire, Police, 3rd sector representation working to a local Outbreak Management Plan published on the website (and refreshed regularly) with responsibilities including Communications, testing and data<br><br>At the Chief Executive level, arrangements have included weekly meetings with all NHS Chief Executives, twice weekly meetings with leaders across the Liverpool City Region (COVID-19 and Other strategic issues), regular conversations at a senior level with key commercial partners (e.g. Peel & Muse), fortnightly meetings with all Wirral MPs and two weekly meetings with Group Leaders covering the COVID-19 response and Business as Usual (BAU).<br><br>Dealing with the pandemic and remote working has led to a greater commitment to strengthen consultation and openness with staff, with initiatives including:<br>• regular Chief Executive communications<br>• improved communications at Directorate level, including Live Directorate team events, staff engagement sessions, Directorate Newsletters (e.g. Neighbourhoods)<br>• a greater emphasis on team meetings and regular line manager check-ins to ensure staff are briefed on key operational and corporate issues and assisted with pastoral care<br>• periodic pulse surveys (e.g. May 2020, Sept 2020, Nov 2020). |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| B. Ensuring openness and comprehensive stakeholder engagement. (continued) | Key aspects of the Council's governance arrangements that have developed during 2020/21 (continued):<br><br>There has been a greater emphasis on developing and assisting senior and other managers within the Council with initiatives including refreshed Corporate Management Team (CMT) arrangements, monthly Manager network and Manager Micro sessions.<br><br>The move to the new committee system has led to a more open and transparent approach, for Members and the public, with arrangements including 45 minutes set-aside for Members' questions at Full Council, sessions at each committee for taking questions from members of the public and briefings taking place with the Chair and other Party spokes-persons. There will be a post implementation review and some teething issues have arisen, e.g. the duration of some meetings, but it is recognised that the new committee structure has led to more open debate and improved collaborative working.<br><br>Other examples of effective consultation and stakeholder engagement in the year have included:<br>• consultation on the Local Plan and Birkenhead Framework<br>• extensive feedback from young people, parents, carers as part of research by Ofsted and Care Quality Commission looking into how SEN children have fared during COVID-19<br>• Children's Partnership arrangement including all relevant parties and an independent Chair from the 3rd sector<br>• work of the domestic abuse alliance - all party engagement and a ground-breaking co-produced strategy which included those affected and offenders<br>• the workings of the Disability Stakeholder group<br>• a network of commissioned 'Community Connectors', initially in the East of the Borough but now in all Council wards, who have assisted with identifying local needs, together with a network of 'engagement officers' focussed on understanding community attitudes and behaviours towards key issues, e.g. COVID-19 testing and vaccines.<br><br>Areas where it is recognised governance arrangements can be further strengthened include:<br>• The need for a mechanism to better understand the reasons why some developers may complain to Members; allowing a clear distinction between genuine complaints and those unhappy with the outcome of a statutory decision. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| C. Defining outcomes in terms of sustainable economic, social and environmental benefits. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>It is recognised that in the past 12 months, in response to the COVID-19 pandemic, the Council has been more in reactive mode; however it is now starting to make progress again in this area.<br><br>Examples where the Council is maintaining a focus on longer term goals and outcomes include the following:<br>• Regeneration – there is real progress in outlining what the Council is setting out to achieve and several key major projects are now coming to fruition, e.g. Wallasey / Birkenhead docks, Eureka, Hind St, Urban Splash<br>• Local Plan – the publication of the Draft Local Plan under Regulation 19 is now expected in autumn 2021; this will help provide the framework for where the Council seeks to be in the medium and longer term in respect of housing, infrastructure, schools, health, regeneration and growth<br>• Climate Emergency – in July 2019 the Council announced its commitment to the Climate Emergency. Actions in year have included a recently approved policy, agreed action plan working with committees and community groups, a dashboard set up to monitor delivery and agreement to establish a working group that will measure and monitor the outcome of initiatives and their affect e.g. in respect of net carbon<br>• The Health & Social Care Commissioning team continues to be geared up to identify long term goals using national policy, best practice and views of service users.<br><br>Areas where it is recognised governance arrangements can be further strengthened:<br><br>Some key activities are in progress that will help define target outcomes. These include:<br>• Refreshing the Wirral Plan – A refreshed one year Wirral Plan was approved by full Council in October 2019. There was limited progress during 2020 and it was recognised that what the Council planned to achieve and how needed to be revised to take account of COVID-19. A project plan for the Wirral Plan Refresh was agreed in March 2021. The Plan, a broad Borough wide aspirational plan including performance measures, will set out the vision and key priorities for the Borough over a 5 year period from 2021 to 2026. The key actions and milestones have been agreed; these will lead to Policy Council approval, launch and a Partnership Summit planned for July 2021. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| C. Defining outcomes in terms of sustainable economic, social and environmental benefits. (continued) | • Developing the Corporate Plan - This will set out what the Council plans to achieve over the period in order to support delivery of the long-term vision captured within the Wirral Plan 2021-26 and will inform the Council's Medium Term Financial Strategy. The Framework has been reported to the Senior Leadership Team (SLT). The Corporate Plan and Wirral Plan will be developed in tandem – linked to the MTFS<br>• Finalising the Change plan -  The governance arrangements for the change plan are in the process of being finalised. The Change plan and the target operating model will link closely with the with Wirral Plan and Corporate Plan.<br><br>Areas where it is recognised that more needs to be done include:<br>• the Wirral Plan needs to ensure a more joined up Council wide approach for dealing with inequality including a focus on measurable outcomes.<br>• as the new committee system develops, there needs to be a process and policy for how competing objectives between committees are managed (e.g. development v sustainability) to ensure a corporate and coherent approach to delivering the intended outcome<br>• improvement is needed in terms of how to align resources to outcomes and priorities, with a system that is focussed on providing evidence that services and initiatives are delivering intended outcomes and securing value for money (vfm). A working group has been established to progress this issue, with a benchmarking exercise now being carried out in a selected area.<br><br>A significant development in respect of defining outcomes, that will have a key impact on the role of Council going forward, will be the restructuring of the NHS; with the introduction of an Integrated Care System for Cheshire & Merseyside. It is envisaged that the move from the Clinical Commissioning Group (CCG) to a regional commissioning footprint will have a generational change on the health agenda, with the Council having a very strong influence over what health will look like locally.  The detail as to what functions and arrangements will be fulfilled locally and the associated transfer of staff and responsibilities will be determined during 2021/22, but it is envisaged the Health & Well-Being Board will have an increasingly important role. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| D. Determining the interventions necessary to optimize the achievement of the intended outcomes. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>At the beginning of the COVID-19 pandemic emergency planning arrangements were introduced to determine and deliver the interventions necessary. The Leader of the Council gave delegated authority to the Head of Paid Service and each Director to take any action considered reasonably necessary to protect the health, safety or welfare of individuals. Under the new governance processes and structures put in place, various cells were established as part of the Command and Control system; these included  Humanitarian, Scientific and Technical Advisory, Economic Resilience and Neighbourhoods. These cells each reported regularly to the Strategic Co-ordination Group (SCG) and Tactical Co-ordination Group (TCG). The Health and Care command structures dealt with the more operational elements of dealing with the pandemic. The frequency and structure of meetings and cells adapted during the pandemic; SCG and TCG met daily at the beginning of pandemic for quick responses and decision making and later moved to twice weekly and weekly as the Council moved from crisis through to recovery. The contingency planning cell structure and truncated report process blended the Council's necessary legal and financial steps with the JESIP emergency planning principles to ensure appropriate decision making, reporting and publication of decisions, with decisions presented through individual cells and into TCG for approval and SCG for ratification. This process has continued into the remobilisation and recovery of services post lockdowns. An audit review of this decision making process in the early stages of the pandemic confirmed that, with a small number of exceptions, recognising the unprecedented environment at the time, the expected procedures and documentation were complied with.<br><br>Considerable work has been invested into the Council's medium and long term resource planning aimed at developing a sustainable financial and funding strategy. The process for securing an agreed Capitalisation Directive involved ensuring a robust five year balanced medium term financial plan, as evaluated by LGA and MHCLG, together with target operating model and change plan. This remains an area of significant challenge as noted below.<br><br>The transition from the Cabinet to the Committee system has meant that the provision of financial advice is more robust and open to more challenge and scrutiny than previously, with quarterly monitoring to all of the policy and services committees and reports referred from policy and services committees to policy and resources committee. Similarly, the budget monitoring and setting process has been open to further scrutiny during 2020/21 as a result of moving to the committee system . For first time in 50 years there was universal political agreement to the 2021/22 budget. Recommendations for further improving the 2021/22 budget  monitoring and 2022/23 budget setting process were presented to P&R committee on 17 March 2021.<br><br>Examples of arrangements that have continued in this area include established processes for the consideration of Outline and Full Business Cases for key projects. Section B above includes examples where effective consultation with service users and citizens has helped to  optimise service interventions. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| D. Determining the interventions necessary to optimize the achievement of the intended outcomes (continued) | Areas where it is recognised governance arrangements can be further strengthened include:<br><br>The Council faces a significant challenge to meet its very ambitious change agenda programme whilst still managing issues arising from the COVID-19 pandemic.<br><br>The varied challenges of the significant change agenda include the number and scale of change programmes, schemes and initiatives, including those linked to the regeneration agenda, structural change with health, the need to maintain progress in respect of children's and social care and implementation of major IT developments, such as the replacement of the Enterprise Resource Planning (ERP) system. There remains a need to proceed at pace despite recognised capacity issues (see further detail under Principle E).<br><br>Financial resilience remains a key challenge. The Council's external auditors Grant Thornton, issued an adverse value for money conclusion on the 2019/20 accounts, noting that the Council's use of reserves in recent years to balance the budget had led to an unsustainable financial position. The Council has received approval for a capitalisation directive to provide support for 2020/21 and 2021/22 in order to balance the budget. However, the auditors note this 'is only a temporary measure and the Council will need to make substantial savings in the next few years to return to establish a sustainable financial position'. The ongoing challenge will be to ensure the budget is rigorously monitored in year and the Medium Term Financial Plan (MTFP) remains in balance at all times and is delivered. This will require a greater focus on managing financial risk on the part of individual directorates and special project areas. To assist with this budgets will be subject to review in bi-monthly meetings the Chief Executive and Director of Resources are scheduled to have with individual Directors. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| E. Developing the entity's capacity including the capability of its leadership and the individuals within it. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>The capacity of the Council to deal with the COVID-19 pandemic was significantly enhanced by the arrangements established for the active redeployment of staff to respond to emerging risk areas. At the height of the pandemic the Internal Agency team had deployed 329 staff from Council services that were closed, in addition to other staff that were redeployed. Areas supported by staff allocated by the Internal Agency included Adult care, PPE, the Food Hub, helplines, Hospitality Grants, delivery of school meals, helping with IT deliveries, vaccine sites, testing Sites, support to schools when they returned and were struggling with COVID-19 cases and support staff offered to to partners (NHS) schools and voluntary organisations.<br><br>Staff satisfaction results have confirmed strong leadership from the Chief Executive and SLT during the COVID-19 pandemic. There have been initiatives to further strengthen the workings of SLT through externally delivered development and 121 coaching sessions.<br><br>The Council has shown a commitment to organisational learning through internal lessons learned reviews, e.g. Public Health, external peer reviews, e.g. Planning, and seeking to apply the learning from Best Value and Public Interest reports relating to other councils.<br><br>There remain many examples of how strong partnerships and collaborations are helping to increase corporate capacity. The Council continues to enjoy very close joint working relationships with health partners. The corporate response to the COVID-19 pandemic has resulted in close working with new community partners, including new community groups within the BAME community, and additional voluntary groups. Private sector partnerships have also improved with close working relationships with other anchor institutions in response to the pandemic.<br><br>The capacity and capability of members and officers have been further developed through a strong Organisational Development function and enhanced arrangements for organisational learning. Examples in year have included:<br>• a refreshed Member Support Group working group which has worked closely with OD to provide training on the new committee system and specific training for committee chairs (with more planned following the May 2021 elections)<br>• work with APSE (The Association for Public Service Excellence) in respect of Carbon Literacy has been delivered to SLT and leading officers and members and has helped to embed the Climate emergency<br>• development programme for Assistant Directors including a roadmap to mentor through Solace (Neighbourhoods Directorate)<br>• leading roles on various regional groups have provided further opportunities for learning, a sharing of best practice and networking. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| E. Developing the entity's capacity including the capability of its leadership and the individuals within it. (continued…) | Areas where it is recognised governance arrangements can be further strengthened include:<br><br>There are areas where concerns remain over capacity. These include capacity to:<br>• deliver the significant change agenda, linked to the Medium Term Financial Strategy (MTFS),<br>• oversee the delivery of the ambitious and challenging multi-project regeneration programme, with a recognition that the pace and scale of change required may necessitate changes to existing arrangements for delivery including governance<br>• address the varied asset management issues, including the assessments needed to safely reopen the Council's administrative buildings and manage safety considerations<br>• manage environmental Health and public health concerns<br>• meet expectations in respect of serving the new committee structure, with its 13 committees and associated workshops, arrangements for consultation and public questions<br><br>Aside from specific areas, there is concern that several services face a fatigue and pressures on managers and staff linked to the conflicting elements of returning to business as usual whilst still dealing with pandemic and recovery / reinstatement. There is a need to develop a consistent approach across departments to ensure robust capacity planning; to address capacity concerns and prevent more significant issues occurring.<br><br>Arrangements continue to develop in the area of performance appraisal. Formal performance arrangements were relaxed during 2020/21 in response to the pandemic; a new check-in process was launched and issued across the Council and this provided focus for employees. Formal performance, and in some cases professional (e.g. Public Health), appraisal systems will be reintroduced in 2021/22. A new appraisal system is to be introduced for 2021/22, together with a new on-line learning platform to ensure this can be maintained. A new process for Accountability Statements for Directors is also due to be introduced for 2021/22 linked to performance appraisal.<br><br>Development areas in Children's services include plans to strengthen Member training for the role on Children's committee and to develop a leadership and management development model along the lines of a 'staff college' approach<br><br>CIPFA published the Financial Management (FM) Code in October 2019.  A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management The FM Code requires organisations to demonstrate that the processes they have in place satisfy the principles of good financial management. 2020/21 was a 'shadow' year for the implementation of the FM Code with the expectation that organisations would be fully compliant in 2021/22. With the impact of COVID-19 no assessment was completed in 2020/21. The Finance team are currently undertaking an assessment of compliance; this is planned to be reported to the Resources Departmental Management Team (DMT) in June; relevant actions will be implemented in 2021/22 in respect of any development areas identified from this assessment.. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
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| F. Managing risk and performance through robust internal control and strong public financial management. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>Performance management continues to become more developed. Performance in relation to COVID-19 and its impact has been reported effectively in 2020/21. A Power BI COVID-19 dashboard was used to provide updates on operational services during the pandemic with live COVID-19 dashboard reporting to TCG and SCG. This resulted in improved reporting to Group Leaders and MPs and Partners, with for example, early identification of the impact of the spike in the new variant identified in January 2021. It was also used for reporting to the Ministry of Housing, Communities & Local Government (MCHLG). On the back of the success of the COVID-19 reporting, and in line with the principles of the COVID-19 cell structure, Operational Performance dashboards have recently been developed for reporting to Departmental Management Teams (DMTs) and continue to be subject to further refining. In keeping with the principles of the COVID-19 cell structure a new Operational Performance Board (OPB) has been established. The OPB will meet monthly to share knowledge, increase collaboration and escalate risks/issues with a requirement that each Directorate will need to report a summary of 4/5 key data sets to the OPB . It is envisaged that the OPB will escalate risks and issues to SLT. Planned further improvements to performance management are noted below.<br><br>Improvements in Health and Safety (H&S) arrangements and procedures has been a critical feature of the COVID-19 response. This has included supporting the development of new service offers and the remobilisation of services as repeated lockdowns and restrictions eased. The H&S team has worked closely with Public Health, including the development and application of a COVID-19 risk assessment, to take a cautious approach to reinstatement and ensure risks are effectively managed to protect staff and public. The Strategic Health Safety and Wellbeing Board was set up to address major risk areas; a top down approach chaired by the Chief Executive. Recent service improvements have included the recruitment of a dedicated tree management team to improve procedures following a serious accident. It is recognised there is still more to do, as outlined below.<br><br>Risk management processes are becoming more embedded and mature. This is evident from the role of the Investment & Change Board, the risk profile evident in arrangements such as the process for Outline and Full Business cases, the developing practice for risks to move between corporate, departmental and service / project risk registers as mitigating controls are introduced and risks change, and the maturity of risk considerations, such as with the recent acquisition of the House of Fraser. Further planned improvements that have started and will continue to develop in 2021/22 include a recently commissioned corporate risk appetite exercise and ongoing work to develop an Assurance Map for all key corporate risks. It is recognised that there is still more to do to ensure that risk considerations are at the heart of all decisions, with additional consideration of risk to take place at OPB and SLT and plans for some Directorates to further develop their risk registers. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| F. Managing risk and performance through robust internal control and strong public financial management (continued) | Areas where it is recognised governance arrangements can be further strengthened include:<br><br>There was a relaxation of business as usual in some areas to focus on the pandemic, recognising that key staff in some areas had been redirected to work on initiatives to support the pandemic response. Examples included: a relaxation of formal appraisals, although this has been replaced with more regular check-ins, no requirement for business plans, and no formal corporate performance monitoring in 2020 of previous key service performance indicators. This reflected a shift to emergency response and revised priorities as detailed in Principles B & D above, with reporting and monitoring focusing on the pandemic response.<br><br>There are plans to further strengthen performance management arrangements. These include :<br>• an SLT meeting to be dedicated to performance on a quarterly basis<br>• plans to develop dashboard reporting for committees<br>• the Chief Executive and Director of Resources to meet each Director every two months to review finance, HR, procurement, audit and risk performance.<br>It is recognised that more progress is needed in respect of Directorate Plans. It is envisaged that Directorate Plans and associated key performance indicators (KPIs) will be monitored through the OPB, with a link to objectives and the new appraisal system.<br><br>It is planned that the updated Health and Safety strategy and policy will be reported to Members in June 2021. The H&S risk profile and risk register will be updated at this time. These updates will contribute to the development and implementation of a Health and Safety (H&S) Improvement Plan. Further work is planned to consider potential risks to the Council and what action is required where schools do not have an SLA with the Council for H&S and it is not known if schools have appropriate arrangements in place. More work is to be done to ensure robust arrangements are in place to investigate all relevant H&S incidents and adequately document and evidence the learning to ensure appropriate preventative action is taken, e.g. responsive work re lighting column incidents. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| F. Managing risk and performance through robust internal control and strong public financial management (continued) | Areas where it is recognised governance arrangements can be further strengthened include (continued):<br><br>Work is ongoing to strengthen the Council's arrangements in relation to information governance. There has been significant activity in 2020/21 in respect of Privacy Notices and Data Sharing agreements linked to COVID-19 response initiatives. An updated training programme 'Working safely on-line ' was released in Autumn 2020 to reflect the risk of increased working at home. The Information Governance Board (IGB) risk register currently has 9 risks assessed as high risk in relation to aspects of information management and governance structures, roles, procedures, and information security. Last year's AGS highlighted that during 2020/21 it was planned that the information governance monitoring strategy would be implemented to ensure that all elements of information governance are regularly reviewed by the Council's executive. This was planned to include key performance data, including for training and data breaches. Due to the impact of COVID-19 this has been delayed. The bi-annual SIRO report to SLT is outstanding and due to be reported in the near future. Additional detail, including action planned in 2021/22 is included in the Significant Governance Issue for Compliance below.<br><br>There remain issues with non-compliance with corporate procedures in other areas such as procurement and HR. Additional detail, including action planned in 2021/22, is included in the Significant Governance Issue for Compliance below.<br><br>There is a recognised need to improve corporate arrangements for benefits realisation. Areas to develop include the need to:<br>• better articulate a realistic assessment of the corporate benefits expected to accrue from projects<br>• carry out a formal assessment to monitor the actual benefits realised in comparison to planned benefits outlined in the original business case; particularly where development schemes may last several years, e.g. Birkenhead development.<br><br>Other areas where plans are in place to strengthen governance arrangements, as noted by Directors in the annual governance review, included  the need for an ongoing review of Personal Finance Unit (PFU) processes to ensure an effective and responsive service is delivered and areas highlighted in the Special Education Needs and Disabilities (SEND) Improvement Plan.<br><br>The Council has a framework to ensure ongoing monitoring of assurance arrangements in respect of partnerships and alternative service delivery models through the Shareholder Board,  however as a result of the move to a new committee system the board has not met in 2020/21. This will be rectified in 2021/22. A review of Wirral Evolutions is underway, a review of Edsential is planned and there is an Audit programme in place for Wirral Growth Company. |

| Principle | Assessment of the effectiveness of the key elements of the Council's Governance processes during 2020/21 |
|---|---|
| G.<br>Implementing good practices in transparency, reporting and audit to deliver effective accountability. | Key aspects of the Council's governance arrangements that have developed during 2020/21:<br><br>The change to the committee system allowed for a re-set and refresh of corporate arrangements and procedures and this has led to greater transparency. Improvements have included:<br>• a strengthening of arrangements for the publishing of officer and key decisions and ensuring committee reports are published in good time<br>• more in the way of cross-party briefings and working groups which has generally  provided Members with earlier sight of key issues<br>• improved arrangements for consideration of questions, from other Members and the public (see B above).<br><br>Other relevant improvements have included:<br>• open and transparent public reporting in respect of the COVID-19 pandemic, e.g. weekly update on the latest statistics on the Council website and publishing of the Outbreak Management plans<br>• greater focus on ensuring that public reports are understandable and provide easy access to information with, for example, an enhanced profile and role for the Report Authors Support Group<br>• the Corporate Governance Group assuming greater responsibility for monitoring corporate compliance and holding to account repeat 'offenders'<br>• additional examples of transparent reporting to ARMC, e.g. in respect of school deficits<br><br>Areas where it is recognised governance arrangements can be further strengthened include<br>• Monthly reporting of Internal Audit activity and the follow-up status of recommendations, paused during the response to the COVID-19 pandemic, to be re-introduced via dashboard reporting to DMTs from the end of May 2021. |

Progress against the Significant Governance Issues reported in the 2019/20 AGS are set out in the table below..

| Significant Governance Issue in 2019/20 AGS | Action taken to address the issue in 2020/21 |
|---|---|
| **Financial Resilience**<br><br>The Council's increased budget gap represents a significant financial risk to Wirral Council | The Council has achieved a balanced budget and outturn in 2020/21, although this has been in part, by use of exceptional financial action agreed with MHCLG, to the value of £6.473m. This is an improvement to the forecast outturn at Quarter 3, where the organisation was expecting £8.9m to be required from the mitigating action. Earmarked reserves at year-end are £114.1m, however £26.6m relate specifically to COVID-19. Use of some reserves set aside for specific projects is budgeted for in 2021/22 as these projects materialise.  The General fund is held at £10.7m and it is recognised that General Fund balances need to be strengthened as part of the medium term financial strategy. The Capital Outturn programme for 2020/21 resulted in £46m of capital expenditure against a revised budget of £82m, a number of schemes were re-profiled at Q3.<br><br>The key financial impacts of the COVID-19 pandemic have been:<br>• Significant additional expenditure has been incurred as a response to the pandemic, largely funded by national funding.<br>• Savings initiatives has largely been paused by limitations to resource through emergency activity<br>• Sales, Fees and Charges, which support expenditure, has been limited, and only partly mitigated by a national compensation scheme<br>• The movement from emergency to recovery to business as usual operations adds uncertainty which is difficult to assess.<br>• Bad debt from residents, customers and clients has materialised as a result of the conditions in the external environment<br>• Income from treasury activity has also deteriorated as cash flow has been prioritised and the trading environment has been limited by the pandemic<br><br>Financial risk associated with medium term sustainability continues to be a high profile. Members, SLT, Assistant Directors and the Finance team are working closely to identify and mitigate financial risks contained within organisational plans and strategies. A full review of how services will be delivered is in progress.<br><br>COVID-19 required the Council to have a transitional Budget process for 2021/22 however a more formal, iterative Budget process looking at 2022/23 onwards is now in place with Committees. The Medium Term Financial Strategy, and Financial Resilience Plan was refreshed and updated in light of the opportunities and barriers highlighted by the COVID-19 pandemic. These updates were presented and ratified at Budget Council in March 2021.<br><br>Revenue and capital reporting for service committees has been designed to more closely align with the distinct decisions those Committees have control over and a Finance Officer is in attendance at all relevant committees, and includes more targeted information, such as subjective reporting, earmarked reserves availability and pressures / savings narratives. Work continues on user-led reporting, which will reduce production effort and improve financial acumen across the organisation. A pilot will be conducted for quarter 1 of 2021/22.<br><br>The Capital Programme and associated processes underwent a review during 2020/21 resulting in the reprofiling of scheme expenditure.  Increased emphasis is placed upon deploying Council capital resources to support schemes which are income raising or support cost avoidance and reduction thereby aiding resilience.<br><br>Financial Resilience & Management remains a Significant Governance Issue in 2021/22. See slide 27 for further actions planned. |

| Significant Governance Issue in 2019/20 AGS | Action taken to address the issue in 2020/21 |
|---|---|
| **Regeneration**<br><br>The Council needs to effectively drive and deliver key regeneration projects and growth, including Wirral Waters and the Wirral Growth Company (WGC), which are key to the achievement of the Council's financial resilience plans. This will require the Council to develop and deliver a comprehensive regeneration strategy that can attract the substantial resources needed to deliver the projects. The Local Plan needs to be delivered to help drive Regeneration and avoid potential Government Intervention | Public consultation on the final draft of the Birkenhead Regeneration Framework (Birkenhead 2040) began on 24 March 2021 for an 8-week period up to 19 May 2021.  The Delivery Action Plans (DAP) – now referred to as 'Neighbourhood Frameworks' - for Hind Street, the Town Centre, Hamilton Park and Waterfront are currently being finalised to inform the Draft Local Plan. The delay to finalising these strategic documents is due to the need for them to come forward in line with the Local Plan timetable and also due to the impact of COVID-19.<br><br>The final Neighbourhood Frameworks are being commissioned and are expected to be delivered in the next six months.  Work has been taking place to underpin these briefs and ensure alignment with wider activity within the Wirral Waters area including progressing the highways programme and office development at Tower Road South, the Housing Infrastructure funded works at Northbank to enable the Legacy, Urban Splash and Belong residential projects, and the development of the partnership with Homes England and the Combined Authority to enable future delivery.<br><br>The Integrated Masterplan for the Liscard Neighbourhood has been finalised. This provides a long-term framework to guide future investment and inform the Local Plan.  The Integrated Masterplan is due to be reported to Members in June/July. Spend of the funding for Liscard awarded from the LCR Mayoral Town Centre Fund has been extended to the end of 2021 due to the impact of COVID-19.<br><br>The New Brighton masterplan is currently under development. Initial stakeholder engagement and public consultation took place in autumn 2020 alongside a baseline review of the area. A range of options are currently being developed and will be considered  by Members in early summer 2021 prior to public consultation.<br><br>The Wirral Growth Company (WGC) submitted a planning application for the Birkenhead development in August 2020. This includes a detailed application for the first two office buildings and outline application for the wider masterplan area. The planning application was approved on 29 April 2021 subject to the signing of a section 106 agreement.<br><br>Public consultation on the proposed Pasture Road development opened on 15 March 2021 and closed on 16 April 2021.  Over 10,000 leaflets were posted to businesses and residents addresses to ensure people were aware of the proposals as well as advertising through local press and social media. The planning consultants for the Wirral Growth Company are currently collating the responses received with a view to the preparation of a Statement of Community Involvement.  This will address the specific points and queries raised during the consultation process and will also set out how these will be addressed by the project / design team.<br><br>The Publication of the Draft Local Plan under Regulation 19 is now expected in autumn 2021 with Submission for Examination in winter 2021/22. Intensive work is underway to:<br>• complete the preparation of the detailed Draft Local Plan and essential outstanding studies and workstreams<br>• engage with key strategic brownfield site owners to bring forward housing development within the Local Plan period.<br>Regeneration remains a Significant Governance Issue in 2021/22. See slide 28 for further actions planned |

| Significant Governance Issue in 2019/20 AGS | Action taken to address the issue in 2020/21. |
|---|---|
| **Non- Compliance**<br><br>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, and business continuity put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to financial penalty and ultimately loss of life. | Specialist working groups are in place for key areas e.g. People Strategy, Information Governance, Health, Safety and Wellbeing. In addition, the Corporate Governance Group (CGG) has begun to take on an overview role to monitor corporate compliance with key policies and take appropriate action where any patterns of non- compliance develop. During the latter part of 2020/21 the CGG has agreed with service leads key compliance indicators for example for procurement, HR, Information Governance (IG) and Business Continuity. Key indicators have been reported to the CGG in recent months. The Intelligence team are in the process of incorporating key compliance data into the Directorate reporting Application.<br><br>Procurement<br>During 2020/21 the procurement team have redesigned the purchasing system to improve visibility, accountability and monitoring. This has included the introduction of new procurement smart forms, which are easier and quicker to complete and provide a more robust workflow. The Smartforms also include a new sequencing of approvals that take into account budget holder, head of service and finance. The Head of Commercial Procurement attended DMTs and SMTs during February and March and continues to provide monthly information to assist services in addressing non compliance. The procurement team have continued to provide support in terms of training, workshops and communications. In some areas compliance is better; the number of free standing invoices has reduced significantly as some payment types have been converted to Purchase Orders (POs). In other areas progress continues to be made but there remains further scope for improvement. The volume of Retrospective POs has started to reduce but more work is needed. Breach Notices, where invoices are received but there is no record of the procurement process, remain high in value and volume and reflect poor practice by commissioners. Exception requests are also high in value and volume. It is also recognised that a full review is needed of the contract process for how the Council procures asset maintenance including Schedule of Rates work and more can be done to improve compliance and vfm in contracts.<br><br>Business Continuity<br>Activity in the year focussed on senior managers and Directors. Regular instructions in respect of business continuity were given to managers to consider the changes COVID-19 has had on services and asking them to ensure that business continuity arrangements and instructions to staff adequately reflected the new operating arrangements. Specific activity included questionnaires aimed at reviewing the impact of COVID-19 and scenario planning (April / May 2020), a survey to assess the extent of completion of business continuity plans and managers' confidence in arrangements (October 2020) and reminders in respect of more BAU threats including IT (February 2021). Overall, it is considered that corporately the Council has responded well to the COVID-19 pandemic and responsive business continuity arrangements have worked appropriately. It is recognised however that business continuity plans across Council services are not at a consistent appropriate standard and more needs to be done to complete formal assessments and plans recognising other key threats such as IT risks.<br><br>.<br>. |

| Significant Governance Issue in 2019/20 AGS | Action taken to address the issue in 2020/21 |
|---|---|
| **Non- Compliance** (continued)<br><br>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, and business continuity put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to financial penalty and ultimately loss of life. | Information Governance<br>There have been more robust processes around FOI / EIR requests and a reduction in security breaches. It is recognised further work and support is required to support improvements in this area; some dates for returns have not been met but non-compliance with FOIs / EIRs and SARs deadlines has reduced. In several areas the Council has not complied with the publication requirements of the Transparency Code. A plan is now in place to ensure the Information Management Team facilitate requesting and collecting the required data from the relevant service areas, and actions are being taken to comply with May 2021 publishing requirements. As at 17 May 2021, only 45% of staff who are IT users had completed the required 'Working Safely On-line' essential training.<br><br>Health & Safety<br>As noted under Principle F above the key focus for Health and Safety in 2020/21 has been in relation to COVID-19 response. Completion of the 'Working Safely at Home' online training and the 'Working Safely Self-Assessment form in Self-serve remain low; active measures are being taken to increase completion rates..<br><br>Compliance remains a Significant Governance Issue in 2021/22. See slides 29 and 30 for further actions planned.<br>. |

| Significant Governance Issue in 2019/20 AGS | Action taken to address the issue in 2020/21 |
|---|---|
| **New Political arrangements**<br><br>There are significant implications for the Council in changing its decision making structure to a new form of governance. Across the Council, the change to potentially different ways of working and briefing with Members will require greater and different input from officers. The extent of the resource implications in the longer term will vary dependent on a number of factors. The process of change will raise a number of associated risks which will need to be identified and managed as part of the ongoing process of implementation and practice post September 2020. A key risk to the objectives of the decision made by Council is that a change to the form of governance arrangements fails to bring with it the desired change in culture. | All planned actions to mitigate the risks were completed. These included :<br>- ongoing training for Members and officers<br>- drafting of the new Constitution, including role descriptors, improved working protocols and mandatory training<br>- service review and staffing re-design within Democratic Services.<br><br>A Committee Services Cell was also established to assist with the transition; which has now stood down.<br><br>Working closely with Organisational Development the Member Support Group working group was refreshed. Training was provided for Committee members and Chairpersons, with a further refresh of Member training planned for following the May 2021 elections.<br><br>The introduction of the new Constitution and Committee system in September 2020 was a significant change in the Council's governance arrangements affecting all directorates of the Council.<br><br>It is generally recognised that the move to the new Committee system has worked well and has led to a more open and transparent approach, with improved communication of key policy issues. New arrangements have included time set aside for Members' questions at Full Council, a session at each committee that allows for questions from members of the public and all-party briefings.<br><br>The change to the committee system allowed for a re-set and refresh of the corporate arrangements and procedures in place which has helped to ensure that rigorous controls in respect of committee reporting, decision making and the recording of decisions, including officer and key decisions, are fully embedded. Linked to this, the role of the Report Authors Support Group has helped to ensure public reports are understandable and provide easy access to information.<br><br>There remain some issues to consider following the change in governance arrangements. These include consideration of whether the Council has the officer capacity to fully serve the new committee structure and meet all expectations. A post implementation review is planned for 2021/22. |

## SIGNIFICANT GOVERNANCE ISSUES

The following table details the Significant Governance Issues facing the Council that have been have identified from this year's review of the effectiveness of the Council's governance framework. In preparing this statement, the criteria used for 'significant governance' are issues which:

• Significantly undermine or threaten the achievement of a core organisational objective.

• Represent a significant failure to meet the principles (and sub-principles) of good governance (as detailed in the Code of Corporate Governance).

• Have resulted in significant public interest or have seriously damaged reputation.

• Are of significant concern to an inspector, external audit or regulator.

• Have been recommended by the head of internal audit or one of the statutory officers to be included.

• Require significant organisational and corporate cooperation to address it.

| Significant Governance Issue | Action proposed during 2021/22 | Lead Officer |
|---|---|---|
| **Financial Resilience & Management**<br><br>Failure to effectively plan / manage the Council budget and funding leads to poor decisions on service reductions, unplanned efficiencies and in year overspends, resulting in the withdrawal of Council services to communities, government intervention and S114 declaration. | The working model which underpins the financial strategy, the medium-term financial plan, continues to be used for both reporting and scenario planning. In order to improves it's effectiveness, the whole model will be managed through a new reporting solution in Power BI (moving away from an Excel-based tool). This will improve accessibility for users, as well align internal controls on input with the approval mechanism (providing a distinction between formally approved budgets and plans which are under-construction or review).<br><br>This reporting solution will also provide a more accessible in-year reporting solution, bringing data and information to key decision-makers much faster and in a manner which is more flexible. This is designed to improve financial acumen in budget holders, reduce errors caused by human interventions in production and streamline the control environment. This solution will have a soft launch for May (period 2) and formal launch for June 2021 (Quarter 1)<br><br>Financial sustainability principles are built into every organisational initiative, including the efficiency programme, the target operating model, asset consolidation and the prevention programme.<br><br>A series of corporate saving programmes are underway, which in part, address financial matters, which as they mature, will contribute to the intelligence underpinning the MTFS. These programmes include:<br>• Effectiveness and Efficiency Group<br>• Target Operating Model<br>• Asset Consolidation<br>• Prevention Programme<br><br>The Council's emerging Change Programme is being developed to realise the savings targets set out in the Medium Term Financial Plan. The Programme is being developed around the three themes of People, Place and Organisation. Programmes are currently in design within these themes and the intention is to take a report to Policy and Resources Committee in July seeking approval for officers to proceed to implement the programme. Business cases for all projects brought through the respective programmes will be brought forward for Member approval.<br><br>In 2021/22 further emphasis will be placed upon identifying capital schemes and programmes that are income raising or support cost avoidance and reduction and align with the Council's priorities. A number of improvements are planned in relation to the Capital and Asset Group; these include business case production and challenge, cradle to grave monitoring and training for officers and members.<br><br>The internal assessment of the Council's compliance with the FM Code is planned to be completed in June 2021. It is envisaged that relevant actions will be implemented in 2021/22 in respect of any development areas identified from this assessment. | Shaer Halewood Director of Resources |

| Significant Governance Issue | Action proposed during 2021/22 | Lead Officer |
|---|---|---|
| **Regeneration**<br><br>If the major regeneration projects fail to deliver the anticipated benefits, it would undermine the Council's budgetary position, its economic growth aspirations and public and investor confidence in the authority<br><br>Closely linked is the need to ensure the Council's arrangements for the consultation, publication and implementation of the Local Plan are delivered as failure to do so could result in intervention, a loss of control over future development and missed opportunities to promote economic growth. | The Investment strategy is being developed to support the funding model for the major regeneration projects. The Birkenhead Regeneration Strategic Business Case is to be completed by end of 2021. A Joint Regeneration Funding business case is to be developed with Homes England, LCR and Wirral Council for Autumn 2021. The Council is to prepare funding bids for new Government programmes as they are published, e.g. Levelling Up Fund, Intra-cities transport fund.<br><br>Neighbourhood Frameworks are to be finalised in order to ensure a co-ordinated and phased approach to development.<br><br>Public consultation is to be carried out to inform development plans. Consultation pans include:<br>• First phase of Birkenhead 2040 consultation to be completed by 4 June 2021<br>• Birkenhead Neighbourhood Frameworks to be consulted on alongside the draft Local Plan.<br><br>Alternative delivery models are being reviewed to ensure that effective delivery by the Council is maximised. Key dates include:<br>• Delivery Model option assessment commissioned by June 2021<br>• Delivery model option assessment completed, and delivery model business case developed by March 2022<br><br>Key dates for the delivery of the Local Plan include:<br>• Publication of the Local Plan: (Regulation 19) Autumn 2021<br>• Submission to the Secretary of State  - Late 2021<br>• Indicative date for Local Plan Adoption Late 2022. | Alan Evans, Director of Regeneration & Place |

| Significant Governance Issue | Action proposed during 2021/22 | Lead Officer |
|---|---|---|
| **Non-compliance with Policies and Procedures**<br><br>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to legal challenge, financial penalty and ultimately loss of life. | The CGG is taking on an increasingly stronger monitoring role. The Director of Resources has written to each Director concerning procurement compliance indicators, and plans to follow-up on a periodic basis to highlight key areas of non-compliance; including the identification of key repeat 'offenders'. For other areas, for example HR compliance, the next steps are to focus on messaging, guidance, support and training for a period of three months; following which more rigorous compliance action will be applied. The expectation is that Directors will have to account for any continued patterns of non-compliance across various key areas such as procurement, HR, information governance, including where necessary attendance at CGG.<br><br>The Council has now embarked on a commissioning and contracting review to improve compliance and value for money in procurement contracts. Work is ongoing to implement a new ERP system; procurement and payments will be a key element of this system which it is envisaged will give access to more accurate budgeting and control information against contract and purchase orders. The new ERP system is due to be in place by 1 January 2022. A key area for action for 2021/22 will be to implement the action plan arising from the external review of the Schedule of Rates contracts.<br><br>Business continuity initiatives in 2021/22 will include a wider focus for all team members, starting with the promotion of the Business Continuity Awareness week which starts on 17 May, and planned sessions from the corporate Risk, Continuity and Compliance manager with teams and manager groups to promote engagement and awareness. There is a need to fully update business continuity plans due to the prolonged response period of the crisis and support resources will be available to assist. However, it is recognised that updates may take some time to fully complete given the focus currently on re-opening Council services. It is recognised that it will be important to build on the experiences and lessons learnt from the COVID-19 response and reflect in BCPs the new ways of working and increased working from home capabilities and associated risks for example from a cyber attack and significant loss of IT. | Shaer Halewood<br>Director of Resources |

| Significant Governance Issue | Action proposed during 2021/22 | Lead Officer |
|---|---|---|
| **Non-compliance with Policies and Procedures** (continued)<br><br>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to legal challenge, financial penalty and ultimately loss of life. | As regards Information Governance, the report to the 9 March 2021 Audit & Risk Management Committee set out a plan for 2021/22 which will help to ensure the Council's compliance in a number of information management and data protection policy areas. The Information Governance Board (IGB) risk register will be the subject of a dedicated IGB review in May 2021. Key activities to assist in mitigating and managing information governance risks that are planned or already underway include:<br>• new e-learning courses available to staff to ensure they are aware of their responsibilities when handling data<br>• additional staffing resources being made available to work with the Data Protection Officer<br>• continuous review of Information Management policies and procedures to ensure they adequately cover the changes to agile working<br>• use of communication channels for staff awareness messages to remind them of responsibilities.<br>It is recognised that further work is required for the Council to comply fully with the requirements of the Payment Card Industry Data Security Standard (PCI DSS). A Project Officer has been allocated from the business change team to review work to date and then produce a project plan to ensure full compliance by end of 2021. Further training is required for Information Asset owners and Administrators given changes in personnel and the IGB is considering options. The move to the new XLP learn experience platform in October 2021 will prompt a refresh of related e-learning materials. It is recognised that there is a need to improve compliance data performance reporting to SLT and DMTs.<br><br>The H&S Improvement Plan to be produced early summer will confirm the key actions necessary to improve corporate compliance in this area. A new approach for H&S compliance reporting to the corporate H&S Board and Steering Group is being developed. A new H&S risk assessment tool Is being developed in Firmstep to allow reporting of risks, controls and gaps in management arrangements at an AD level and is due to go live in 2021. There are also plans to improve arrangements for recording Health and Safety training, improving the quality of manager risk assessments and including key performance indicators in the dashboard reviewed by SLT. | Shaer Halewood Director of Resources |