



ANNUAL GOVERNANCE STATEMENT

2023-2024



Annual Governance Statement 2023/24

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 2023/24 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 2023/24, and up to the date of the approval of the Council's annual statement of accounts.

Pages 8-24 consider each of the seven principles in the CIPFA/SOLACE Framework and demonstrate how the Council has complied with the Framework during 2023/24. For each of the seven principles, the AGS highlights key developments and improvements in the Council's governance arrangements during 2023/24, together with reference to areas where it is recognised governance arrangements can be further strengthened.

Pages 25-27 summarise actions taken in 2023/24 to address the significant governance issues highlighted in the 2022/23 AGS, namely Financial Resilience and Procurement Compliance.

The criteria used for determining the issues considered to be significant governance issues are outlined on page 28.

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

There has been a significant improvement in the Council's financial arrangements, however, financial stability remains a key priority. Grant Thornton have reported that there are a number of signs of financial stress that indicate a threat to financial sustainability in the short to medium term.

Key areas of concern include:

- the significant use of earmarked reserves and forecast future reserves balance
- the need for all Members to ensure there is a robust response to financial matters highlighted and that officers are supported in making the changes needed

-the need to ensure there is a robust financial governance framework around the delivery of the Council's Capital Programme.

There is also a need to ensure the Corporate Plan and the MTFs are clearly linked with Council resources clearly matched to stated priorities.

Ofsted Review

The assessment of overall effectiveness in the September 2023 Ofsted Inspection of Wirral's Children's Services was that the service 'requires improvement to be good'. The assessment of 'requires improvement to be good' was applied to the four areas under review. An action plan to address the issues identified has been submitted to Ofsted. Delivery of the Action Plan is overseen by the Children's Services Departmental Management Team, with update reports presented to the Children, Young People and Education Committee.

The planned actions in 2024/25 to address these two issues are outlined on pages 29-31.

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 : 22 May 2024

Signed



Councillor Paul Stuart, Leader of the Council

Date: 23 May 2024

Annual Governance Statement 2023/24

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 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 CIPFA / SOLACE Framework for Delivering Good Governance in Local Government noted that governance comprises the arrangements put in place to ensure the intended outcomes for stakeholders are defined and achieved.

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 2023/24 and up to the date of the approval of the annual statement of accounts.

The progress that has been made in addressing 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 Council 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 and Health & Safety 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 external review agencies and inspectorates.

The results of the annual review of the effectiveness of the key elements of the Council's governance processes during 2023/24 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 2023/24.

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 2023/24
<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 overall; with a commitment to ensuring good governance and behaviour and maintaining an appropriate ethical culture.</p> <p><u>Leadership, Culture</u></p> <p>The Change in political leadership, the working in tandem with the scrutiny of the Independent Panel and the monthly meetings of the Chief Executive with Group Leaders (introduced in 2023/24) have all contributed to a more collaborative political way of working and a better working relationship with Senior Officers. The structure of meetings with politicians is transparent and open and focussed on finding solutions. The Leadership's relationship with the Senior Leadership Team (SLT) is one of trust and challenge with improved cross-working among the parties on major issues, including the 2024/25 budget, Council Plan, and performance framework. The regular briefings with Group Leaders and briefings with Chairs / Party Spokes ahead of committees have all contributed to improved working relationships and a more supportive collaboration between officers and members.</p> <p>Grant Thornton's Annual report for 2022/23 (published March 2024) noted that the Council is making good progress in implementing recommendations from recent external governance reviews and there has been a significant shift in culture and behaviour enabling improved governance and decision making.</p> <p>The Committee system has strengthened the mechanisms in place to ensure ethical values are appropriately discussed and reflected in policies, process and decision making, including for vulnerable people. New statutory officers appointed in early 2023 have created a better environment for challenge and open discussion with issues being raised in a timely way. The Council Plan has further contributed to developments in this area with its focus on the Council working together.</p> <p>It is also noted:</p> <ul style="list-style-type: none"> - no complaints in respect of Standards have been received during 2023/24 that required formal investigation in respect of Member behaviour - there continue to be a range of arrangements in place to ensure expectations are clearly communicated to staff (see detail in B) - there are currently no significant legal issues relating to either Specific Statutory responsibilities or Financial regularity - no breaches have been reported under the Officer's Code of Conduct. <p><u>Health & Safety</u></p> <p>The strategic leadership of Health and Safety (H&S) has been an SLT priority for the past few years, with the Chief Executive chairing a Strategic Health Safety and Wellbeing Board. The governance of H&S has now been included in the Governance Assurance Statement for each Directorate to</p>

	<p>confirm its level of compliance with the Council H&S Policy and its objectives. The internal H&S Team maintain a suite of comprehensive H&S management arrangements covering the Council’s and schools’ statutory responsibilities. A new strategic H&S Risk Register has identified the main organisational risks and mitigation controls for risk owners to manage. A risk management system has been operational for over two years for all services to identify its service risks and confirm compliance against the H&S policy and H&S legal register. A H&S audit programme has commenced to review the evidence of compliance against the H&S policy and management arrangements. The H&S Policy is being updated for consideration by Members.</p> <p>Recent issues around health and safety compliance within schools have highlighted the need to review the focus across all departments on the Council’s offer to schools and its monitoring of their compliance. The Council has received a letter from the HSE in relation to an asbestos incident at Lingham Primary School. The Council has responded to the issues raised. Work has been identified to tighten up the H&S relationship with schools in light of the HSE correspondence. The arrangements for how H&S support for schools is best structured and resourced remains under review.</p> <p>The Council is reviewing H&S compliance in its own assets through the development of the Corporate Landlord model. The Council recognises it is on a journey and there is more to do in this area to continue to improve its arrangements.</p> <p><u>Other challenges</u></p> <p>The Council faces challenges in meeting statutory requirements relating to the assessment and planning for education and health and care plans because of increasing pressures and the escalating needs of children and young people. Progress against the Written Statement of Action has been reviewed and refreshed governance arrangements put in place to provide the grip and pace needed for improvement.</p> <p>There are ongoing legal / approval issues with regards to the Hoylake Beach. The beach management consultation was completed in April and reported to Environment, Climate Emergency and Transport Committee on 15 April 2024. It is expected that an agreed Beach Management Plan will be in place later in 2024.</p> <p>Consistent compliance with organisational standards is an issue in some areas; this has particularly been seen as an area for improvement within Procurement (see pages 21 and 27 for developments in this area). There are weaknesses in current contract monitoring; it is planned that the goal of monitoring external providers to ensure ethical standards are maintained will be addressed in a subsequent redesign of procurement arrangements.</p>
<p>B - Ensuring openness and comprehensive</p>	<p>Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24</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, comprehensive stakeholder engagement and effective partnership working.</p>

<p>stakeholder engagement</p>	<p><u>Partnership Working and Stakeholder Engagement</u></p> <p>The Council continues to lead successful partnership working with public, private and community & faith sector partners to improve the Borough and continues to have very positive engagement with key stakeholders. Examples include:</p> <ul style="list-style-type: none"> - embedding Health and Care Partnership arrangements introduced during 2022, e.g. Place Based Partnership Board - playing a key role in the Liverpool City Region Combined Authority, driving Wirral’s interests and securing substantial funding to deliver Wirral priorities. The Council also Chairs the Mersey Dee Alliance, driving further opportunities to link Wirral, the City Region the wider region and beyond - continuing to enjoy very positive working relationships with other key stakeholders including local Blue Light Services, the Department for Levelling Up, Housing and Communities (DHLUC), and Homes England. <p>Other ongoing examples of effective engagement with partners include Wirral Combatting Drugs Partnership (CDP), Cheshire and Wirral Community Mental Health and Wellbeing Alliance, multi-agency Prevention Steering Group, Early Help Alliance, multi-agency Wirral Health Protection Board and partnership working with anchor organisations in Wirral and across the City Region to focus on Procurement and Fair Employment.</p> <p>Wirral Family Toolbox is the first council-supported alliance for Children’s Services in the country, delivered by seven organisations, providing easy website support and tools to help navigate everyday life. Since the toolbox was introduced in April 2022, it has helped reduce referrals to the Council’s early help team by 27%. The toolbox has been shortlisted as a finalist in the Delivering Better Outcomes and the Transforming Lives categories at the 2024 national Municipal Journal Awards.</p> <p>There will be further work in 2024/25 to define the Place Strategy for the Borough and the strategic partnership arrangements that will underpin the strategy. This will be considered in the context of the existing Health & Wellbeing partnership arrangements.</p> <p>The Council continues to demonstrate a commitment to open staff and Member engagement. Regular Staff engagement sessions include live directorate events, Departmental Management Team (DMT) cascades including Director’s newsletters, regular team briefings, fortnightly Chief Executive communications, monthly manager communications and meetings and the Staff Forum. These enable key communication and corporate issues to be shared and ensure everyone in the organisation is working towards a clear set of joint priorities as outlined in Departmental Business Plans, related Team Plans and the Council Plan. An information bulletin, introduced in 2022/23, has been created and designed specifically for all Members and is circulated on a weekly basis to provide Members with an overview of key updates.</p> <p>Other examples demonstrating commitment to openness and / or stakeholder engagement include:</p> <ul style="list-style-type: none"> - regular meetings of the Chief Executive and Leader with key public sector and commercial partners and stakeholders - active engagement of the Leader with key Civic events
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	<ul style="list-style-type: none"> - Part 2 exemptions, where committee reports are considered in private session, are kept to a minimum - Current work to finalise the arrangements for the Regeneration Partnership Board. <p>(see section G for further details concerning how the Committee system aids the transparency agenda)</p> <p><u>Consultation</u></p> <p>The Council continues to be committed to active consultation with residents and communities. Examples in year have included:</p> <ul style="list-style-type: none"> - Hoylake Beach - 20 mph zones - Regeneration masterplans - Open golf – successfully delivered in year following considerable consultation including public meetings to consider issues in respect of school closures and the traffic management plan - Local Plan consultation – including the hearing, appeal and public enquiry which have all served to ensure the views of the community are listened to - new Wirral Council for Voluntary Services. <p>For all Council consultations a communications strategy is developed and delivered. Once decisions have been made related to public consultation feedback, the Council publishes the feedback and the decisions made as a result of the feedback on the ‘We asked, you said, we did’ page of the Council’s ‘Have your say’ consultation site. However, it is recognised that on occasions the Council needs to publicise more clearly the reasons for the consultation and the likely impact of the consultation.</p> <p>The Council continues to take forward its commitment to co-producing strategies and approaches to service delivery where possible. There have been recent examples within Adults and Childrens services:</p> <ul style="list-style-type: none"> - The ‘All – age disability’ strategy was co-produced with service users, together with the linked co-production of the ‘adulthood transitions’ protocol. There was also a further report to the Adult Social Care and Public Health Committee (5 March 2024) which provided an update on the research, development and co-production of a Co-production Strategy for use within Adult Care and Health services and with wider stakeholders. - The SEND Inspection was critical of the poor relationships with parent & carer forums and how they work with the SEND team. There has been extensive work to respond to the inspection findings on co-production and build more open and transparent arrangements. This has included development of a co-production strategy, training and launch of a new Local Offer website, SENDLO, which was designed with parent carers and young people. Further work to embed co-production approaches is planned. <p>It is recognised that more could be done to ensure a more corporate approach to the co-production of strategies; this is particularly relevant in areas where there is relatively small set of service users who use the service regularly and have a good understanding of the nature of the service.</p>
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C - Defining outcomes in terms	Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24
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<p>of sustainable economic, social and environmental benefits.</p>	<p>The Council has made and continues to make good progress in defining desired Council outcomes.</p> <p>It has been recognised in external reviews that the:</p> <ul style="list-style-type: none"> - Council has a huge level of ambition, particularly on issues of regeneration, and is committed to delivering better outcomes for local residents - move to a 4-year term following the all-out elections in May 2023 is helping to increase the focus on long term goals and sustainability. <p><u>Corporate approaches</u></p> <p>The new Council Plan, Wirral Working Together 2023-27, was approved in December 2023. It embeds continuous improvement through a dedicated theme of Efficient, Effective and Accessible Council. The Plan sets out the Council’s priorities and desired outcomes for the next four years across five delivery themes and one enabling theme. The Plan builds on the Council’s Improvement Plan and ensures the recommendations from the previous Corporate Peer Challenge are fully delivered. The plan is underpinned by the annual business planning process, which has been further strengthened for 2024/25; departmental business plans are closely linked to the Council Plan and now include outcomes and activities directly from the Council Plan.</p> <p>The Council’s Operational Performance Group (OPG) assists with providing the framework to measure and monitor achievement of planned outcomes (see more detail in respect of the Plan Performance Framework under F).</p> <p><u>Departmental examples</u></p> <p>Health & Well-being (HWB) outcomes continue to be clearly defined through the Joint Strategic Needs Assessment (JSNA) which informs priorities and the HWB Strategy. There are plans to produce an annual report of the JSNA during 2024/25.</p> <p>The Local Plan is a major step closer to being formally adopted; this is a significant milestone and achievement as the Council has not had a Local Plan in place since 2002. The Council submitted its Local Plan to the Secretary of State for examination on 26 October 2022. The Plan underwent detailed examination by inspectors appointed by the Government over a period of several weeks during 2023. Inspectors have written to the Council, requiring the Council to complete work on a number of changes (“main modifications”) which will enable the Plan to be adopted, potentially following completion of a small number of further stages. This work is in progress. The draft Local Plan is designed to be “brownfield first”; it underlies the Council’s ambitious regeneration programme and links closely to the health inequalities agenda.</p> <p>Project management and delivery plans are now in place for the regeneration agenda, as recognised by Independent Panel in November 2023.</p> <p>There have also been examples of where outcomes are now considered with a wider focus; examples include:</p>
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	<ul style="list-style-type: none"> - defining outcomes and linking to different areas of activity, e.g. Leisure provision linked to how it supports Public Health and social care outcomes - Public Health – a needs led and all community engagement approach to defining outcomes and objectives which whilst building on programmes in place is now focussing more on the links between good employment and health - a recognition of the need to have a broader focus than just buildings, e.g. more active consideration of community, transport, shopping issues for newly constructed dock apartments. <p>The Council remains committed to identifying environmental and sustainability benefits. Examples in year include advances in respect of arrangements to underpin the Bio-diversity net gain agenda and the Birkenhead Commercial District (BCD) new office buildings which have been constructed to BREEAM ‘excellent’ standards, the world’s first and foremost sustainability standard and rating system for the built environment.</p>
<p>D - Determining the interventions necessary to optimize the achievement of the intended outcomes</p>	<p>Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24</p> <p>External reviews over the past two years have recognised the strong appetite across the Council for improvement, which is recognised as a priority. The learning from the two external DHLUC assurance reports, the LGA Corporate Peer Challenge (CPC) and the ongoing support from the Independent Assurance Panel (IAP) contributed significantly to the development of the Council’s Improvement Plan which has in turn informed the Council Plan. The agreed actions are assisting the Council to focus, prioritise and achieve key objectives.</p> <p><u>Corporate arrangements</u></p> <p>The Independent Assurance Panel (IAP) has notified the Council of its decision to stand down their supportive intervention. This is positive confirmation of the Council’s significant progress since 2020 and that the Council has a strong basis to deliver for its communities now and in the future.</p> <p>Recent years have seen a significant improvement in the information provided to Directors and Senior Managers to enable them to make service decisions. Performance information through Power BI dashboards has continued to develop and the availability, format and user-friendly nature of available data is widely seen as a step-change in recent years. To ensure effective implementation of the Council Plan, a Performance Management framework is being developed as reported to Policy and Resources committee (P&R) in March 2024. (See added detail under F)</p> <p>The Corporate Change Programme provides close links between the Council Plan and the Medium-Term Financial Strategy (MTFS). As reported to P&R in March 2024, the Change Programme is the Council’s vehicle for developing and implementing the required projects that support the delivery of the Medium-Term Financial Plan (MTFP). The re-set of the Council’s Change Programme has ensured there is a single, organisational approach to transforming the business that is effectively resourced, controlled and monitored to deliver the Council’s strategic priorities and outcomes, as defined in the Council Plan, and the required efficiencies as set out in the MTFP. The refreshed Change Programme seeks to consolidate the Council’s organisation-wide transformation agenda to achieve the most efficient and effective operating model.</p>

Arrangements for Benefits Realisation are being strengthened. The Change Programme re-set includes a detailed review of all programme and project benefits to ensure these are well-defined, with clear owners and plans for their achievement. These will be aligned to an updated Benefit Management Framework which will ensure all business cases define benefits clearly and realistically with clear plans in place for their realisation. Benefits will be tracked and monitored as part of the programme/project lifecycle to ensure alignment to the MTFP.

Arrangements for the Enabling Services Review (ESR) have been refreshed. The Council commissioned an Enabling Services Review (ESR) as part of the budget decisions for 2023/24. The purpose of the ESR was to consider whether the work that takes place across the Council to support the operation of frontline service can be more efficiently organised, while also providing assurance that it is proportionate to the Council's overall budget and workforce size. The programme team overseeing this work has recently reset the current programme, with a greater focus on how it will contribute to corporate objectives and less on financial savings. The ESR will effectively be looking at everything the Council does, how it is done and whether there are better ways to achieve its objectives; with a focus to ensure a stronger corporate centre and directorate delivery and creating a more effective and agile organisation.

Departmental examples of intervention

A series of strategic reviews of existing Public Health Grant commitments was undertaken to ensure future commissions and services are evidence based and designed to meet the needs of Wirral residents. All Public Health commissioned services were assessed through the Grant Review process and were deemed to be based on firm public health foundations, with good service design and delivering value for money. Robust contract performance monitoring arrangements were assessed as being in place, and commissioners shared details on the positive outcomes being delivered for residents. There were a few areas identified for improvement which are being addressed by the public health team. In some cases, issues around the suitability of the Public Health Grant as the funding source were identified; these are being addressed with the relevant colleagues and partners by the public health team.

In-year examples of intervention include:

- The 'Breaking the Cycle' programme which includes eight core programmes that are helping families and young people to achieve different life outcomes; this has led to the development of a range of services with, for example, family hubs becoming the ethos of the service.
- New Ferry Regeneration –an evidence-led housing solution, driven by local needs and housing demands, with properties designed to meet specific needs.
- The acquisition of the Pyramids and Grange Shopping Centres; central to plans to regenerate Birkenhead Town Centre.

The Council has intervened to reset the capital programme where required and the priorities of the regeneration programme.

	<p><u>Relevant external feedback in year</u></p> <p>The assessment of overall effectiveness in the September 2023 Ofsted Inspection of Wirral’s Children’s Services was that the service ‘requires improvement to be good’. This assessment was also applied to the four areas under review. Summary comments in the report included ‘Since the last inspection in 2019, there have been improvements in the quality of social work assessments, direct work, life-story work with children and the response to domestic abuse. The early help partnership response is creative and effective, and the response to children at risk of exploitation is well coordinated. However, the standard of social work practice for children is variable across the service and not all areas of practice have improved at a sufficient pace to meet children’s needs’. An action plan to address the issues identified has been submitted to Ofsted. Delivery of the Action Plan is overseen by the Children’s Services Departmental Management Team, with update reports presented to the Children, Young People and Education Committee. (Further detail is provided on page 31)</p> <p>Positive feedback has been received in year concerning the Council’s established Public Health Outcomes & Monitoring arrangements. Feedback has included:</p> <ul style="list-style-type: none"> - OHID (Office Health Improvement & Disparities) positive feedback for Wirral’s Combatting Drugs Partnership - Wirral’s Public Health team, working with system partners, won the Infection Prevention Society for Excellence Impact Gold Award - OHID positive feedback for Wirral’s achievement; first area with a large treatment provider to achieve ‘Micro-elimination’ of hepatitis C. <p><u>Future developments</u></p> <p>Steps are being taken to arrange for a peer review later in 2024.</p> <p>There is a recognition that although some areas are data rich; more can be done as regards interpretation and analysis in some areas. For example, Regeneration staff are currently working with the Wirral Intelligence team to try and improve the understanding of health and deprivation indicators with a view to ensuring the future pipeline for Regeneration and Housing intervention schemes can better tackle health inequalities and wider housing issues.</p>
<p>E – Developing the entity’s capacity including the capability of its leadership and the individuals within it.</p>	<p>Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24:</p> <p><u>Senior Leadership</u></p> <p>The Council has continued to make extensive use of external support and feedback through reviews to boost capacity and corporate development and learning at a senior level. Examples in year have included further support from the LGA, the continuing input of the Independent Panel and C-CO assisting with the Enabling Services Review.</p>

	<p>The Council has responded to areas where there was a recognised need to strengthen senior capacity. Recent examples include:</p> <ul style="list-style-type: none"> - strengthened capacity at Director level in Finance and Legal and a stronger working relationship amongst the three statutory officers - improved senior capacity in Finance services; with three new Heads of Finance - strengthened senior capacity within Adults services; there are now three Assistant Director posts, together with a significant increase in capability and capacity with Social Work staff recently brought back in-house - within Regeneration there is now a full DMT complement, with improved internal capacity & capability for delivery. There is also a significant increase in capacity in property related functions to facilitate introduction of the Corporate Landlord model including two recent appointments at AD level. - Investment in Leadership capacity within Public Health; there is now a better focus on strategic leadership and officers are in the process of implementing the restructure which includes further investment in senior practitioner posts. <p>Leadership Development has continued to be a focus. The most recent LGA support included three dedicated sessions with the political and managerial leadership to review Council priorities, national context and local challenges to help improve joint working and collaboration. These sessions have been held alongside Group Leader joint working on the new Council Plan, the 2024/25 budget and refreshed Medium Term Financial Strategy. As part of its commitment to continuous improvement, the Council is committed to securing further LGA support to facilitate a further round of top team sessions and a Corporate Peer Challenge. These elements will build on the work completed to date and ensure the Council's improvement is continuous and embedded.</p> <p>Other initiatives in respect of Leadership Development during 2023/24 have included:</p> <ul style="list-style-type: none"> - Introduction of a staff college – a 12-month programme to develop Leadership - 'New Manager' essentials pathway – assigned to all new managers upon appointment - 'We are Wirral' Leadership Programme for managers, which includes a self-assessment and then specific learning pathways to support the new Wirral Leadership Behaviour Framework - Three Leadership Conferences closely aligned to the Council's Leadership Behaviour Framework and Council Plan - Manager Mentors – to provide internal support from the existing Manager group - Developing an Aspiring Leaders Programme to commence Summer 2024. <p><u>Organisational Development</u></p> <p>Key initiatives in year within Organisational Development have included:</p> <p>Digital Transformation:</p> <ul style="list-style-type: none"> - Introduced a community of Digital Transformation Champions which has resulted in a thriving Digital Spark Network - Introduced Digital Skills Learning Academy on Flo and a regular newsletter 'DigiKnow' with updates and digital tips - Learning and adoption support for the new laptops, Win11 and One drive rollout - Developed a range of learning to support the introduction of Oracle Fusion between February and November 2023. <p>Apprenticeships for succession planning:</p>
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	<ul style="list-style-type: none"> - 75 additional apprenticeships have commenced since the first quarter of 2023 - Utilising apprenticeships to deliver on known service and corporate wide skills gaps for example in connection with Data academy, Social Workers, Horticulture and Landscape and Children and Young people practitioner - Appointed five Care Leaver Apprenticeships to support the Care Leaver pledge, and the appointment of three Graduates in connection with LGA programmes. <p>Learning needs, programmes, and access – a small sample of the developments includes:</p> <ul style="list-style-type: none"> - Introduced a process, working with DMTs, to understand the whole Council learning needs and requirements for current and future years and develop and prioritise based on a risk-based approach - Working with harder to reach areas to ensure that every member of staff have access to the Learning Platform Flo - Strengthened Coaching Offer, establishing a Coaching Network - Development of a Corporate Induction pathway and Redeployment pathway - Corporate Assigned Learning dashboard now part of the DMT Insight pack, including a H&S learning suite, so assigned learning can be monitored and actions taken by directorates. <p>Work is underway to strengthen the check-in process to ensure learning and aspiration are discussed and captured.</p> <p>Member training opportunities are reported into the Member Support Steering Group. Developments during 2023/24 included the introduction of the Member Learning and Development Strategy 2023-27 and the establishing of the Member Learning and Development Group which meets quarterly.</p> <p>It is considered that the success of initiatives to develop staff internally for senior roles and to nurture and manage talent has been evident through the internal appointment to the Director Childrens post and the appointment of staff to senior positions in a neighbouring authority.</p> <p><u>Next steps</u></p> <p>The challenge now is to ensure that all service areas have the necessary capacity and capability to deliver the Corporate Plan. Areas where it is recognised there is more to do include:</p> <ul style="list-style-type: none"> - further developing arrangements for workforce planning and development - addressing some areas where capacity issues and skills shortages remain, for example insurance, Health and Safety, legal, social care, regeneration and procurement - looking to further develop the wider Corporate Management Team so that there is increasingly empowered senior management nearer to the point of service delivery.
<p>F - Managing risk and performance through robust</p>	<p>Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24:</p> <p>The Council continues to further strengthen its focus on risk, performance and financial management at SLT, Directorate and Committee level.</p>

<p>internal control and strong public financial management</p>	<p><u>Risk management</u></p> <p>The Council has well established risk management arrangements in place for corporate and departmental risks. The risk management strategy and policy has been reviewed this year, with a new Risk Management Framework presented to ARMC on 26th March 2024. Revised training and publicity for the new framework will take place during 2024/25. An audit of risk management arrangements is due to take place; this will be undertaken by auditors from Cheshire East Council as the responsibility for risk management currently sits under the Council’s Chief Internal Auditor. The Corporate Risk Register is reported to SLT on a regular, quarterly schedule, and reported regularly to appropriate committees.</p> <p>A review of programme and project risk management has been undertaken within the Programme Office to consider the effectiveness and consistency of arrangements. Recommendations relating to revised guidance, training and awareness are to be taken forward during 2024/25. There have been improvements in the risk information provided to Members and included in committee reports. It is recognised there is still work to do to support Members’ understanding of risk, including their roles in respect of risk management on service committees and ARMC. Work is underway to strengthen the resourcing of the risk function.</p> <p><u>Business Continuity</u></p> <p>The implementation of the new financial and procurement system prompted the review and update of business continuity (BC) plans. In addition, the office relocation has also highlighted the need for robust plans and special arrangements during a transition period of working from home and the move to the new building. Recent structure and personnel changes will be the focus of reviewing plans in the coming months to ensure BC plans are fit for purpose, starting with the annual business continuity awareness week in May. BC workshops have been held during 2023/24. It is recognised there is more to be done during 2024/25 to raise the profile of BC and test the robustness of BC arrangements and the existing documentation in place.</p> <p><u>Performance Reporting and Management</u></p> <p>The Council has continued to develop and optimise its extensive live performance database reporting through PowerBI. The Performance Insight packs and Corporate Dashboard support performance management at DMT, SLT and Operational Performance Group (OPG) and inform the bimonthly meetings the Chief Executive and Director of Finance have with Directors to oversee Directorate performance. The Monthly OPG operates at a strategic level to review performance with focussed interventions; with highlighted risks and issues reported to SLT. Performance dashboards are increasingly being reported to committees. The Council is exploring how it can further use data to support change through the role of business change analysts.</p> <p>Grant Thornton’s 2022/23 Annual Report, reported in March 24, recommended that to enhance and improve arrangements for reporting on directorate performance, the Council should ensure all performance reports include target performance scores supported by a RAG rated</p>
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assessment and additional commentary. In response, management will review the reporting of targets and performance targets where appropriate in liaison with SLT.

Corporate Plan Performance Management Framework

A summary of the progress against the Improvement Plan was reported to P&R in November 2023 as part of the transition to and adoption of the new Council Plan. To ensure effective implementation of the Council Plan, a draft Performance Management Framework (PMF) was reported to P&R in March 2024. The PMF for the Council Plan will focus on evidencing progress against the outcomes under each of the six themes of the Plan. It will also include reporting against the deliverables identified as part of the “what we will do” section under each theme to deliver the outcomes. Council Plan performance reporting will be reported to Policy and Service Committees quarterly in 2024/25 alongside the budget reports; Policy & Resources Committee will receive reporting on all Council Plan themes. An additional workshop is planned to further consider details in respect of corporate health performance reporting.

Financial performance and management

Grant Thornton’s Annual Auditor’s report for 2022/23 recognised the continuing progress made by the Council; as the Council has been recovering from a period of significant financial challenges and has been successful in balancing the budget. GT recognised the Council has taken a number of steps to improve its financial planning, management and budget monitoring including restructuring of the Finance team and strengthening committee oversight. The Independent Panel letter reported to P&R in January 2024 noted that the Panel was reassured that the Council would be able to set a balanced budget for 2024/25 and that the gaps for the subsequent two years would be manageable and that savings will be identified.

SLT recognises that financial stability remains the Council’s most pressing priority. There have been overspends within some budgets and underachievement of some savings, however processes have been put in place within budget setting for 2024/25 to identify and remedy issues. The Independent Panel noted that the Corporate Plan and draft MTFS need better linking and there is a need to clearly match Council resources to stated priorities.

Grant Thornton (GT) reported that there are a number of signs of financial stress that indicate a threat to financial sustainability in the short to medium term and concluded that their assessment of a significant weakness in the Council’s arrangements for financial sustainability remains, although the direction of travel is positive. GT have highlighted the significant use of earmarked reserves and forecast future reserves balance as a major concern, concluding that the increased use of reserves and deteriorating balances may undermine the Council’s ability to be financially sustainable in meeting its commitments in the short and medium term. GT’s report included a key recommendation that all Members need to ensure there is a robust response to financial matters highlighted and that officers are supported in making the changes needed. The GT report also included an improvement recommendation that the Council must ensure there is a robust financial governance framework around the delivery of its Capital Programme. Work is ongoing during 2024/25 to refine the capital programme approach to ensure greater focus is given to the reprofiling of projects which should provide improved reporting and performance against budget.

New Financial system and Finance Business Partner model

The new Oracle Fusion system was launched 3 April 2023 following testing and the recruitment of a new implementation partner. It is recognised that under the new Enterprise Resource Planning (ERP) system financial data is more accurate and up to date. Budget holders now have direct access to the Oracle system which enables them to forecast and have better oversight of their budgets and expenditure.

The new system is not yet fully embedded and there is more work to do to use the full functionality of the system and to achieve the full benefits. Further work is needed to embed the Finance Business Partner (FBP) model. Finance has been going through a restructure to strengthen the support to budget holders and it is expected this will demonstrate improvement throughout 2024/25. The appointment of three Heads of Finance is further supporting the FBP model and will allow greater financial support and ownership of directorates and budget holders. This is further complimented with the Enterprise Performance Management (EPM) module which was launched on Oracle Fusion from December 2023, which supports budget forecasting and the management of spend in real time.

Compliance with CIPFA Financial Management Code

The CIPFA Financial Management Code (FM Code) was published in 2019 to provide guidance, standards, and principles for good and sustainable financial management in local authorities. The FM Code assists councils in evidencing their arrangements for financial sustainability through a framework. A report, including the self-assessment and monitoring against the principles and standards, demonstrating compliance with the Code was reported to ARMC in October 2022. The latest assessment of compliance will be reported to ARMC alongside the Statement of Accounts for 2023/24.

Framework for Good Governance

A clear framework for good officer governance and oversight based on three pillars of assurance that span all aspects of Council business has been introduced during 2023/24. The purpose of the model is to provide a sufficient level of assurance across all aspects of corporate business through three established officer groups - Operational Performance Group, Corporate Governance Group and Investment and Change Board. The terms of reference and membership of these groups has been refreshed as part of this review.

Strengthened internal governance arrangements for Regeneration

The governance arrangements supporting the Regeneration Programme have been strengthened. A baseline review of all projects was undertaken in October / November 2023. This informed a Regeneration Workplan that has been used to direct the development work. Areas involved in the review have included:

- A review and refresh of the structure of the programme governance and reporting arrangements. This included the role and purpose of the various programme boards, how these link through the Regeneration Programme Board and other officer groups and the overarching arrangements for Member and Partner involvement including the Wirral Regeneration Partnership Board. Linked to this, and the agreement of Terms of Reference for the various groups, the reporting arrangements are being reviewed and finalised.
- Arrangements for the prioritisation of projects, linked to the need to deliver key Pathfinder grant funded projects by the March 2026 deadline.
- A resourcing review linked to what needs to be delivered by March 2026, as reported to Policy & Resources in March 2024.
- A review of programme and grant administration procedures including the Regeneration Programme Management Office (PMO) arrangements.
- A workshop in February 2024 for Members of the Economy, Regeneration and Housing Committee.

The review has involved significant work and focus in recent months and arrangements are being finalised. The operation of these new arrangements will be subject to Internal Audit review as part of planned work in the 2024/25 Audit Plan.

Grant Thornton's annual report recognised the need for the Council to ensure its assumptions around commercial income and growth remain prudent and appropriate arrangements are in place around capital programme and investment plans; this will be essential to ensuring future commercial viability remains positive. The Council is working with an external commercial management company to continuously monitor and assess so that risks are minimised whilst maximising opportunities within its commercial estate.

Internal control

Grant Thornton's annual report concluded that the Council has adequate arrangements in place to provide Internal Audit and Local Counter Fraud Services.

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 2023/24. Areas identified as major risk in year have included arrangements for direct payments (adults), the Matrix contract, access controls within the Liquidlogic (Childrens) system and contract management. Other audits with high priority recommendations have included Wirral Growth Company (BCD Contract Management), Electoral Systems Access Controls, Retrospective Purchase Orders, Cyber Assurance and Governance arrangements for the Wirral Place Based Partnership Board. Audits highlighted to the OPG due to outstanding action on audit recommendations have included the Direct Payments (adults), Climate Emergency, and Health & Safety reviews.

The Council has established anti-fraud and anti-corruption arrangements in place with ongoing activity including an annual fraud awareness campaign, proactive and reactive fraud audit work and a bi-yearly review of gifts & hospitality and conflicts of interest declarations by the Chief Executive, Chief Internal Auditor and Assistant Director HR & OD.

<p><u>Health and Safety</u></p> <p>This remains an area for further development (see commentary in section A).</p> <p><u>Compliance – Procurement</u></p> <p>DMTs and SLT have been working through the year with the procurement team to review contracts with a focus on any areas of non-compliance or exceptions. Officer training and support and guidance have been regularly provided by the procurement team. Procurement practice has highlighted some non-compliance but there have been significant improvement in key areas. These have included:</p> <ul style="list-style-type: none">- a significant reduction in the number of Retrospective Purchase Orders, exceptions and issues of non-compliance- the management of the pipeline for the review and sign-off of contracts. <p>An area that needs strengthening is contract management; this is being addressed in the restructuring of the procurement team. It is recognised that more work is needed in respect of social value; including planning, policy statement and strategy. Further details are provided in the Significant Governance Issues section on Procurement Compliance below (page 27).</p> <p><u>Information Governance</u></p> <p>The Council remains committed to maintaining and improving effective information governance. Data breaches are reported to the Data Protection Officer (DPO) in accordance with the Council policy. There have been no data breaches in 2023/24 that have required notifying the Information Commissioner’s Office. There continues to be an emphasis for staff on the safety and security of information and training is provided on FLO for staff to complete.</p> <p>All Freedom of Information (FoI) requests and complaints are responded to; however, some timed deadlines have been missed during the year. The Council is working on improving its transparency in this area and is looking to include indicators in respect of its ability to respond to information requests and customer complaints in its suite of corporate health indicators in 2024/25.</p> <p>There remains a need for further action to ensure full compliance with the Payment Card Industry Data Security Standard (PCI DSS). Work to achieve compliance with the PCI DSS is continuing, with an approach and action plan in place as agreed with SLT. As the Council’s estate reduces, action will be necessary to ensure that if there is any remaining documentation in closed offices it is appropriately managed.</p>
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<p>G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p>	<p>Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2023/24:</p> <p><u>Transparency and reporting</u></p> <p>The Committee system, re-introduced in 2020, has brought a high level of transparency across all activity and decision making, including all key decisions, and has facilitated a greater engagement with a broader group of elected members. 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. A high level of transparency has also been achieved through a high percentage of reports being considered in the Part 1 (open to the public) part of committee meetings, the Forward Plan, an active website, the Wirral View and wide social media coverage. The Council has continued to publicly report external reviews. There are also examples where Directors have provided workshops and briefing sessions for Members to assist Members to better understand a service context before receiving a report that requires a decision, for example in respect of strategic acquisitions.</p> <p>There has been a continuing commitment to investing in support and training for effective and transparent report writing. The creation of the Committee Co-ordination & Oversight Group (CCOG) and refresh of the report template, operational since April 2022, have helped to improve the quality of reports for key decisions. Report writing training has included internal training, an online course and external training with further training for committee report writing in the ModGov system having taken place during 2023/24. The appointments of new statutory officers has further strengthened the operation of the CCOG, the rigour of the consideration of finance and legal issues at SLT and the active challenge of any report, or sections of reports, considered for reporting in the Part B (not for Public) parts of Committee meetings.</p> <p>Transparency of reporting to Members remains high, with developments in year including further examples where performance data is made available for elected members in real time (for example within Childrens), additional reporting of financial detail (for example within Adults) and the full Public Health review being reported to Members. The quality of financial reporting has also improved, with the Independent Panel in November 2023 noting that both of the largest political parties and the Panel have greater confidence in the quality of financial reporting. It is also planned that for the new Performance Management Framework, as well as being reported quarterly to committees, performance reports will be made available on the Council website as part of a dedicated Council Plan web page.</p> <p>It is considered that the open and transparent approach adopted by the Council has been a contributory factor in the Council’s success in winning planning appeals. It is recognised that there is a balance on occasions between the commercially sensitive nature of a project and the Council’s desire to be open and transparent; however, the Council’s focus remains to publish in the public domain wherever possible. It recognises that this can help reduce the number of FOI requests or facilitate responses to such requests, as was case with the Transport Museum and Brackenwood Community Golf.</p>
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<p><u>Audit reporting</u></p> <p>The improvements in recent years in the transparency of internal audit reporting and the monitoring of outstanding recommendations have continued. In response to external audit recommendations, additional detail in respect of Audit Plan delivery has been provided for Members from the March 2024 ARMC meeting. 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 Finance Director have with Directors. Further development training for ARMC Members was delivered in June 2023, with additional training scheduled for June 2024.</p> <p>Other established arrangements in respect of effective audit reporting include:</p> <ul style="list-style-type: none">- action taken in response to recommendations made by external audit are reported transparently,- 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,- the transparent and effective operation of the ARMC during 2023/24 continues to make a significant contribution to the delivery of effective accountability within the Council. <p><u>Future developments</u></p> <p>There are areas where arrangements can be strengthened. These include:</p> <ul style="list-style-type: none">- the IDOC system, where future decisions in connection with software and system could help further improve transparency,- the need to clarify where corporate responsibility for the Transparency agenda should rest within the organisation. <p>In tandem with planned improvements with regards to transparency, steps are being taken to improve information handling practices in the Council; including to start to make better use of the MODGOV committee reporting system with a view to reducing information shared by email.</p>

Progress against the Significant Governance Issues reported in the 2022/23 AGS are set out in the table below:

Significant Governance Issue reported in the 2022/23 AGS	Action taken to address the issue in 2023/24
<p>Financial Resilience</p> <p>There are significant financial challenges facing the Council in 2023/24, with very little financial flexibility. There are low general fund balances and some areas previously used for achieving in-year additional savings have already been taken into account in setting the budget, further reducing contingency options available.</p> <p>It is essential that departments deliver strongly against agreed 2023/24 budget savings and 2023/24 financial challenges are not further exacerbated with additional financial pressures from the close-down of 2022/23.</p> <p>A further key priority is to develop a new Medium Term Financial Strategy (MTFS) in summer 2023, together with a refreshed corporate plan, to establish a sustainable financial position for the new four-year electoral cycle. This should include proposals to move to a more</p>	<p>Action taken during 2023/24 in respect of sound financial management/operations supporting organisational-wide financial resilience has included the following:</p> <p>Savings Monitoring</p> <p>The achievement of savings by Directorates are routinely monitored as part of the budget monitoring process to ensure that they are progressing as planned. Slippage or non-achievement of savings are reviewed quarterly by the relevant Director, S151 officer and SLT to determine how any non-achievement will be managed.</p> <p>The majority of the £28.3m of required savings were delivered in accordance with the original plans set out. Approximately £3m (subject to confirmation as part of 2023/24 financial year-end closure process) was noted as unachievable in year and this has been addressed in the MTFS.</p> <p>Financial Planning & Budget Setting</p> <p>A comprehensive exercise was undertaken to identify all potential savings for consideration by Members as part of the budget planning process for 2024/25.</p> <p>In-depth engagement with Directorates was undertaken to ensure a broad understanding of the financial pressures facing the Council, with corporate challenge presented through a process led by the S151 Officer. Savings options were developed to address the Council’s financial position and facilitate a balanced budget for presentation to Members.</p> <p>Regular engagement with Members on budget setting activity was facilitated via Finance Sub-Committee meetings, with formal reporting to Policy & Resources Committee in addition to this.</p> <p>The formal, balanced budget proposal for 2024/25 was presented with note that the previously forecast overspend in financial year 2023/24 had been contained and mitigated. The pressures existing in both financial years, which are significant, are largely due to external inflationary pressures over which the Council has no control.</p>

<p>transformational approach to savings in line with Council priorities.</p>	<p>In responding to this position and delivering proposals for a balanced budget the Council has consulted on a wide suite of potential budget savings and has identified £12.390m which are used to balance the 2024/25 Budget.</p> <p>A long-term transformation programme has been developed to drive the delivery of savings over the period covered by the MTFS. This is an ambitious programme focussed on delivering efficiency improvements across all areas of the Council to mitigate the impact of the projected shortfall in funding.</p> <p>MTFS and Council Plan</p> <p>The Council’s revised MTFS was produced to cover the period 2024/25 to 2028/29; it is the product of:</p> <ul style="list-style-type: none"> a) detailed technical analysis, b) detailed discussion with the Directorates and their respective management teams regarding the pressures identified and c) further engagement to assist the Directorates to identify savings to bridge the budget shortfall identified. <p>The MTFS was produced with consideration of the organisational values and priorities for the Borough, which are set out in the Council Plan, updated and agreed by Council in December 2024. The purpose of the MTFS is to set down the approaches that will be used by the Council in assembling, organising and deploying its financial resources to deliver the improvements described in the Council Plan and the supporting plans and strategies to deliver that overarching undertaking.</p> <p>Oracle Fusion</p> <p>The Council’s new finance, budget management and procurement system went live in April 2023; it is key to achieving increased financial control and understanding across the organisation.</p> <p>The Oracle Fusion system supports the effective delivery of the Council Plan and supports financial resilience by ensuring a suitable platform exists to administer and monitor financial and procurement activity, which is central to all Council activity. The delivery of a digital platform for financial and procurement activity facilitates the ability to deliver on the Council’s ambitions and to achieve the goals and priorities set out in the Council Plan.</p>
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Significant Governance Issue reported in the 2022/23 AGS	Action taken to address the issue in 2023/24
<p>Procurement Compliance</p> <p>There are a number of areas where it is recognised compliance with internal control procedures for procurement needs to improve.</p> <p>These include:</p> <ul style="list-style-type: none"> - Compliance with the Council’s ‘No PO / No Pay’ policy. - Arrangements for managing the pipeline for review and sign-off of contracts. - Contract monitoring. 	<p>DMTs and SLT have been working through the year with the procurement team to review contracts with a focus on any areas of non-compliance or exceptions. Officer training and support and guidance have been regularly provided by the procurement team. Procurement practice has highlighted some non-compliance but there has been significant improvement in key areas.</p> <p>There has been a significant reduction in the number of Retrospective Purchase Orders (RPOs). The ‘no PO, no Pay’ Policy was revised in June 2023 alongside the implementation of the Oracle Fusion system. It is recognised that this is a Corporate responsibility. The procurement team have been continuing to monitor and report on areas of non-compliance, seeking to identify the issues that caused the non-compliance and working with Commissioners to try and resolve the matter and help reduce the number of RPOs. The actions planned for 2024/25 include continued scrutiny of areas that fail to comply with the ‘no PO, no Pay’ policy. This will include a Procurement Roadshow for areas where issues persist to identify why this is occurring and increase awareness of Commissioners’ responsibility to comply with the Council policy. Additionally, procurement will continue to identify high volume low value requirements activity that could be switched to P Cards which will assist in the reduction of RPO’s.</p> <p>There has also been a significant reduction in the volume of exceptions and non-compliance with the procurement team more proactive in their engagement with Commissioners and additional rigour and challenge now included in the process, e.g.</p> <ul style="list-style-type: none"> - Smart Forms for exceptions cannot be raised without approval from the Head of Procurement; this implements a check and challenge process to help reduce the volume of exceptions and explore an alternative compliant route to market. - Smart Forms for non-compliance issues cannot be raised without approval from the Head of Procurement; this helps challenge why the compliance issues have occurred and provides engagement with the Heads of Service to explore alternative procurement options and ensure future reoccurrences are avoided. <p>The above areas are reported on a monthly basis to the OPG Board.</p> <p>A new pipeline for the review and sign-off of contracts has been created as part of the new ways of working; this will be fully populated during 2024/25. This will enable greater forward planning and oversight of the required procurement activity and the ability to identify potential savings from the process.</p> <p>The procurement team is in the process of being restructured to provide additional support on a thematic basis to the directorates to ensure best practice and value for money. This will work on a proactive rather than the current reactive basis, with category leads embedding themselves into their respective service areas to obtain early visibility of the pipelines. Contract Procedure Rules (CPRs) will be updated during 2024 to reflect the new Procurement Regulations that will come into effect in Autumn 2024, this will be a joint piece of work with Procurement and Legal.</p>

SIGNIFICANT GOVERNANCE ISSUES

The following table details the two 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 identified in the 2023/24 Annual Governance Review.	Action proposed during 2024/25	Lead Officer
<p>Financial Resilience</p> <p>There has been a significant improvement in the Council’s financial arrangements, however, financial stability remains a key priority. Grant Thornton have reported that there are a number of signs of financial stress that indicate a threat to financial sustainability in the short to medium term.</p> <p>Key areas of concern highlighted by the auditors have included:</p> <ul style="list-style-type: none"> -the significant use of earmarked reserves and forecast future reserves balance -the need for all Members to ensure there is a robust response to financial matters highlighted and that officers are supported in making the changes needed. -the need to ensure there is a robust financial governance framework around the delivery of the Council’s Capital Programme. <p>The Independent Panel noted that the Corporate Plan and the draft MTFs need better linking and there is a need to clearly match Council resources to stated priorities.</p>	<p>Action taken or planned for 2024/25 includes the following:</p> <p>Reserves</p> <p>The Council will continually review its Earmarked Reserves for appropriateness and purpose. The MTFs for the period 2024/25 to 2028/29 made note that unearmarked reserves will be brought to a level of 5% of net expenditure within the term of the MTFP.</p> <p>Financial Accountability, Monitoring Activity & Savings Delivery</p> <p>Monitoring of the 2024/25 budget will be routinely undertaken as part of a revised budget monitoring timetable. As part of the process of embedding new operational practices in respect of the Oracle Fusion system, accountability statements have been issued, detailing the expectations of budget holders in the context of the annual budget monitoring cycle.</p> <p>Stringent deadlines will be set to ensure that early identification of potential financial pressures are recorded and remedial plans put in place.</p> <p>Achievement of savings will be monitored through the method successfully employed previously.</p> <p>Member Engagement & the Role of Committees</p> <p>Monitoring of financial activity, in the context of the approved budget for 2024/25, will take place via the relevant Committees throughout the year, to ensure that agreed savings proposals are delivered upon and a balanced budget position can be reported at the end of 2024/25. Where budgets are at risk of reporting an adverse position, Committees will be required to take remedial action to ensure they can be brought back in line.</p> <p>Officer led financial monitoring activity will be reported to service committees in respect of their remit and to Policy & Resources committee for a holistic, Council-wide view. Finance sub-committees will facilitate enhanced engagement on remedial plans to manage potential adverse budget positions, should they materialise in-year.</p>	<p>Matthew Bennett Director of Finance</p>

Finance Team Structure

A team restructure was consulted upon and agreed towards the end of 2023/24. Embedding this revised structure will be a key task in 2024/25 to ensure that sufficient, appropriately skilled, professional staff are in post to support Directorates in the manner that they require whilst providing appropriate challenge to plans and proposals in order to ensure that the Council operates on a secure financial footing.

The Capital Programme

A review process is in place for existing and new capital schemes. Existing schemes will be reviewed with the intention of refinement and ensuring that they are meeting organisational objectives. New schemes will be considered on an invest to save basis, meeting strategic goals and a full whole life costing financial appraisal. This will ensure affordability, revenue consequences are fully considered, and that external borrowing is minimised.

The capital programme, which will be reset so that it presents a more strategic outlook over a longer timeframe, will be regularly reviewed and reported to Policy & Resources Committee.

MTFS and Council Plan

The work undertaken at the end of 2023/24 to better link the MTFS with the revised Council Plan, will be built upon in producing the MTFS for the period 2025/26 to 2029/30. Budget setting activity will reflect upon Council Plan priorities to ensure that clear linkages are in place.

Significant Governance Issue identified in the 2023/24 Annual Governance Review.	Action proposed during 2024/25	Lead Officer
<p>The assessment of overall effectiveness in the September 2023 Ofsted Inspection of Wirral’s Children’s Services was that the service ‘requires improvement to be good’.</p> <p>The assessment of ‘requires improvement to be good’ was applied to the four areas under review:</p> <ul style="list-style-type: none"> – the impact of leaders on social work practice with children and families; -the experiences and progress of children who need help and protection; -the experiences and progress of children in care; and -the experiences and progress of care leavers. 	<p>The Action Plan in response to the Inspection of Local Authority Children’s Services (ILACS) was submitted to Ofsted by the 22 March 2024 deadline. The Ofsted Action Plan is overseen by the Children’s Services Departmental Management Team, with update reports presented to the Children, Young People and Education Committee.</p> <p>The following key actions are committed to in the Children’s Services’ Directorate Plan for 2024-25:</p> <ul style="list-style-type: none"> - Deliver the ILACS Action Plan, addressing the 7 areas for improvement identified by Ofsted. - Strengthen arrangements for corporate parenting, including a refresh of the Corporate Parenting Board, its membership, terms of reference, and activity. - Service review for participation and engagement across children’s services to ensure it is meaningful, informing design and impacting delivery. - Improve the quality and consistency of social care practice. - Multi-disciplinary child protection teams are established to deliver effective, decisive, and impactful interventions to reduce need for care. - Deliver a professional development programme for Independent Reviewing Officers enabling them to effectively champion children in care and ensure support packages are meeting their needs. - Continue professional development programme for children’s services departmental management team. - Review arrangements for the Virtual School to ensure children in care achieve their educational potential. - Develop and embed a Foster Carer Charter to ensure they are well supported for their role. - Deliver the Department for Education funded Families First for Children Pathfinder programme of Children’s Services reform. 	<p>Elizabeth Hartley</p> <p>Director of Children, Families & Education</p>