



ANNUAL GOVERNANCE STATEMENT

2021-22

 **WIRRAL**

Annual Governance Statement 2021/22

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 2021/22 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 2021/22, and up to the date of the approval of the annual statement of accounts.

Pages 8-20 consider each of the seven principles in the CIPFA/SOLACE Framework and demonstrate how the Council has complied with the Framework during 2021/22. For each of the seven principles the AGS highlights:

- the key aspects of the Council's governance arrangements that have developed during 2021/22
- areas where it is recognised governance arrangements can be further strengthened, with comments as to plans in place.

Pages 21-23 summarise actions taken in 2021/22 to address the significant governance issues highlighted in the 2020/21 AGS, namely Financial Resilience and Management, Regeneration and Non-Compliance.

The criteria used for determining the issues considered to be significant governance issues are outlined on page 24.

The significant governance issues facing the Council that have been identified from this year's review of the effectiveness of the Council's governance framework are:

- Financial Resilience– this remains a key challenge for the Council. Priority issues for the next 12 months include achieving the challenging savings target of £18m for 2022/23, further developing the Council's medium term financial plan including identifying options to address the budget gap in future years, taking steps to move to a more transformational approach to meeting required savings in line with Council priorities and reviewing the capital programme to ensure planned levels of capital receipts are achieved.
- Regeneration – it is recognised that there is a need to review aspects of the governance arrangements associated with the scale of the ambition of the Council's regeneration agenda. Risks include capacity of the

regeneration team and provision of appropriate expert technical support, addressing known governance and strategic issues including resolutions around the future of Wirral Growth Company and validating current assumptions concerning capitalisation of staffing costs, and developing the level of understanding over the extent of financial risks, including financial guarantees to developers.

The planned actions in 2022/23 to address these two issues are outlined on pages 25-26.

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



Paul Satoor, Chief Executive

Date : 6th July 2022

Signed



Councillor Janette Williamson, Leader of the Council

Date 11th July 2022

Annual Governance Statement 2021/22

INTRODUCTION

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

Throughout the last year, Wirral 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. In March 2022 the Council decided to bring this service back in-house.
- 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 2021/22 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	Corporate Governance	Risk Management	Audit
<p>Approve Constitution</p> <p>Approve the Wirral Plan.</p> <p>Approve budget and policy framework.</p> <p>Hold decision making meetings in public</p>	<p>Part 3B of the Council's Constitution details the Terms of Reference for the Council's:</p> <ul style="list-style-type: none"> -Policy and Service Committees - Scrutiny (Joint Health) Committee -Statutory, Regulatory and Other Committees. <p>The Terms of Reference for the Policy and Resources Committee includes:</p> <ul style="list-style-type: none"> -formulate, co-ordinate and implement corporate policies and strategies and the medium-term financial plan (budget) -provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management -undertake responsibility for developing and monitoring the enabling corporate services. 	<p>Scrutinise and approve Financial Statements on behalf of the Council</p> <p>Review Contract & Procurement Procedure Rules</p> <p>Review and scrutinise governance arrangements, including internal and external audit updates / reports, and the management of risk</p> <p>Holds meetings in public</p>	<p>Review performance management and projects against milestones, resource allocation, risks and performance.</p> <p>The Corporate Governance Group has responsibility for overseeing the annual review of the governance framework and the preparation of the annual governance statement</p> <p>Corporate oversight by Council's additional governance boards; including Investment & Change Board</p> <p>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</p>	<p>Review risk registers for corporate, operational and project risks</p> <p>Corporate risks reviewed by the Senior Leadership Team and Audit & Risk Management Committee</p>	<p>Set the internal audit strategy to meet the Council's overall strategic direction and provide assurance on risk management, governance and internal control arrangements</p> <p>Undertake annual programme of internal audits, present progress reports including recommendations for improvement in systems and control</p> <p>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</p>

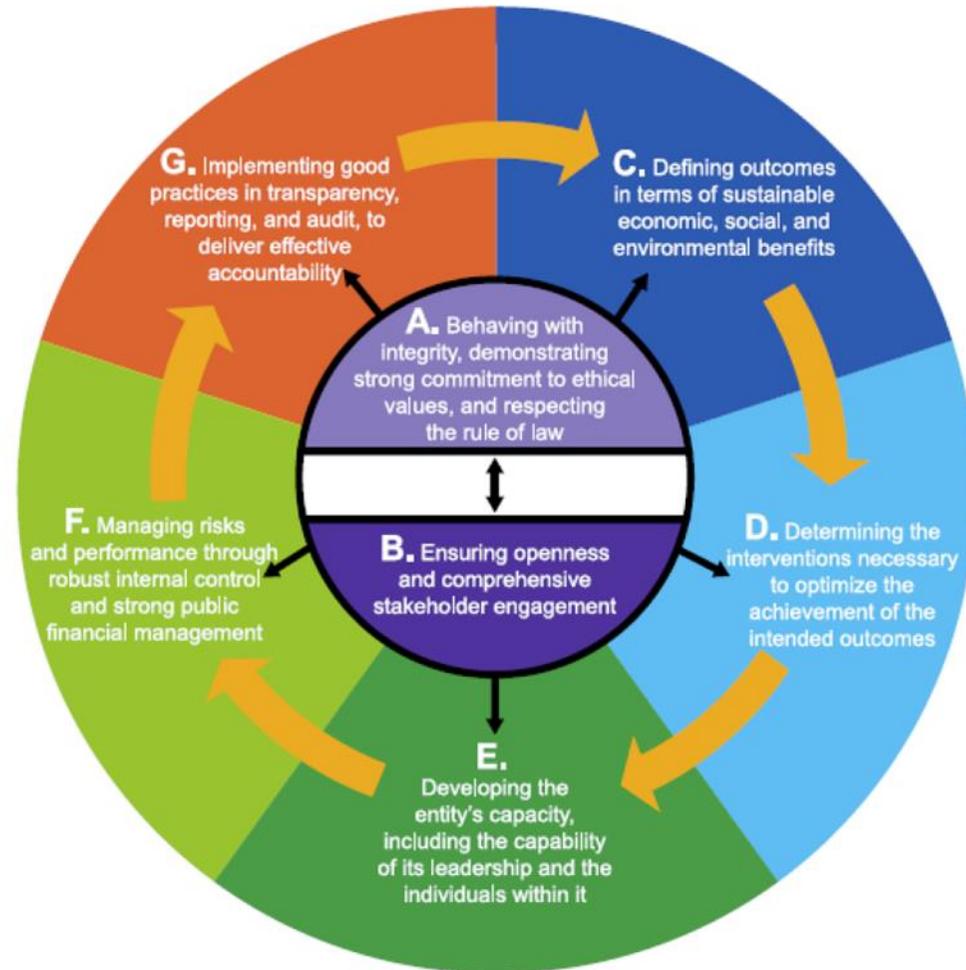
REVIEW OF EFFECTIVENESS

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 one-to-one 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 results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2021/22 are set out in the table in the pages that follow, demonstrating how the Council has complied with the seven principles set out in the CIPFA/SOLACE Framework during 2021/22.

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

Principle	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2021/22
<p>A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p>The Council continues to have strong arrangements in place; with a commitment to ensuring good governance and behaviour and maintaining an appropriate ethical culture.</p> <p>There continue to be a range of arrangements to ensure expectations are clearly communicated to staff; including Chief Executive newsletters, live directorate events, Departmental Management Team (DMT) cascades & team briefings.</p> <p>Developments in year have included:</p> <ul style="list-style-type: none"> - a number of lessons learned reviews where the Council has sought to ensure it is working within the law and learn from challenges elsewhere; examples include a review of the issues arising from the Liverpool City Best Value review and a review of the developments over time in respect of the Hoylake Golf Resort project - further development of corporate arrangements for ensuring compliance with legal requirements in respect of health and safety; including dashboard reporting of risks and activity to the Council's Organisational Performance Group (OPG) <p>Examples of continuing arrangements include:</p> <ul style="list-style-type: none"> - the infrastructure is in place for the Council to ensure Partners comply with required ethical standards through the commissioning and contracting process, e.g. adult social care - established anti-fraud and anti-corruption arrangements, with activity including an annual fraud awareness campaign, proactive and reactive fraud audit work and a bi-yearly review by the Chief Executive, Chief Internal Auditor and Assistant Director HR & OD of hospitality and conflicts of interest declarations. <p>There have been no Standards complaints in year that have raised any serious concerns in respect of Member behaviour. The appointment of two independent members to Audit and Risk Management Committee (ARMC) has reinforced the Council's commitment to transparency. The LGA's Corporate Peer Challenge (CPC) recognised that there is an increased level of trust between staff and Councillors compared to the Council's recent history, with dialogue across political groups, including regular meetings and information sharing.</p> <p>There is a recognition that there is a greater transparency in respect of the expectations of officer and Member behaviour. The culture has developed further and there is now a greater willingness to call-out, challenge and confront Members and officers if their behaviour is not at the standards expected. However, the CPC found that whilst there has been some improvement in Member behaviours, more work is needed to ensure that these are constructive and appropriate in all forums, and the impact that they have on the organisation is recognised. The Independent Panel report noted that the quality of relationships between Councillors and officers hasn't in all cases been one of mutual trust and respect and there have been occasions, including recently, where relationships have been strained which is not conducive to good governance. With the move to a new committee system, a significant area of work has been to establish the new 'rules of engagement' for Members that underpin good behaviour and working with integrity. It is recognised there is still some more to do in this area. The Independent Panel also noted that there is</p>

	<p>scope to improve how closely the three statutory officers (Head of Paid Service, section 151 and Monitoring Officer) work together to ensure the very best governance. (Comments in respect of the Member Development Programme and changes to the Constitution and Committee structure are included under principle E below).</p> <p>There are challenges in meeting statutory requirements relating to assessment and planning for education, health and care plans because of increased pressures, including financial, and escalating needs. The recent Special Educational Needs and Disability (SEND) Inspection highlighted a number of areas for improvement, including the need to strengthen ownership from all partners involved. The Wirral Statement of Action (WSOA) that the Council submitted following the recent SEND Inspection sets out clear plans for the development and transformation of the service to improve timeliness and ensure statutory compliance, and reflects greater partnership ownership of the issues involved.</p>
<p>B - Ensuring openness and comprehensive stakeholder engagement</p>	<p>From a strong base reflected in recent years' AGSs, there are many examples of new initiatives in year which continue to demonstrate the Council's commitment to openness and comprehensive stakeholder engagement.</p> <p>The CPC noted that the Council has demonstrated strong leadership including Place leadership; with demonstrable achievements and relationships having been built through the Council's response to COVID-19. The CPC and external audit reviews noted various good examples of partnership working including the Council's relationships with local health bodies, Children's Community Safety, Voluntary and Community Sector (VCS) Organisations and key agencies such as the Liverpool City Region (LCR) and Homes England. The Integrated Commissioning Board for Cheshire and Merseyside is now established; and the Place Director for Wirral is now appointed.</p> <p>Examples of good engagement with partners have included:</p> <ul style="list-style-type: none"> - increased consultation with developer partners, - close working with health partners to establish the new NHS integrated commissioning system; including arrangements for the NHS Pooled fund to be reported through the Joint Health & Care Executive Group and for a new Joint Strategic Commissioning Board, to include Members of the Adult Social Care & Public Health (ASC&PH) Committee and Health representatives. The Health and Wellbeing Board has also been re-established with all partner engagement, following an LGA review recommendation. - development of new strategies including the Community Safety policy which was co-produced with Merseyside police. <p>Several of the external assurance reviews carried out in-year highlighted the increased trust and transparency between officers and Members. Examples of this transparent approach during 2021/22 included:</p> <ul style="list-style-type: none"> - the approach adopted for budget reporting and management. The 2022/23 budget was developed with significant engagement of Group Leaders and weekly Finance Sub-Group meetings which helped ensure the required focus and control for approving the budget envelopes and financial targets for Directorates was established. - from the beginning of the new ASC&PH Committee system arrangements have been in place for a monthly budget and performance workshop with members

- a series of meetings between the Chief Executive and Group Leaders in respect of the two assurance reports commissioned by the Department for Levelling Up, Housing and Communities (DLUHC)
- the various member workshops and briefings conducted in relation to the Local Plan which have enabled the Draft Local Plan to be approved by Full Council. The final Submission Draft Local Plan was published on the 9 May 2022 (Regulation 19 consultation) and is due to be formally submitted to the Secretary of State in August / September 2022
- discussions with Members in respect of the Library and Leisure strategies.

The Council's Improvement Plan for 2022/23 includes plans for Group Leaders' Strategy & Planning Sessions and a Joint Member / Officer development programme (including Group Leaders, Committee Chairs and the Senior Leadership Team (SLT)) to help further improve Member / Chief Officer collaboration & relationships.

The Council continues to be committed to effective consultation with the public and service users. Examples in-year have included:

- 'Have Your Say Portal' – recognised by the CPC team as a good tool for resident engagement and consultation; recent 'Have your say' featured consultations have included School Streets, Wirral Libraries Strategy Phase 2, 2022/23 Budget consultations on Public Toilets, Woodchurch Leisure Centre, Europa Fun Pool, Golf, Wirral Tennis Centre and car parking charges
- Other consultations have included two budget consultations, regeneration masterplans, expressions of interest in Community Asset Transfer, West Kirby flood defence wall, Hoylake beach policy and various pulse surveys.

Various initiatives that started as part of the Covid response in 2020/21 have been further developed in 2021/22, including:

- work with over 700 community champions – volunteers who have helped disseminate facts & data locally
- 'Insight' work – the use of local volunteers to seek views and evidence and assist in the battle against fake news.

The CPC highlighted appreciation for the visibility of the Chief Executive and SLT, and their much-improved communication. The Council provides excellent access to meetings with 90% of meetings now webcast, and good access to archive material.

Specific examples recognised externally have included:

- initiatives within Children's services highlighted by DHLUC which has included new strategies being developed around the Community Matters Partnerships, a new prevention framework "Breaking the Cycle," and a "Family Toolbox" website which provides online tools and resources from a network of wider organisations and partners to support families
- the Domestic Abuse Alliance – a partnership approach, co-produced in collaboration with agencies and victims which is now beginning to operate and recognised as one of the most ground breaking approaches.

Related areas where it is recognised there is scope to further develop governance arrangements include:

- the CPC highlighted that in some areas there may be a need to balance the extent of consultation and engagement with the impact of the time required for such exercises. An example highlighted was the the Council's approach to aspects of its budget consultation for 2022-23 which has created delays and challenges for implementation and needs to be addressed in future budget setting processes.

	<ul style="list-style-type: none"> - Grant Thornton reported that the Council’s arrangements are not adequate in relation to aspects of the waste partnership governance arrangements across Merseyside. Recent improvements in this area have included the establishment of a working group of senior officers across the region to address issues and a Chief Executive group meeting concerning waste management. - The Council will be holding all-out elections in May 23; it is keen to ensure that this doesn’t lead to a reduction in collaboration in the run-up to these elections.
<p>C - Defining outcomes in terms of sustainable economic, social and environmental benefits.</p>	<p>It has been recognised externally that the Council has a huge level of ambition, particularly on issues of regeneration, and is committed to delivering better outcomes for local residents.</p> <p>Linked to this, the Council has made and continues to make good progress in defining desired outcomes. Examples include:</p> <ul style="list-style-type: none"> - the Local Plan outlines plans to use major regeneration opportunities on Wirral’s Left Bank to deliver real change and help tackle inequalities, including helping to meet housing and employment needs and reduce deprivation - the Wirral Plan was refreshed in September 2021 to reflect the outcome and lessons learned from the COVID-19 pandemic; it is being further developed to take account of the Council’s Improvement Plan and will include defined outcomes - the Medium-Term Financial Plan (MTFP) and Strategy documents set out the principles as to how the Council will become financially sustainable - the Target Operating Model (TOM) is being finalised and will include a set of principles to help define how the Council wishes to operate going forward - a Service Review for Revenues & Benefits was started in 2021/22. The outcome of this review is helping to determine the programme of service reviews for the rest of the Council, with a draft schedule in place for 2022/23. The principles for the TOM will become the basis for service reviews which will help define target outcomes. - Regeneration masterplans are being produced which will include socio-economic benefits - Climate Emergency Strategy and Policy, with related targets, and Climate Emergency Action Group in place to monitor progress. <p>Other strategies in the process of development which will help define service outcomes include the Health & Wellbeing strategy, being developed for the Health & Wellbeing Board, and the Leisure and Libraries strategies which will be completed during 2022/23.</p> <p>External reviews, such as the LGA CPC, have highlighted that linked to the refresh of the Wirral Plan, further work is required to</p> <ul style="list-style-type: none"> - articulate the wider vision for the Borough and the Council, that brings together the budget, strategic improvement plan, target operating model, and regeneration ambitions into a single narrative and framework that makes clear to all including external partners the benefits to both people and place. It is recognised this will require additional capacity, collaborative working and analysis including between SLT and Group Leaders. - further develop the golden thread associated with this vision into Service Plans, Team Plans and staff appraisals, with a need to articulate the priority outcomes.

	<p>The Council recognizes it needs to prioritise the regeneration agenda and in particular to develop a prioritised delivery plan and timeline for the next 15 years.</p> <p>An area identified from discussions with Directors is the need to improve systems for being able to track spend, interventions and impact. This could include working collaboratively to understand better the correlation between wider Council service delivery and what impacts on the journey for example for looked after children with a view to preventing as many as possible needing high-end provision and reducing the cost of such placements. A linked example was the need to better understand the economic value and benefit of monies spent, or the real impact of plans to close facilities, which would help to better define outcomes in economic terms.</p>
<p>D - Determining the interventions necessary to optimize the achievement of the intended outcomes</p>	<p>The LGA CPC recognised the strong appetite across the Council for improvement, which is recognised as a priority, and a clear sense amongst staff and Councillors that things are getting better, with improvements having been made to address some historic issues.</p> <p>The learning from the two external DHLUC assurance reports, the LGA CPC and the ongoing support from the Independent Panel is contributing significantly to the resulting development of the Council’s Improvement Plan and the agreed actions are assisting the Council to focus and prioritise and achieve key objectives.</p> <p>A new Medium Term Financial Strategy (MTFS) was approved at Policy and Resources (P&R) Committee on 1 December 2021; this sets out a more realistic assessment of the Council's financial position and provides a series of 14 principles for prioritisation which are helping to inform decision-making and achieve financial sustainability. A Financial Recovery Plan for 2022/23 – 24 is to be completed as part of the comprehensive Improvement Plan.</p> <p>Improvements and issues in respect of financial and performance management are detailed under Principle F below. However, the formation of the Finance sub-group and a Members star chamber to monitor the budget and improvements in corporate performance monitoring and management during 2021/22 are specific interventions that are helping the Council to achieve better outcomes.</p> <p>A key example of determining the interventions necessary to optimise the achievement of intended outcomes has been the development over the last year of the Birkenhead 2040 Framework; a framework for the transformational regeneration of Birkenhead. This has resulted in over £100m of external resources and been widely endorsed by stakeholders, residents and professional bodies.</p> <p>Other initiatives have included, or continue to include:</p> <ul style="list-style-type: none"> - utilising the experience of the programme office to assist with project planning in other depts, e.g. Regeneration and Neighbourhoods - adopting a lessons learned approach to the Council’s response to the COVID-19 pandemic which has led to regular refreshes of the Outbreak Management Plan - the Investment & Change Board’s role in respect of the review and challenge of transformational plans - regular DMT consideration of service planning initiatives and general strategy / savings approaches.

	<ul style="list-style-type: none"> - the Council’s active engagement in service consultation (see comments under B above). <p>There are areas where it is recognised governance arrangements can be further strengthened.</p> <p>The DHLUC Governance assurance review highlighted the need to better integrate financial and service plans. Areas identified included:</p> <ul style="list-style-type: none"> - the Council has a strategy and ambitions for Wirral 2025 but there is no effective read across between the goals within the Wirral Plan and the financial realities and choices that the Council needs to make - the Wirral Plan, the MTFs and the TOM, need to be aligned in a clear, costed and timed plan in order to put the Council’s finances on a sustainable footing. There needs to be clear accountability for what, how, and when steps to reduce recurrent revenue spend are to be delivered. <p>The Council is embarking on a series of service reviews to help re-design services to deliver better outcomes and efficiencies. The service review methodology, including a VFM assessment, has been developed; and is being used for the current review of Revenues and Benefits. Following its evaluation, the programme prioritisation is to be finalised, including alignment to the MTFP, and the programme initiated in July 2022.</p> <p>The Council recognises it is on an improvement journey with regards to SEND services. The Council’s Statement of Action, as signed off by Care Quality Commission (CQC) and the Department for Education (DfE), sets out the action the Council needs to take in response to the priority areas flagged in the latest SEND inspection.</p>
<p>E - Developing the entity’s capacity including the capability of its leadership and the individuals within it.</p>	<p>The Council has made extensive use of external support to boost capacity and corporate development and learning. Examples in year have included:</p> <ul style="list-style-type: none"> - strategic cross-cutting support from the LGA (CPC review, Ada Burns Governance review on behalf of DHLUC, support for the implementation of the Committee system and review of capacity in relation to Resources, Legal Services and Assets), CIPFA (financial assurance reviews on behalf of DHLUC and ongoing critical friend role), and the Independent Panel including access to external support through the Improvement Board over the next 2 years - the use of external consultancy expertise where limited internal capacity exists, for example in connection with the development of the Leisure, Asset and new Economic strategies - the learning from inspections (e.g. SEND) and external audit reviews. - maintaining strong strategic and operational relationships with health partners - good use of peer networks, e.g. Cheshire and Mersey Public Health network and Lawyers in Local Govt - following concerns raised in the DHLUC assurance report an interim Finance Director was appointed to support the 2022/23 budget process and the development of the Financial Recovery Plan. <p>The SLT has undertaken team and leadership development, and within its People Plan work is underway to refresh the appraisal process, communications and engagement.</p>

There have been a number of initiatives to develop capability and capacity. Examples have included:

- the introduction of the Council's new structured training platform for its workforce - FLO
- additional senior capacity within HR and OD
- an internal review programmed which will consider the adequacy of spans of control and succession planning
- a scheme to significantly grow apprenticeships across the Council
- the DHLUC Governance review recognised that resources have been allocated to the Change programme office and to develop delivery plans around the Wirral Plan and that additional capacity and expertise is being drawn down to support the redesign of services; in particular children's and adults social care services where relationships and opportunities to work across other the NHS, schools and other public services are being taken.

Extensive work has also been undertaken to refresh the Member training and development strategy and supporting arrangements. A new and extended Member training programme was developed, to be introduced from May 22. Arrangements for a new Member training portal and induction have been introduced, and there has been LGA mentor support for the new Leader. Further development is planned. The LGA CPC highlighted that further training and development is needed related to Members' specific roles and future ambitions, with an emphasis on learning from across the sector, and a comprehensive Member development programme will be needed linked to the 2023 all-out elections. The Council's Improvement Plan outlines a number of actions planned for 2022/23 aimed at further developing the Member Support Steering Group, the Member Induction programme and the Member Development Strategy for 2023-27.

(Section G refers to the need for continuing development for Members and officers in relation to how the committee system works and report writing).

An asset strategy to ensure the effective use of assets remains an area of focus. There continue to be examples where the Council has been alert to change the use buildings to meet changing need. An Asset Management Plan has been drafted and is awaiting sign-off. An accompanying Asset Disposal Strategy will be commissioned for completion by June 2022 to inform a programme of assets disposals that will support payback of the Council's capitalisation directive.

There is a sense now that the basics are in place and the Council is in a position to build capacity and capability, further refine some of the skill sets required and move towards higher performance, with some highly talented individuals in place. There remain some single points of failure and there is a recognised need to build succession planning.

There are a number of areas where significant capacity issues exist. Several of these have been highlighted in recent external reviews.

A key area of concern is regeneration. It has been recognised internally that there is not enough capacity to develop the approximately 140 projects and there is a need to prioritise projects and confirm a programme for works over the short, medium and longer term. The CPC review reported the delivery of the Council's regeneration ambitions will require careful management, including the necessary revenue investment to

support capacity, management of risk and corporate 'wrap around'. The Director of Regeneration is currently working on a DHLUC funded review with Deloitte to consider the appropriate delivery model for the regeneration agenda.

The CPC highlighted that whilst governance arrangements of the Council are improving, there is a need for further capacity to support and manage the wider political processes of the organisation, including support to the Leader and Chief Executive. The DHLUC Governance review noted that whilst the move to a Committee system had improved Member engagement, the over-elaborate design was placing a significant administrative burden on officers. The Council responded quickly. Recommendations from a Governance Working Group to help improve the speed of decision making, which included consultation from Members and officers and contribution from the Independent Panel, were reported to the Standards and Constitution Committee, with the refreshed Constitution approved by Full Council in May. The recommendations included reductions in the number of Policy Committees, removal of Urgency and two Overview and Scrutiny committees, change in arrangements for 'to note' reports, and proposed extension of delegated authority to officers. Following a review by the Independent Panel, the number of Members serving on ARMC has been reduced with plans in place to meet less frequently. The Council's Improvement Plan includes actions in 2022/23 to improve support for the Council Leader and political groups.

External reviews, including the CPC, highlighted the need for more corporate capacity at a senior level and to further develop the 'Top Team' of the Council, with potential gaps at SLT level. The Council's Improvement Plan includes actions to:

- strengthen corporate leadership and accountability including an LGA review of Resources, Legal & Assets, a Leadership Development Programme (People Strategy) and Senior Responsible Officer (SRO) training for Chief Officers
- optimise the Council's Operating Model by ensuring strategic capability is defined and in place; with plans to define the Project Management Framework and Gateway and refresh the Customer Experience, Digital, Asset and Workforce/people strategy by June / July 2022.

Other areas where it is recognized either internally and / or in external reviews that capacity needs to be strengthened include:

- ensuring sufficient capacity and capability in corporate services, and that they are best aligned and work together to effectively support the Councils' priorities and manage organisational risk; including sufficient financial and legal expertise assigned to the complex delivery and investment vehicles in regeneration
- support for community asset transfers and asset management
- extra performance capacity to support the new CQC regulatory framework from April 2023
- recruitment difficulties in social work, public health, finance, legal, HR and strategic change.

There is a recognition that workforce planning needs to be strengthened; and it is expected that recent senior appointments within HR will help to take this agenda forward.

<p>F - Managing risk and performance through robust internal control and strong public financial management.</p>	<p><u>Financial management</u></p> <p>DHLUC Assurance reviews published on 2 November 2021 were critical of the prevailing culture amongst officers and Members, highlighting a significant risk that the Council would not be able to balance its budget over the period of the MTFS. The reports noted a tendency to avoid difficult financial decisions and use General Fund reserves to meet unexpected events (reserves were comparatively low and the Council had only been able to manage its financial position in 2020/21 through capitalisation of revenue expenditure with a third of savings not delivered). The report commented that the MTFS was not explicit about the scale of the challenge or the tough choices required and there was little evidence of Member support for key savings initiatives, particularly those that require considerable reorganisation. The review concluded that a clear plan about how the Council will fundamentally reshape its finances and the services that they fund was required and until changes were made the financial sustainability of the Council remained uncertain. Grant Thornton’s VFM conclusion for 2020/21 reported significant weaknesses in the Council’s arrangements to ensure it manages risks to its financial sustainability.</p> <p>Immediate action was taken in response to the DHLUC reviews. Processes for budget setting and financial management were reviewed and strengthened. Improvements included</p> <ul style="list-style-type: none"> - strengthening submission and review procedures to ensure the affordability and deliverability of budget proposals - an increase in the Council's general reserve with commitment to further increases and strengthening the process for managing reserves - a new MTFS approved at the P&R Committee on 1 December 2021 gave a more realistic assessment of the Council's financial position and provided a series of principles for prioritisation to inform decision-making. - a commitment to budget envelopes for Directorates for the 2022/23 budget and for P&R to assume overall collective responsibility to ensure Council budget remains balanced. <p>In 21/22 the Council was reliant on exceptional financial support (Capitalisation Directive) to achieve a year-end balanced position but the support required did reduce to £6.5m. External reviews subsequent to the DHLUC Assurance reports, including CPC and Independent Panel, have highlighted that there is an improving recognition of the Council’s financial context and the Council had an improved grip on its finances. For 2022/23 the Council set a balanced budget without the use of reserves.</p> <p>Challenges remain and it is recognised progress needs be maintained. The Council faces challenging savings and efficiencies target of £18.3m in 2022/23 and an ambitious capital programme provides increased revenue pressure in future years. The CPC recognised there is a need for the management of the budget to be a shared priority and to ensure that there is 100% commitment and prioritisation to deliver the agreed budget proposals. This includes bringing forward the budget strategy for 2023-24 as much as possible to provide the time required for proposals to be developed, tested, and consulted on before the 2023 budget date.</p>
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The Council's Financial Recovery Plan, reported under Financial Sustainability in the Council's wider Improvement Action Plan, includes a series of actions the Council either has taken (in response to DHLUC Assurance reports), is in the process of implementing or plans to implement in 2022 and beyond in the areas of strengthening medium term financial planning, implementing robust planning and monitoring of savings, reserves, improving financial governance and oversight, and capital and assets.

Financial risk - regeneration

The Council had recognised that there are governance risks in relation to its Regeneration agenda that could impact its MTFP and had plans in place to improve reporting on legacy projects and financial commitments. Grant Thornton's Auditor's Annual Report for 2020/21, reporting arrangements up to May 2022, reported significant weaknesses in the Council's governance arrangements for investments, partnerships and group companies and that oversight, governance and financial arrangements for the management of regeneration, partnerships and companies requires improvement. Areas of risk identified in the report included the level of understanding over the extent of financial risks, particularly where the Council has issued significant guarantees to developers, and arrangements concerning the accounting treatment for aspects of some of the initiatives. Grant Thornton's key recommendation was that Governance arrangements for the oversight of the regeneration agenda and issuing of financial guarantees for leases and acquisition of assets should be significantly strengthened and accounting advice should be received prior to entering into transactions. The CPC highlighted that further work is required to bring together the multiple regeneration projects (140) into a single place and to support a delivery plan that addresses sequencing, funding, disposals, and bottlenecks. The Council's Improvement Plan highlights several related actions including a review of Council companies and associated risks, a review of risks relating to financial investments and a financing and resourcing model for Regeneration to be put in place – all during May-September 2022, with the Regeneration delivery model business case to be in place by April 2023.

Finance other

As reported in previous AGSs, the corporate financial system underpinning financial monitoring and management is out of date and the quality of financial management information requires improvement. This is a corporate priority and a new ERP system is in the process of being introduced. Implementation was due in April but has been delayed six months.

CIPFA published the Financial Management (FM) Code in October 2019. The purpose of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The Finance team are currently finalising an assessment of compliance with the Code and associated Standards. The draft assessment is currently a mix of green and amber ratings, with potentially one red risk area in relation to balance sheet management. An action plan is being prepared to address any areas where further action is necessary to fully satisfy the principles of good financial management included within the Code.

Risk management and Business Continuity

Over recent years there has been significant progress in improving corporate risk management arrangements. Established arrangements include a full review of the Corporate Risk Register (CRR) at least annually, with risks subject to review by SLT and ARMC throughout the year, and an ARMC risk management Member sub-group. There are examples where risks are being actively managed through Directorate Risk registers and DMT discussions, although regular review is not always consistently applied across all directorates. Recent activity has included the appointment of two ARMC Independent Members and the provision of risk management awareness training available for all Members in January 2022, an externally facilitated risk appetite session in February 2022, and an SLT focus session in March 2022 to facilitate the review and update of the CRR.

It is recognised more can be done to further strengthen corporate risk management arrangements. An independent review of the Council's risk exposure in relation to all commercial investments has been commissioned and will be completed later in the year.

The Improvement Plan following the external reviews includes actions from June 22 to report the CRR to Policy and Resources Committee and to report on Regeneration and Investment risks in line with external audit guidance.

Work on Business Continuity Plans (BCPs) is progressing. The next phase will include testing with Digital on their response arrangements; this will subsequently provide information for services to further develop their BCPs including in the event of a Cyber Security attack. Key actions planned in respect of Cyber Security in 2022/23 are the implementation of the improvements identified within the 'Cyber Threat Plan' and to achieve Cyber Essentials Plus accreditation; an externally verified accreditation of the Councils' Cyber Security.

Performance management and reporting

It is recognised that not all priorities have been delivered during 2021/2; primarily due to continued reduced capacity due to recruitment difficulties and the ongoing capacity required for COVID-19 responses. The Council has, however, made significant progress in developing database and performance reporting and the improving performance management culture was recognized in the CPC review. Examples in year have included:

- Directors have regular (6 -weekly) performance review meetings with the Chief Executive and Director of Resources supported by PowerBI dashboards
- the OPG now operates at a strategic level to review performance and highlight risks and issues; progress has been facilitated through continuing development of PowerBI databases
- performance data is regularly reported to SLT; SLT have increasingly earlier sight of risks, issues and good practice and are able to task OPG with following-up any performance concerns
- improvements in performance management systems within services, for example, work to implement a new case management system in Legal (to be finalised July 2022).
- improvements in performance reporting for Members, with for example, Children, Young People and Education Committee now having a tailored dashboard in place for Committee Members.

It is recognised that further improvements are needed. The Insight pack reported to OPG monitors against previous activity and benchmark but does not currently monitor against planned or target activity. Regular reporting against the Wirral Plan has not occurred during 2021/22 and it is recognised that a new performance management framework for the Wirral Plan is needed. (An update to the Wirral Plan was agreed in September 2021 and interim Directorate Business Plans (DBPs) were produced for the remainder of 2021/22). Grant Thornton reported that the Council does not have an overarching set of corporate performance indicators that are reported to Members, with current performance management processes operating at committee level, there is no linkage to the Wirral Plan and strategic objectives and the Council's costs per head of population are high compared to other councils.

DBPs have been updated for 2022/23 and the intention now is to map all projects and deliverables across the five themes in the Wirral Plan to produce a new Wirral Plan performance framework. The Improvement Plan provides for the Wirral Plan being refreshed with 2022/23 priorities by July 2022 and a Corporate Performance Framework to be in place by September 2022, which will include an improved set of key performance indicators for where the Council wishes to perform which will be reported to P&R. The Improvement Plan also includes plans to develop a four-year refresh timetable for the Wirral Plan including delivery strategies.

Performance management of staff is recognised as weak in some areas, with some managers not fully utilising existing frameworks to manage poor performance. Recent senior appointments will help improve arrangements going forward.

Internal control and compliance

In his annual report, the Chief Internal Auditor has concluded that the Council generally maintains adequate and effective control and governance processes. There has been a comprehensive programme of audit reviews providing assurance over internal control and governance arrangements across Council activities during 2021/22. Areas identified as major risk in year have included arrangements for Cyber security, controls within the Council's Data Centre and aspects of the processes in place for SEND commissioning. Audits with high priority recommendations have included a review of Evolutions, that contributed to the Council's wider assessment of Evolutions and the decision to bring the service back in-house, and a review of Section 106 arrangements. Previous audit reviews with high priority recommendations yet to be implemented include business planning. Grant Thornton's Annual Auditor's Report acknowledges there is good audit and investigations function that has demonstrated itself to be a dynamic function capable of reacting and responding to changing circumstances.

Significant positive steps have been taken during 2021/22 to strengthen compliance assurance processes and help ensure compliance with policies and procedures. Details of developments in year are provided in the section below that deals with action taken in 2021/22 in response to Significant Governance Issues raised in last year's AGS. The journey has been challenging and more work is to be undertaken. Grant Thornton's annual report highlights issues with procurement compliance. It is recognised that continued action is needed to strengthen procurement and contracting. The Head of Procurement regularly attends DMTs and is actively working with DMTs to improve focus on compliance issues and the quality of compliance reporting, with update reports presented to ARMC.

	<p>As regards information governance, issues have been reported to the Information Commissioner’s Office (ICO) in year as reported in the Information Governance Update to ARMC in March 2022; but no significant issues have arisen to date that are expected to be reported in the 2021/22 annual SIRO report, scheduled to be presented to the October 2022 ARMC. (There were no significant issues in the annual SIRO report for 2020/21, as reported to the November 2021 ARMC). A working group has been established to ensure full compliance with the Payment Card Industry Data Security Standard (PCIDSS). Visibility of data has improved in-year, for example Freedom of Information data is now included in bi-monthly reviews that Directors have with the Chief Executive and Director of Resources.</p>
<p>G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p>	<p>The Committee system has brought a high level of transparency across all activity and decision making including all key decisions. The governance structure for committees has enabled a collaborative approach through, for example, briefings and the opportunity for responding to questions from the public. The Council transmits and records approximately 90% of Committee meetings with a high level of transparency also achieved through an active website, the Wirral View and wide social media coverage. The Council has been committed to public reporting of external reviews, with a composite action plan to be reported to P&R Committee on 27 June 2022. The ASCH&PH Committee is assuming the scrutiny role for the whole health and care system from May 2022.</p> <p>There has been a continuing commitment to investing in support and training for effective and transparent report writing. Feedback from external reviews has highlighted there is a need to further improve the quality of reports presented to Committee to ensure content is proportionate and supports positively the quality of decisions. Training has been provided in year and the Improvement Plan provides for further training in report writing, political awareness and presenting reports to Members. The recently introduced Committee Coordination & Oversight group is helping to improve the quality of reports for key decisions. The Improvement Plan includes actions to review and further improve the effectiveness of agenda management, reporting and forward planning for key decisions and Committees.</p> <p>There have been improvements in year in the transparency of audit reporting and the monitoring of outstanding recommendations; up to date information on audits and recommendations is readily available to senior officers and DMTs in a Power BI dashboard and reported regularly to the OPG and SLT. Audit information in the Power BI tool also informs the bi-monthly reviews that the Chief Executive and Director of Resources have with Directors. Further development training for ARMC members was delivered in May 2022.</p> <p>The AGS provides a comprehensive and transparent assessment of the Council’s performance in respect of the principles of good governance and the Council’s Code of Corporate Governance. There are plans to consider the External Auditor’s Annual Audit letter at Policy and Resources Committee going forward.</p>

Progress against the Significant Governance Issues reported in the 2020/21 AGS are set out in the table below:

Significant Governance Issue in the 2020/21 AGS	Action taken to address the issue in 2021/22
<p>Financial Resilience and Management</p> <p>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.</p>	<p>Action taken during 2021/22 has included the following:</p> <ul style="list-style-type: none"> • Application for exceptional financial support from government to provide time to bring forward a new MTFS and MTFP • Action plan implemented for financial recovery which addressed the two External Assurance Reviews • Appointment of CIPFA to provide additional capacity and assessment of finances, including budget proposals for 2022/23 (reviewed in 2021/22) • Appointment of Interim Finance Director to provide additional capacity • Establishment of P&R Finance Sub-Group for weekly Member oversight, challenge and scrutiny • Revised MTFP that included scenario analysis for funding, savings and pressures • Revised and more comprehensive MTFS presented and approved by P&R committee and subsequently full Council, which provides strategic backdrop to financial activity and decision making • More robust budget and performance monitoring – 6 weekly meetings with S151 Officer, Chief Executive and individual members of SLT • Establishment of Operational Performance Group to facilitate escalation of budget issues when necessary • In private committee budget workshops to increase Member engagement and improve decision-making process • Dedicated Member training delivered in respect of local government finance and decision-making • New process started early for 22/23 budget setting with more scrutiny of proposals for savings and pressures • Use of budget envelopes for 22/23 budget setting to aid in an effectively planned approach to budget setting • Establishment of Independent Panel to support and scrutinise improvement plan activity • Establishment and agreement by P&R of Change Programme • New approach to savings monitoring adopted to give better visibility on progress and any mitigating actions required • Refreshed Investment and Change Board approach to provide routine monitoring of Capital programme and Change programme activity/progress • Regular reporting of financial activity and in-year forecasts to P&R committee, for Council wide activity at Directorate level, and service committee specific.

Significant Governance Issue in the 2020/21 AGS	Action taken to address the issue in 2021/22
<p data-bbox="98 268 432 300">Regeneration</p> <p data-bbox="98 339 432 691">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.</p> <p data-bbox="98 770 432 1233">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</p>	<p data-bbox="443 268 2119 403">The establishment of the Regeneration Programme Management Office (PMO) in 2021 strengthened the oversight of projects and began the process of standardisation of milestone and risk reporting. The development of Risk, Assumptions, Issues and Dependencies (RAID) logs for all the regeneration projects was an early priority of the PMO. In addition, corporate risk workshops were held on the major projects being taken forward and this was co-ordinated by the Corporate Risk Continuity and Compliance team.</p> <p data-bbox="443 451 2119 547">Regular performance reporting procedures through Regeneration portfolio boards and then onto the Investment & Change Board (ICB) and OPG were strengthened. This has allowed for early identification of any reduction in project benefits to enable alternative methods of delivery to be put in place and also, if necessary, for mitigating measures to be put in place should they be required.</p> <p data-bbox="443 595 2119 722">Work took place on identifying the organisational structure required for the delivery of the major regeneration projects and this resulted in the recruitment to three Heads of Delivery posts. Additional capacity and capability was also brought in through interim appointments in order to strengthen the delivery of the major projects and to ensure that outcomes and outputs associated with each of the projects was on track.</p> <p data-bbox="443 770 2119 898">Full Council approved the Local Plan Draft Submission Plan for Publication under Regulation 19 at its meeting on 21st March 2022. Publication under Regulation 19 commenced on 9th May originally to be completed on 24th June 2022. Following a quality assurance exercise, which identified a number of potential matters which could have led to a risk of legal challenge preventing the submission and or adoption of the Local Plan, on 13th June the Regulation 19 period was extended to 25th July 2022.</p> <p data-bbox="443 946 2119 1042">Following the end of the Regulation 19 Stage on 25th July 2022 the Council will need to collate all representations received, identify key issues raised and then submit to the Planning Inspectorate to commence the Local Plan Examination. The deadline for submission set out in the adopted Local Development Scheme is September 2022.</p> <p data-bbox="443 1090 2119 1153">A detailed process has been established to review and collate representations and identify key issues. Team members have been trained on the representation review process and experienced backup up from external consultants has been arranged.</p> <p data-bbox="443 1201 2119 1265">The Programme Officer who will run the Examination for the Inspector has already been appointed and discussions are ongoing with the Planning Inspectorate to agree a Service Level Agreement for the Examination.</p>

Significant Governance Issue in the 2020/21 AGS	Action taken to address the issue in 2021/22
<p data-bbox="98 268 432 331">Non-compliance with Policies and Procedures</p> <p data-bbox="98 379 432 874">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.</p>	<p data-bbox="443 268 2119 443">The Council has in place and has further developed during the 2021/22 financial year compliance assurance processes across the organisation. The budget setting process reflects the importance of compliance and legislative requirements by reflecting this position within that operation, specifically the requirement to detail any of these issues on budget setting forms. It is a requirement of managers to highlight any issues of legislative and regulatory requirement within that process so that resources can be directed accordingly to support any issues that may emerge and require support.</p> <p data-bbox="443 483 2119 770">The Council has in place a revised corporate governance group that has the role of ensuring that the Local Code of Governance is complied with. In order to ensure this the governance group oversees, scrutinises and challenges the appropriate sections across the Council on the major issues of compliance to ensure their robustness, enhance development, compliance and assurance. Key performance indicators are regularly reported, specifically around procurement. Detailed work has been undertaken with service areas to improve procurement PI performance with the direction of travel being positive, whilst recognising that further work is required. The risk register is a key document for the Council in identifying issues and formulating management action. Service risk registers are regularly challenged to ensure their relevance and that they are up to date. A lot of detailed work has been undertaken during the year to develop this area to reflect the challenges that the organisation has specifically around financial sustainability, procedural compliance, regeneration agenda.</p> <p data-bbox="443 810 2119 946">The Council has a range of Officer groups on compliance areas that reflect their importance and are a vehicle for managing those areas effectively. For example, a health and safety officer group consisting of the key officer including the Chief Executive that ensures that the H&S Policies are up to date, reflect current legislative requirements and new developments within the Council, for example home working policies. Other Officer groups are in existence for information governance, budget financial compliance.</p> <p data-bbox="443 986 2119 1121">It is recognised that strong leadership and understanding of the organisation is key to the successful operation of the Council. In order to develop capacity in this respect a new member training package has been compiled to build knowledge, identify the key challenges that the Council faces and hence result in a clear direction of travel for the organisation with regards to financial sustainability, meeting the residents needs, and ensuring that the organisational compliance issues are all managed robustly and effectively.</p> <p data-bbox="443 1161 2119 1377">It is considered that significant positive steps have been taken during the year to ensure compliance with policies and procedures. The journey has been challenging and more work is to be undertaken, especially around emerging issues specifically external reports that the Council received during 2021-22 from DLUHC. However, action plans have been produced, and these will be closely supported, challenged and monitored to ensure progress and successful achievement. The work that has been undertaken during 21-22 has provided a firm basis for the organisation to move forward and address these new requirements for which it can be said that it is expected that there will be a positive and good outcome for the Council.</p>

SIGNIFICANT GOVERNANCE ISSUES

The following table details the Significant Governance Issues facing the Council that have been 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 2022/23	Lead Officer
<p>Financial Resilience</p> <p>Priority issues for the next 12 months include:</p> <ul style="list-style-type: none"> -achieving savings target of £18m for 22/23 -identifying options to address the budget gap for 2023/24 & beyond (latest estimate 23/24 £14m) -further developing the Council's medium term financial plan -taking steps to move from stand-alone savings proposals to a more transformational approach in line with Council priorities or themes. -procedures in place for active review of the capital programme to ensure planned levels of capital receipts are achieved. 	<p>Action taken or planned for 2022/23 includes the following:</p> <ul style="list-style-type: none"> • For the 2022/23 budget approval process; a more robust and prominent Section 25 statement in budget report, further review of non-statutory services to ensure that spend/resourcing does not negatively impact on statutory services, no use of reserves, General Fund balances increased. • Robust review of financial pressures, savings and income proposals as part of budget setting exercise • More robust monitoring and forecasting of reserves in-year • Implementation of defined processes for in-year monitoring of the 2022/23 budget and 2023/24 budget setting process as per P&R paper in March 2022. • Establishment of Member Star Chamber to challenge and monitor savings progress in-year • P&R Finance Sub Committee to meet regularly • Renewal of Investment & Change Board (ICB) agenda and focus as part of governance review to ensure clear lines of reporting, which will cover capital receipts monitoring • Establishment of Community Asset Transfer project and new process agreed at P&R • Agreement for all-out elections • Budget timetable for 2023/24 brought forward with all consultation to have taken place by December 2022 • Presentation of Council Improvement Plan to P&R and full Council, which will address financial stability. (Reflecting on progress to date, the first Independent Panel report back to DLUHC was positive) • Progression of the Improvement Plan - the Council's Financial Recovery Plan, reported under Financial Sustainability in the Council's wider Improvement Action Plan, includes a series of actions to be implemented in 2022/23 in the areas of strengthening medium term financial planning, implementing robust planning and monitoring of savings, reserves, improving financial governance and oversight, and capital and assets. • A refresh of the proposed Wirral Plan priorities for 2022/23 which provides the strategic framework upon which the Medium-Term Financial Strategy (MTFS) and Medium-Term Financial Plan (MFTP) are built and ensures only priorities are undertaken. 	<p>Shaer Halewood Director of Resources</p>

Significant Governance Issue	Action proposed during 2022/23	Lead Officer
<p>Regeneration</p> <p>There is a need to review aspects of the governance arrangements with regards to the regeneration agenda and the issuing of financial guarantees.</p> <p>Governance risks associated with the scale of the ambition of the Council's regeneration agenda include:</p> <ul style="list-style-type: none"> -the capacity of the regeneration team and the support required including legal, financial and commercial advice -addressing known governance and strategic issues, including resolutions around the future of Wirral Growth Company and validating current assumptions concerning capitalisation of staffing costs - developing the level of understanding over the extent of financial risks, including guarantees to developers. 	<p>The Regeneration PMO was introduced during 2021 and in the coming year will be fully operational. The following actions are being progressed to provide assurance and to support the governance of the programmes:</p> <ul style="list-style-type: none"> • A PowerBi Dashboard has been created and standardisation of templates is being rolled out to support the dashboard to provide a live reportable dashboard. • RAID Logs have been created for each programme / project and the roll out across the portfolio of projects will be completed. • Cost Breakdown Structure templates have been created. Cost information is being gathered from project managers to populate the template and then the roll out and training of this template will commence. • Key milestones have been agreed and are being gathered for each project. Standardisation of project plans in Microsoft Projects is also underway to help enable easier upload to the dashboard. • The Project Directory is a live document that holds the information for the 148 projects; it includes a unique Project Identification which helps sort the information in the dashboard. <p>Monthly highlight reports are considered by the Regeneration Board, chaired by the Director; this provides oversight of the programme with reports subsequently provided to ICB and OPG. This arrangement will continue in 2022/23.</p> <p>Following agreement by the Policy and Resources committee in March 2022 the focus of the Wirral Growth Company will be targeted on the Birkenhead offices, the market and Moreton Pasture Road. Legal agreements will be finalised in order to amend the Partnership and Options agreements in line with the report's recommendations.</p> <p>The interim structure of the regeneration team has been agreed and recruitment will continue. This will include the appointment of consultants to provide necessary short term specialist advice to increase the capability of the team. Appointments made by the regeneration team will include commercial advisors, land acquisition specialists and a finance strategy advisor. These posts will work with the relevant Council departments as well as regeneration. The legal department have progressed the appointment of solicitors to provide a triage service.</p> <p>Actions included in the Financial Sustainability section of the Council's Improvement Plan include:</p> <ul style="list-style-type: none"> - agreement for the process and method for the capitalisation of salaries with Grant Thornton (planned for June 2022) - a review of Council companies and associated risks, a review of risks relating to financial investments and a regeneration financing and resourcing model to be in place by September 2022 - the regeneration delivery model business case to be developed during April 2022 – June 2023. 	<p>Alan Evans, Director of Regeneration & Place</p>