



ANNUAL GOVERNANCE STATEMENT

2024-2025



Annual Governance Statement 2024/25

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 2024/25 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 2024/25, and up to the date of the approval of the Council's annual statement of accounts.

Pages 9-33 consider each of the seven principles in the CIPFA/SOLACE Framework and demonstrate how the Council has complied with the Framework during 2024/25. For each of the seven principles, the AGS highlights key developments and improvements in the Council's governance arrangements during 2024/25, together with reference to areas where it is recognised governance arrangements can be further strengthened.

Pages 33-37 summarise actions taken in 2024/25 to address the significant governance issues highlighted in the 2023/24 AGS, namely Financial Resilience and Ofsted Review.

The criteria used for determining the issues considered to be significant governance issues are outlined on page 38.

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

The Council faces significant financial challenges. The Government have approved Exceptional Financial Support of £20m for 2024-25 and a further £7.5m for 2025-26. The Council's budget for 2025/26 identifies total savings of more than £25m.

Grant Thornton's (GT's) Annual Auditor's report for 2023/24, included a statutory recommendation in respect of the Council's financial sustainability. GT reported 'the scale of the financial challenges the Council is currently managing, combined with a low level of resources, creates a significant risk to the overall financial sustainability of the Council in the short to medium term'.

The Corporate Peer Challenge (CPC) noted the Council faced 'substantial financial challenges'.

Key CPC recommendations in respect of financial resilience included:

- Strengthen financial planning and oversight.
- Develop a financial recovery plan with clear actions and accountability.
- Elevate the importance of the council's Medium-Term Financial Strategy (MTFS) within the council's wider Policy framework

External Inspection Reviews

The inspection by OFSTED and the Care Quality Commission (CQC) in January 2025 found that "things are changing for the better", but Wirral's Area SEND Partnership has "considerable work remaining" to ensure a consistently positive experience for children and young people with SEND.

The report gives the Local Area SEND Partnership (LASP) three priority areas for immediate action, plus one other where improvement is needed.

Ofsted continue to monitor progress made following the September 2023 Ofsted inspection of Wirral's Children's Services which concluded that the service 'requires improvement to be good'.

A Written Statement for Action remains in place for Special Educational Needs and Disabilities (SEND). An Improvement Notice for SEND was issued in May 2024.

The Care Quality Commission (CQC) inspection results were published in January 2025. The overall assessment was 'required improvement to be good'. Further details in respect of these inspections are provided in section D.

Delivery of Regeneration Schemes

Internal Audit's review of the Birkenhead Town Centre Movement Scheme identified major weaknesses in project governance, design assurance, and procurement processes, leading to substantial financial and operational risks. The contract was awarded with incomplete design work and inadequate site investigations, resulting in numerous compensation events and escalating costs. Governance boards were not fully informed of these risks, and capacity constraints, unclear responsibilities, and unrealistic timescales compounded oversight failures.

An independent review further highlighted governance weaknesses across regeneration, including lack of clear vision, ineffective decision-making, and poor accountability. These issues collectively pose a major organisational risk with potential to significantly impact corporate objectives.

The planned actions in 2025/26 to address these three areas are outlined on pages 39-42.

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

CERTIFICATION

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

Signed

Signed

A handwritten signature in dark ink, appearing to read 'M Bennett', with a horizontal line underneath.

Matthew Bennett, Interim Chief Executive

Date: 16 January 2026

A handwritten signature in dark ink, appearing to read 'P Basnett', with a horizontal line underneath.

Councillor Paula Basnett, Leader of the Council

Date: 16 January 2026

Annual Governance Statement 2024/25

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, with the recent update approved by Full Council on 17 March 2025. The Code 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

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).

Council and Wirral Council to provide services to the Education sector:<https://edsential.com>.

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

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 2024/25 and up to the date of the approval of the annual statement of accounts.

been identified from this year's governance review are highlighted in this statement.

consider whether these objectives have led to the delivery of appropriate / cost effective services.

The progress that has been made in addressing the significant governance issue included in last year's statement and those governance issues that have

Overview of Governance Framework

Council	Committees including Policy & Resources	Audit & Risk Management Committee	Corporate Governance	Risk Management	Audit
Approve Constitution. Approve the Council Plan. Approve budget and policy framework. Hold decision making meetings in public.	Part 3B of the Council's Constitution details the Terms of Reference for the Council's: -Policy and Service Committees - Scrutiny (Joint Health) Committee -Statutory, Regulatory and Other Committees. The Terms of Reference for the Policy and Resources Committee includes: -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.	Scrutinise and approve Financial Statements on behalf of the Council. Review Contract & Procurement Procedure Rules. Review and scrutinise governance arrangements, including internal and external audit updates / reports, and the management of risk. Holds meetings in public.	Review performance management and projects against milestones, resource allocation, risks and performance. The Corporate Governance Group has responsibility for overseeing the annual review of the governance framework and the preparation of the annual governance statement. Corporate oversight by Council's additional governance boards; including Investment & Change Board and Health & Safety Board. The Corporate management team including the role of its three statutory officers: the Head of Paid Service (Chief Executive), the Monitoring Officer and the Chief Financial Officer.	Review risk registers for corporate, operational and project risks. Corporate risks reviewed by the Senior Leadership Team and Audit & Risk Management Committee.	Set the internal audit strategy to meet the Council's overall strategic direction and provide assurance on risk management, governance and internal control arrangements. Undertake annual programme of internal audits, present progress reports including recommendations for improvement in systems and control. External Audit review and report on the Council's financial statements and VFM conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.

REVIEW OF EFFECTIVENESS

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

The review of effectiveness is informed by the work of the Chief Officers and senior managers within the Council who have responsibility for the development and maintenance of the governance environment. Their feedback and comments provided in Governance Assurance returns and 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 2024/25 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 2024/25.

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 2024/25
A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	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. <u>Leadership and culture</u> The Corporate Peer Challenge (CPC) recognised that the 'Council has made significant improvements in recent years to address identified challenges and shortcomings in key corporate areas including governance and culture.' The Leadership's relationship with the Senior Leadership Team (SLT) continues to be one of trust and challenge with continued improved cross-working among the parties on major issues such as the budget, Council Plan, performance framework and approving the Local Plan, as recognised by the CPC. The regular briefings with Group Leaders and briefings with Chairs and Party Spokes ahead of committees continue to contribute to generally improved working relationships and a more supportive collaboration between officers and members. 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 CPC acknowledged that the governance structures are tailored to the circumstances of a Council under no-overall political control operating through a Committee System. The CPC report noted 'Whilst there has been clear structural progress in this area, there is still more to be done'. Two particular concerns were raised by CPC; the potential for delays in decision-making and inappropriate member behaviour, with advice that the 'Council considers the relationship between behaviours and decision making'. Since the CPC review the Council has experienced significant changes in both political and managerial leadership. There has been a change in the political Leader of the Council, and at officer level, the Chief Executive has left the organisation, with an Interim Chief Executive appointed to provide continuity and stability. These changes have been managed in accordance with the Council's governance framework to ensure that decision-making remains robust and transparent. The Council has continued to uphold its commitment to ethical values and integrity during this period of transition, with appropriate arrangements in place to maintain effective leadership capacity and support the delivery of strategic objectives. The Members' Code of Conduct and the Member/Officer Protocol are key documents to help manage how Members and Council Officers interact with each other. Annual Code of Conduct training is provided for all Members and the way in which Members and Officers engage with each other can be discussed at Group Leaders meetings. If so required, the Member/Officer Protocol outlines how Members can raise any concerns they may have about officer behaviour. Similarly, it details how the Chief Executive or Chief Officers can raise concerns with Political Group Leaders.

Key actions that the Council is taking forward from the CPC review with regard to leadership and decision-making include:

- Working to ensure there is appropriate political agreement to provide stability of decisions and direction – a “Wirral first” approach across political groups to provide clarity to officers and assurance to residents and external stakeholders, such as the need for difficult decisions to be made to address the council’s finances.
- Leadership of the Council to meet regularly with Committee Chairs to support strategic decision making. Recognising the dispersed nature of decisions in the Committee System, a dedicated forum that supports joining up approaches on strategic issues will support the Council’s progress. This is to be considered as part of the review of political leadership briefing arrangements from May 2025.

Ethical values and respecting the rule of law

The Council endeavours to comply with all laws and regulations. Full reports are produced for Committee decisions and Officer Key decisions that have to be signed off by statutory officers or the legal team. The reports contain legal implications to ensure that all proposals are legally compliant. The Monitoring Officer is present or represented in all Council and formal committee meetings, to advise on legal matters and to provide assurance of legal and governance compliance. The Council’s Monitoring Officer is also a member of the Strategic Leadership Team which allows for early participation and direction setting for the organisation.

The revised Code of Conduct for Employees was adopted by Full Council in May 24. Grant Thornton (GT) concluded that the Code, together with established bi-yearly review of gifts, hospitality and conflicts of interest by senior Council officers further demonstrates the Council’s arrangements to support good governance. GT’s Annual Report for 2023/24, published in January 2025 concluded that they found no evidence of significant weaknesses in Council’s governance arrangements during 2023/24. GT’s report did include an Improvement Recommendation that the Council reviews and updates its Member Code of Conduct protocol 2019 as it predates the latest Members’ Code of Conduct.

It is noted:

- no complaints under the Member Code of Conduct have been received during 2024/25 that required formal investigation in respect of Member behaviour. Constitution & Standards Committee had appropriate business.
- no breaches have been reported under the Officer’s Code of Conduct during 2024/25.
- there continue to be a range of arrangements in place to ensure expectations are clearly communicated to staff (see detail in B)
- there are no known issues of non-compliance, or current significant legal issues, relating to either Specific Statutory responsibilities or Financial regularity
- there was an increased number of enquiries from Members in respect of declaring conflicts of interests; this is a positive indication that requirements are understood, which further helps to ensure the integrity of decisions.

Health & Safety

	The Council's arrangements for Health and Safety (H&S) continue to improve. The strategic leadership of H&S continues to be an SLT priority, with the Chief Executive or the Director for Law and Corporate Services, chairing a Strategic Health Safety and Wellbeing Board. An Operational Health, Safety and Wellbeing Board has been re-established which is led by the Assistant Director for People and Organisational Culture. The internal H&S Team maintain a suite of comprehensive H&S management arrangements covering the Council's and schools' statutory responsibilities. The Council maintains a Strategic H&S Risk Register which has identified the main organisational risks and mitigation controls for risk owners to manage. A risk management system is operational for all services to identify its service risks and confirm compliance against the H&S policy and H&S risk register. A H&S audit programme used by the H&S team is in place to review the evidence of compliance against the H&S policy and management arrangements. Capacity issues identified in relation to schools have been addressed alongside the overall level of resource within H&S with two additional posts created. Structurally it is anticipated that during 2025/6 the H&S team will be strengthened by its integration with a wider Compliance team, bringing together Internal Audit, Risk, Insurance, H&S and Business Continuity. A review of the division of responsibility for H&S in schools resulted in a new Schools' Statutory Compliance Board being established part way through 2024. This helps to ensure that the Council, school Head Teachers, and Governors have a clear understanding of their statutory responsibilities regarding Health, Safety and Wellbeing as well as other compliance matters. The H&S team require governance returns from Directors to confirm their level of compliance with the Council H&S Policy and to assess their current arrangements and future actions for the next financial year. These are reported to and monitored by the Strategic Health, Safety and Wellbeing Board. As part of the Annual Governance Review process, Directors confirmed the adequacy of arrangements in place to ensure key H&S responsibilities have been complied with within their directorate. Further H&S support for Directors is needed in some areas and there are areas where compliance rates for completion of H&S training can be improved. A refresh of the H&S Policy was considered by Audit & Risk Management Committee in June 2024. There has been improved oversight by members of health and safety performance, and this will be further strengthened through the sharing of performance data, analysis and reporting in 2025/26. Revised all-manager essential H&S training is being rolled out and a new online incident reporting system has been introduced from 1/4/2025. The Council continues to raise issues and incidents through management and/or external inspection arising from the extended period of low investment in Council assets occupied by staff. The Council has been investigated by the HSE regarding a number of sites and has been served with three matters of breach of the HSE regulations from two separate Notices of Contravention. An action plan regarding the various inspections and their findings has been developed and will be updated and actioned as information from these inspections comes forward. In light of one particular recent incident involving a sub-contractor, the Council has instigated a working group to proactively review its compliance across all its buildings and activities regarding Construction (Design and Management) Regulations 2015.
--	--

	<u>Other challenges</u> SEND There are challenges in meeting statutory requirements relating to assessment and planning for education, health and care plans because of increasing pressures and escalating needs of children and young people. A Witten Statement for Action remains in place for Special Educational Needs and Disabilities (SEND). An Improvement Notice for SEND was issued in May 2024. (See further detail in section D)
B - Ensuring openness and comprehensive stakeholder engagement	Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2024/25 From a strong base reflected in recent years’ AGS, there are many examples of new initiatives in year which continue to demonstrate the Council’s commitment to effective partnership working, comprehensive stakeholder engagement and openness. <u>Partnership working and stakeholder engagement</u> 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. Relationships with the Combined Authority, Homes England, Government Departments, the NHS, Police and Fire & Rescue are considered to be stronger than ever; with good relationships evident through the officer structure. The CPC acknowledged that ‘through this review the peer team were told of positive, proactive, and constructive relationships with partner organisations at the strategic, tactical, and operational levels’ and that local public sector partners spoke repeatedly through the review of the ‘positive’ and ‘proactive’ contributions of the Council on a number of priority issues. Strategic partnerships The CPC recognised that ‘the development of a clear narrative regarding the council’s vision and ambition (considered at C) will support further engagement with these partners and alignment of their activity towards the council’s ambitions and priority outcomes’. A key recommendation from the CPC was to ‘refine and develop the council’s partnership forums to support public service reform at a borough level to enable more joined-up approaches to cross-cutting issues’. Work is underway to map and review the Council’s current partnership arrangements, with plans to refresh its strategic partnership arrangements and commence quarterly meetings from May 2025. Health Partnerships

The CPC recognised 'The council has established strong support for the LCR Health and Inequalities Portfolio and in turn been able to influence regular attendance and focus on the NHS ICB'. The CPC recommended that the Council 'refresh (its) political input into the Integrated Care Board at Cheshire and Merseyside level'. The Council's influence has significantly increased through Executive officer representation on key boards and groups. Through the People Directors, co-ordinated by the Director of Adult Social Services (DASS) regular reporting and briefing of Members has created a more effective interface with the NHS ICB at Place level.

Adult Social Care

The inspection report from the Care Quality Commission (CQC) recognised the Council was committed to working in partnership with other stakeholders to achieve better outcomes for local people; an example quoted was robust partnership working in relation to safeguarding and the Multi Agency Safeguarding Hub (MASH) team. The CQC recognised the Council had a clear commitment to co-production; an example referred to was the Council's Adult Social Care Prevention Strategy 2024-2029 which had included the voices of people and carers who accessed care and support.

Examples of developments in Partnership working within Public Health in 2024/25 included:

- fuel poverty – Workshop with Partners. Engagement with residents facing fuel poverty which resulted in a national award for ethnographic research.
- Combatting Drugs Strategic Partnership – a multi-agency partnership that has received additional funding of £4m and resulted in a reduction in hospital attendance in respect of drug and alcohol related incidents. (CQC inspection of drugs and alcohol service was rated as 'outstanding')

Community

Council officers and members have very strong relations with the Community Voluntary and Faith (CVF) sector. Partners confirmed positive contributions that the Council has made in a number of different forums and across a range of issues. This included the commissioning of the Wirral CVF Forum to provide structure and support to community, voluntary and faith organisations in the Borough. The Council provide HR, finance, funding, and governance support for this body, and this approach has been cited as good practice in the wider Liverpool City Region. The Council was selected as the winner of the Voluntary Sector North West Funding and Commissioning Awards 2024 in the 'Outstanding Commissioner - Local Authority category', with references made to the Council's 'significant contributions and dedication to creating positive change in the community' and 'outstanding commitment to supporting the voluntary, community, faith, and social enterprise (VCFSE) sector in the North West'.

Children's Services

Examples of partnership working in-year included:

- Hosting the We Are Wirral Children's Services event at which, in partnership with councillors, Council SLT, parents, young people and staff, a set of values- practice principles were agreed.
- Co-production of the SEND and Alternative Provision Strategy 2025-29
- Delivering a co-produced Preparation for Adulthood Festival, which was led by the parent carer forum.

- Commissioning Wirral Mencap to work with Children's Services to produce accessible, parent-friendly guidance and procedures for child protection processes.

Consultation

The Council continues to be committed to active consultation with residents and communities. Examples in year have included consultations with regard to the Local Plan, Hoylake beach, 20 mph zones and Regeneration masterplans.

The Council's core approach to resident consultation is through the 'have your say' website. All consultation run through the website has the feedback provided by residents reported and the actions the Council makes as a result of feedback are published on the 'we asked, you said, we did' page of the portal. Alongside the use of the portal, the Council runs a wide range of in person consultation with residents including children and young people and residents who use Council services as well as for general consultations such as the wide range of master-planning work in Wirral transformation. The Council recognised that on occasions it needed to publicise more clearly the reasons for a consultation and the likely impact of the consultation. A new consultation policy was agreed with Members in March 2025. The overall aim of the new consultation policy is to ensure that when the Council consults with residents about the services it provides, it does so in an inclusive, consistent and transparent manner, emphasising that understanding the needs of residents, customers and partners is fundamental to the decision-making process.

The CPC team encouraged the Council to build on the 'have your say' website through regular engagement and communication on plans and issues, recognising that there is the opportunity to strengthen the voice of communities within the Council. The review team noted this involved moving beyond a model of consultation, by increasing the visibility of the Council within communities, and creating additional opportunities for resident engagement and input beyond the scope of consultations. As an example, the CPC review included a recommendation to review and refresh the Young People's Action Group (YPAG). The Council has plans to achieve this by delivering the We Are Wirral Youth Engagement programme, and We Are Wirral Corporate Parents programme.

Openness

The CPC reported that the Council 'has invested in their organisational culture through good staff engagement and communications during a period of change. This has included the recent Chief Executive roadshows, the 'we are Wirral' staff events, and responding positively to the findings of the staff survey to establish staff networks and the launch of staff award and recognition programmes.

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, presentations by the Leader at staff events 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 the Council Plan, Departmental Business Plans and related Team Plans. The Council operates an annual staff survey with the

	2024 staff survey recording a 61% rate of completion, 22% higher than two years previous. An information bulletin is circulated on a weekly basis to provide Members with an overview of key updates. Other examples demonstrating commitment to openness and stakeholder engagement continue to include: - regular meetings of Chief Executive and Leader with key public sector & commercial partners and stakeholders. - active engagement of the Leader with key Civic events. - Part 2 exemptions, where committee reports are considered in private session, are kept to a minimum (see further detail in section G).
C - Defining outcomes in terms of sustainable economic, social and environmental benefits.	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2024/25 The Council has made and continues to make good progress in defining desired Council outcomes. <u>Corporate approaches</u> The 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 across five delivery themes and one enabling theme. The plan is underpinned by the annual business planning process; departmental business plans are closely linked to the Council Plan and include outcomes and activities directly from the Council Plan. 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) The CPC recognised that the Council's priorities are clearly set out in the Council Plan. The CPC acknowledged that 'despite the Council's financial challenges, the organisation has maintained high levels of ambition, as illustrated through their large-scale regeneration ambitions, the political appetite to promote prevention, address inequality, and maintain universal services'. The CPC recognised that given the Council's financial position, the Council Plan needs to be 'revisited to support clearer prioritisation and effective decision making', with working within the budget being the Council's first priority. Key CPC recommendations included: • Refine the Council Plan and Performance Framework to support prioritisation. including prioritisation of Committee work programmes and officer capacity • Develop a narrative for the Council's progress, challenges and ambitions for the future that will provide a clearer framework for future difficult decisions There are plans to complete a mid-term review of the Council Plan, with the plan to be refreshed at the July Council meeting, and to develop a vision and refreshed operating model for the Council which aligns with the Financial Recovery Plan and refreshed Council Plan, by September 2025.

It is planned to review and refine the Council's Strategy Framework by July 2025. It is recognised that the Council will need to become a more agile organisation; one that can manage and deliver its statutory services within the context of a reduced workforce.

There was also a CPC recommendation to develop a shared corporate vision for Wirral's regeneration at a Borough wide level. The Council was recommended to bring together wider regeneration programmes and projects under a single banner and narrative, to support engagement with partners, promote ambitions, and communicate progress, and to discontinue projects which are not achievable in the short-term. The Regeneration Directorate commissioned Whistlejacket to progress place branding in October 2024, with work due to conclude and be reported to Economy, Regeneration and Housing (ERH) Committee in June 2025. In addition, the final cohort of masterplans that support the local plan were to be reported to ERH committee in March 2025 with recommendations for adoption.

Departmental examples

The timing of the 2024 CQC inspection did impact on the work of the new Director of Adults' Care and Health and Strategic Commissioning to develop the vision and goals for the Directorate. CQC reported the Director had a clear vision and ambition for transformation to enhance the local authority's offer to prevent, reduce and delay the need for care and support. Work is progressing and a new vision, business plan and operating model are being developed.

The Local Plan was subject to public examination led by the Planning Inspectors. The Plan required some changes, 'main modifications. These have now been made and agreed with the Inspectors and the Local Plan was formally adopted by the Council on 31/3/25. The Local Plan is believed to be the country's first Brownfield-Only Local Plan. It is the core policy framework that sets out how the Borough should be developed over the next 18 years. It underlies the Council's ambitious regeneration programme and links closely to the health inequalities agenda.

In-year examples within Children's Services include:

- Initiated the Care Programme in September 2024 in response to resource constraints. This flexible and responsive approach has reduced spiralling care costs and led to better outcomes for young people.
- Initiated the Families First for Children Pathfinder programme as one of only seven local authorities in the country to roll out national social care reforms.

The Committee Reporting template supports the clear definition of outcome. The template is subject to continuing review; improvements in 2024/25 have included recognising the need to define Public Order.

Health & Well-being (HWB) outcomes continue to be clearly defined through the Joint Strategic Needs Assessment (JSNA) which informs priorities and is clearly aligned with the HWB Strategy and informs the Council plan. This is a critical to managing the increasing demand for services through the development of services and strategies that address the underlying causes. It is recognised that more can be done to make more systematic use of the JSNA to inform departmental planning and help evidence that the Council adopts a needs-based approach to service planning priorities.

D - Determining the interventions necessary to optimize the achievement of the intended outcomes	Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2024/25 External reviews over the past few years have recognised the strong appetite across the Council for improvement, which is recognised by the Council as a priority. The Council has continued to make extensive use of external review to help determine the interventions necessary to optimize the achievement of the intended outcomes. This has included the LGA CPC review in November 2024, with follow-up planned for November 2025. In their 2023/24 Annual Report published in January 2025, GT noted the Council is ‘open to learning from others to shape delivery and drive performance as evidenced by the activities of the Wirral Intelligence Service’ and concluded that the Council’s arrangements for benchmarking and learning from others ‘further demonstrated the Council’s commitment to learning from others and is good practice’. 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, user-friendly nature of available data is widely seen as a step-change in recent years. (See added detail under F) <u>Corporate arrangements</u> In March 2024 the Council refreshed and consolidated its change and transformation programme. 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). A new Benefit Management Framework has been developed to ensure all programme and project benefits demonstrate how they contribute to delivering the MTFP. All new business case proposals require benefits to be clearly defined, with clear ownership and benefit realisation plans. There is a comprehensive Programme and Project Management approach to maintain effective oversight of schedule, budget, risk and overall delivery confidence across all Change Programme activity. Monitoring is monthly by exception with regular quarterly reporting; the governance of which includes Chief Officer and Elected Member oversight. The Council’s Transformation Portfolio (Change Programme) has been further refined to: - Transform the Council’s digital and data capability to modernise and streamline business processes - Streamline back-office functions to ensure they are as efficient and effective as possible - Reduce the Council’s estate to deliver value for money and generate capital receipts - Manage demand for statutory services particularly Adult & Children’s social care - Modernise the Council’s leisure and cultural services offer. The CPC recognised that the Change Programme is ‘built around common principles of joined-up design, prevention, regeneration, independence, and relationships’ and that ‘there is clarity in this programme, both of the nine priority projects it contains, as well as the programme’s
--	--

governance’. The CPC commented that ‘Going forward, the council needs to assure themselves that this Transformation Programme is best aligned to address the councils’ financial challenges and that central to this will be ‘having the necessary corporate capacity and strength to grip, manage, and progress improvement work’.

There are current initiatives that will help provide the framework required to determine the interventions necessary for achieving outcomes. These include:

- Work currently underway to define the Council’s Target Operating Model, including detailing the shape and size of the organisation and the principles for operating.
- Developing the Council’s Data Strategy (see section F) which will help to efficiently provide the evidence needed for making decisions.

The Council has invested capacity in planning for change. It is recognised that the approach for making traction on delivering change needs to be strengthened. Key to this will be the corporate role all Directors need to play as part of their corporate ownership of the change process.

External reviews of services

The Children, Young People and Education Committee receive a regular update on progress made following the September 2023 Ofsted inspection which had concluded that the service ‘requires improvement to be good’. Updates have included a full briefing session in October 2024, following the Ofsted Focused Visit of September 2024. A Children’s Services Assurance Board is being implemented to meet on a 6-weekly basis to undertake deep dive activity on 8 key thematic areas for inspection. Deep Dives including Elected Members have been established and regular reporting to the Children, Young People and Education Committee is detailed in the Forward Plan, aligned with the priorities of the Council Plan. Wirral’s Corporate Parenting Board, chaired by the lead member for Children, also receives formal reports in committee format against recommendations which overlap with CPB responsibilities.

A Written Statement of Action (WSOA) remains in place for Special Educational Needs and Disabilities (SEND). An Improvement Notice for SEND was published on 7 May 2024 as a result of insufficient progress against the actions and deliverables in the SEND WSoA in connection with the areas of significant concern identified in the Ofsted and CQC inspection report of December 2021. A Stocktake Review was held on 26th November 2024, undertaken by the DfE and NHS England, to review the progress made against the SEND Improvement Plan and the actions taken following the Improvement Notice. The feedback letter of 10th January 2025 recognised progress made, significantly in terms of establishing an effective Improvement Board – the Local Area SEND Partnership Board. The letter referred to a significant improvement in strategic oversight and governance in the last 6 months and that the Board had presented clear evidence of progression in implementing the revised improvement plan. Areas for Action had reduced from ten to three and were now supported by performance data. Leadership, governance, and performance reporting were found to be effective by the DfE and Ofsted. The Local Area SEND Partnership Board reports to the Health & Wellbeing Board on a quarterly basis and the Children, Young People and Education Committee receive a SEND update at every meeting. The refreshed Improvement Plan had its progress validated by Ofsted and CQC in the Local Area SEND Inspection (January 2025). The next review due is May 2025.

GT's Annual Report for 2023/24, issued in January 2025, included a key recommendation that the Council 'needs to satisfy itself that it has the necessary organisational transformational capacity, skills and resources to ensure that the Local Area SEND Improvement Plan can be delivered in accordance with DfE requirements and is sufficient to drive sustainable improvement in SEND service provision and to mitigate associated SEND delivery risks'. GT also recommended that the Council ensures that sufficient performance data is regularly reported to Members in relation to the SEND Improvement Plan so that Members can effectively track the level of improvement. The management comments included in the GT report noted the key actions the Council have taken to address the concerns; including those referred to above.

The inspection by Ofsted and the Care Quality Commission (CQC) in January 2025 found that "things are changing for the better", but Wirral's Area SEND Partnership has "considerable work remaining" to ensure a consistently positive experience for children and young people with SEND. The report gives the Local Area SEND Partnership (LASP) three priority areas for immediate action, plus one other where improvement is needed

Additional in-year action in respect of Children's Services includes:

- Reviewed the statutory SEND service, including options analysis, informed by quality and date reports, and user feedback.
- Used data and needs analysis to inform selection and successful establishment of 11 Family Hubs as part of the national programme.
- Commissioned and initiated a Child Safeguarding Practice Review for Life School following a media expose.
- A Complex Abuse Investigation and Child Safeguarding Practice Review are also both in progress.

CQC inspection results were published in January 2025. The overall assessment was 'required improvement to be good'; however, with that grading assessment covering 24 percentage points, the service was 3 points away from an assessment of Good. Learning points included the need to be better at evidencing how the service has listened and responded, such as how 'wants and needs' have led into meaningful decisions. The service has recognised the need to improve at gathering feedback. Following a suggestion from a team member, the service have started an initiative to use a QR code to provide immediate feedback. The Director confirmed the service is on the right track to mainstream an 'every bit of feedback counts' and 'tell us once' philosophy.

The Council continues to face challenges with regard to the delivery of its ambitions. The CPC noted there have been 'delays in the council's delivery of these ambitions'; as illustrated 'by the council deferring approximately £30 million of the £130 million capital programme for 2024-2025' and that 'it is essential that delivery increase to avoid the risk of clawback, loss of confidence, or missed opportunities'. The CPC recognised that the 'pace of delivery will be further enabled by the recent and planned work of the council to prioritise key sites, map resources to these priority schemes and avoid capacity being spread too thinly. This work on the development of a detailed delivery plan will also need to account for wider interdependencies of sequencing, funding, disposals, and capacity'. The Council is continuing to keep priorities under constant review. It continues to manage expectations and the risk of clawback through maintaining strong relations with its key stakeholders.

The CPC has strongly advised the council to 'remain live to the governance challenges' of the Council's JV model with Wirral Growth Company 'including the contractual clauses on development, the division of benefits, and the timelines associated with this agreement versus ambitions'.

	<u>Service awards</u> Awards for performance in-year included: - Wirral Council's Community Safety Team was recognised with a national award for its efforts in co-ordinating a series of Environmental Action Days covering some of the most-deprived areas in the borough. - Council Rangers based at Wirral Country Park were named 'Team of the Year' in the annual Best of the Best Awards organised by the national environmental charity, Keep Britain Tidy - The Household Support Fund Team won the Partnership Working (Service Delivery) award at the IRRV (Institute of Revenues, Rating and Valuation) Performance Awards
E – Developing the entity's capacity including the capability of its leadership and the individuals within it.	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2024/25: 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: - Corporate Peer Challenge (CPC) - C-CO assisting Enabling Services Review - Peer Challenge with the Local Government Association on Child Protection and the Independent Reviewing Officers Service <u>Leadership</u> CPC acknowledged that the Chief Executive and Leader of the Council were seen, internally and externally, as an effective team that worked well together, with appreciation for their visible leadership and communications with staff. The CPC acknowledged that the Leader had engaged constructively with other groups with the ambition to develop shared ownership of the Council's improvement, such as with the Council Plan. Since the CPC review was completed, the Council has experienced significant changes in both political and managerial leadership. There has been a change in the political Leader of the Council, and at officer level, the Chief Executive has left the organisation, with an Interim Chief Executive appointed to provide continuity and stability. These changes have been managed in accordance with the Council's governance framework to ensure that decision-making remains robust and transparent. The Council has continued to uphold its commitment to ethical values and integrity during this period of transition, with appropriate arrangements in place to maintain effective leadership capacity and support the delivery of strategic objectives. <u>Leadership Development</u> Leadership Development has continued to be a focus. As part of its commitment to continuous improvement, the Council has continued to seek further LGA support including the CPC. These elements build on the work completed to date and ensure the Council's improvement is continuous and embedded. There is a comprehensive Leadership

and Management learning offer in place for new and existing Managers, accessed via Flo. Initiatives in respect of Leadership and Management Development launched during 2024/25 have included:

- A reset of the corporate leadership network; including a greater focus and purpose with meetings taking place quarterly
- Aspiring Leaders programme launched in September 2024 for staff who want to progress into their first people manager role
- With a settled SLT, work is ongoing to compile a programme of opportunities to help with SLT team development
- Bespoke leadership development programme delivered for Children's Services extended Departmental Management Team in partnership with the Staff College
- Assigned Managing Health & Safety Essentials programme for all existing people managers
- Several DMT Facet 5 teamscape sessions have taken place to support high performing DMT's
- Managing attendance, Investigating Officer and Performance conversation training courses for managers
- New level 5 and 7 leadership apprenticeships programme established and available internally
- Wellbeing masterclass.

In addition, key elements of continuing manager support include Monthly manager network, Senior Leaders attending an annual LCR Leadership Network Conference, and Manager View being re-instigated.

External training has included the Director of Children's Services completing the New Directors course with the Association for Directors of Children's Services (ADCS).

Organisational Development

Key initiatives in year within Organisational Development include:

- Launched organisation-wide recognition framework, including peer to peer recognition, long service recognition, and staff wide nomination process and celebration event
- Arrangements for Performance Conversations further enhanced with completion rates increased by 26% from the previous year
- Wellbeing community launched April 2024, with a staff- led quarterly wellbeing newsletter launched in December 2024. Staff Forum attendance has increased during 2024/25.

There have been a range of training initiatives in 2024/25 within the areas of Policy and Budget, Digital and Data, Health and Safety, Finance and Commercial, Climate, Safeguarding and Inclusion/EDI.

The overall completion rate for whole Council assigned learning (10 courses) is 84.3%, with 13.2% overdue and 2.5 not yet due for completion. There are variances across the different courses, with the highest overdue rates being 22.7% for cyber security refresh and 19.1 % for Health & Safety, and across different departments. There are plans to follow-up non completion, for example with cyber security where 23% of staff who inappropriately responded to the recent phishing exercise were found not to have completed the mandatory cyber security training module.

Members

The CPC reported that the Council is 'effectively supporting councillors through a robust and well-developed member development programme. This work is underpinned by a clear member development strategy (2023-2027) which has included a structured induction for new councillors, promotion of national training opportunities such as Leadership Essentials, and the use of external facilitators'

Training during 24/25 has included

- Chairs Training delivered by the LGA
- Media Training for the Leader, Deputy Leader and Policy Committee Chairs
- Offer of Leader LGA mentoring
- Scrutiny Training
- 'Prevent' training
- Policy Committee and Committee specific training
- Development of a Member Safety guide
- Induction sessions and appraisals for members of the Local Area SEND Partnership Board (Children's)
- Corporate Parenting Training delivered for Elected Members, along with SLT. (Children's).

Quarterly progress is reported into the Members Support Steering Group. An annual report on the progress of Members' Learning and Development is due to be considered by the Constitution and Standards Committee in June 2025.

Capacity and capability

The new AD HR has brought a fresh approach to looking at capacity and capability.

Examples of innovation during 2024/25 have included the appointing of Supported Internships within Children's Services.

The impact of the resource required to support decision making in a committee system with no overall political control is significant; for example, the requirements to brief four parties. This is impacting resource capacity as well as the capability to take decisions.

There are areas where capacity issues are affecting the delivery of key projects, examples include:

- Customer Journey – Microsoft have had to pause development as the Council has not been in a position to progress
- Corporate Landlord Model – the move to the CLM has been hampered with capacity issues.

It is recognised within Adult Social Care that there is a need to finalise the review of structure, roles and functions, with the directorate continuing its improvement and modernisation journey to a more joined up approach for its strategic commissioning & operational roles.

It is recognised that there will be a need to give greater attention to the workforce plan once the Council-wide EVR process is complete. It is likely that, in order to meet financial savings requirements, EVR will result in the loss of a high number of experienced staff, and an effective and

	responsive workforce and staff development plan will be key to ensuring the resulting workforce can drive forward the achievement of the Council's objectives.
F - Managing risk and performance through robust internal control and strong public financial management	Assessment of the effectiveness of the key elements of the Council's Governance processes during 2024/25: The Council continues to further strengthen its focus on risk, performance and financial management at SLT, Directorate and Committee level. <u>Financial Resilience</u> The Council recognises that financial stability and financial resilience are key but that it continues to face significant financial challenges. The Council's General Fund Outturn for 2023/24 was a directorate overspend of £10.7m. The Council is forecasting a £19m overspend for 2024/25. Measures to restrain spending and make cost savings had quickly been put in place early in the 2024/25 financial year when forecasts indicated a significant overspend was likely, but these measures were not sufficient to contain expenditure to the degree required. As a result, an application was submitted for Exceptional Financial Support (EFS) to the Ministry of Housing, Communities & Local Government (MHCLG). The application sought assistance in balancing the 2024/25 budget, with an additional EFS application for 2025/26 to ensure the Council has sufficient resources to fund the proposed one-off transformational costs required to deliver budget savings being put forward, as well as to help manage the ongoing increasing demand for social care costs. The Council's application for EFS to MCHLG has been approved by the Government; £20m agreed for 2024-25 and a further financial support of £7.5m in 2025-26. The Council's budget for 2025/26 identifies total savings of more than £25m. – including previously identified savings of £9.7m; council business efficiencies of £4.7m; raising fees and charges where possible, as well as reducing or stopping some services which will see savings of nearly £2m. Grant Thornton's (GT's) Annual Auditor's report for 2023/24, published January 2025, included a statutory recommendation in respect of the Council's financial sustainability. The Executive Summary to Grant Thornton's report noted: 'The Council understands the financial challenges it faces, is transparent with regards to these issues within its financial reporting and has taken several key steps to contain budget overspends. But the scale of the financial challenges the Council is currently managing, combined with a low level of resources, creates a significant risk to the overall financial sustainability of the Council in the short to medium term'. The statutory recommendation was considered at a special meeting of the Full Council on 14 January 2025. The Management Response outlined in the report identified the key actions being taken, including: - Council is in the process of developing a Budget Recovery action plan which will be reflected in a refreshed Medium Term Financial Plan (MTFP).:

- Recognition that difficult decisions will need to be made around the level of support that can be provided and a continued focus on increasing efficiency and reducing costs. It will require the organisation to shrink overall in terms of the number of established posts and a reorganisation of how some services are provided.
- CIPFA have been commissioned to deliver a rapid review of the Council's 2024/25 and 2025/26 budget positions and are undertaking deep-dive activity in respect of social care services.

Other actions included in the Council's Transformation Portfolio (Change Programme) are considered in section D above.

The context for the financial position was summarised in the CPC report – 'Wirral has sought to minimise the impact of funding reductions over the last 14 years (totalling approximately £240 million) by limiting increases in council tax, avoiding reductions in service standards, and minimising increases through other income streams and charges such as parking. Whilst the council is proud of this approach, the cumulative impact has depleted general fund reserves and contributed towards significant challenges in the council's medium-term financial position. These challenges have been exacerbated by rising demand for services and the high-deprivation and inequality which exists in the borough'.

The CPC noted that 'despite significant focus and effort and demonstrable progress there remains substantial financial challenges facing the organisation'. The CPC stressed the need for progress from a shared awareness of the council's finances to shared ownership and actions through a clear financial improvement plan.

Key CPC recommendations in respect of financial resilience included:

- Strengthen financial planning and oversight.
- Develop a financial recovery plan with clear actions and accountability.
- Elevate the importance of the council's Medium-Term Financial Strategy (MTFS) within the council's wider Policy framework

It is recognised that looking forward ongoing cross-party co-operation of all elected members working together to benefit residents across Wirral has never been more crucial.

The Council is adopting a comprehensive approach to financial assurance and activities to ensure it delivers within budget and improves financial resilience over the short to medium term. The financial recovery plan, presented to March 2025 P&R, sets out the arrangements to monitor in-year progress in respect of capital and revenue monitoring, savings delivery and longer-term business change implementation.

Financial management

GT's Annual Report included an improvement recommendation that the Council satisfies itself that directorates are sufficiently supported and enabled to provide accurate budget forecasts as part of the Council's budget monitoring process.

There were overspends within the 2024/25 budgets and underachievement of some savings. Processes were in place within the 2025/26 budget setting process to identify and remedy issues including addressing some underlying budget pressures. The Management response in the GT report

outlined the robust support framework the Council has implemented to ensure budget holders can effectively use the Oracle EPM module for accurate financial forecasting. It is officers' view that the Council does have robust internal financial controls and strong financial management in place, but the Council is exposed to financial pressures arising from the lack of control over demand and limited reserves. Arrangements have been strengthened by the earlier restructure within Finance which introduced three Heads of Finance.

The Council has implemented changes for the 2024/25 financial year to improve Member oversight of all aspects of the budget process. All Policy Committees have regular Budget Oversight Panels focussed on both the in-year challenges and the future savings requirements. These panels ensure that Members receive appropriately detailed information to enable effective decision making. The Policy and Resources committee is supplemented by the Finance Working Group which receives detailed briefings on all key financial matters including budget monitoring. These groups provide an appropriate forum to ensure Members are fully briefed around material financial issues and the detailed actions that are being taken to address the financial challenges.

The action plan following the CPC review includes plans to review training arrangements in respect of financial management. The need for more training in respect of in-year budget management using the Oracle financial system is recognised and a refresh of finance training for budget holders is planned for May / June 2025.

Specific Finance pressures

A key recommendation from GT was that the Council needed to 'place a significant and urgent focus on developing and implementing interventions which will support the management and mitigation of the Dedicated Schools Grant (DSG) deficit'.

The report noted that the DSG deficit (forecast to increase to £23.8m by 31 March 2025) and rate of increase created significant financial risk to the Council and that the issue needed to be considered with urgency as the statutory override, which currently means the issue doesn't impact on the Council's balances, is scheduled to end on the 31 March 2026.

The management response to GT noted that the Council has submitted a full DSG management plan to the DfE and that recent communication from the DfE commented the Council is doing everything it can and is expected to do as part of the Delivering Better Value in SEND (DBV) programme. This action serves to mitigate the overspend in the High Needs Block of the DSG. Regular DBV update reports are presented to Schools' Forum including a DBV Delivery Plan and Risk register.

In response to the increasing placement costs for children, impacted by the significant increase in children placed in residential care settings, the Children, Young People and Education Committee approved the Care Programme, including financial reporting and governance arrangements, in September 2024. The Care Programme Board meet monthly to monitor placements costs, provision and increasing foster care placements; this has led to a significant reduction in care costs.

GT's annual report noted the Council's commercial property holdings, funded by borrowing, have significantly reduced in value creating a financial risk to the Council. GT recommended valuations, financial impacts and planned response should be reported to Members in an updated investment strategy report. This is being considered.

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 July 2024. The latest assessment of compliance will be reported to ARMC alongside the Statement of Accounts for 2024/25.

Risk management

The Council has well established and comprehensive risk management arrangements in place for strategic/corporate and programme/project risks. Risk registers are subject to regular review by SLT and DMTs and risk workshops have been held with all committees. In March 2024, ARMC endorsed a revised Risk Management Policy, Statement and Strategy. An audit of risk management arrangements is due to take place during 2025/26 by Cheshire East Council as the responsibility for risk management currently sits under the Council's Chief Internal Auditor.

GT reported that the Council's 'review of its key risk management strategy, its direct alignment with the Council strategic plan, and the inclusion of comprehensive information for officers and members in relation to the strategic and operational management of its risk demonstrates good practices'. GT also noted that the 'Council's CRR (corporate risk register) carried a proportionate level of information and described a series of key strategic and operational risks ... and was well supported by a regular regime of governance and oversight which is good practice'.

Performance Reporting and Management

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 bi-monthly meetings that 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.

A Council Plan Performance Management Framework (PMF) was developed with Elected Members in early 2024 and this was introduced in 2024/25 with quarterly reporting through relevant committees starting in October 2024. Quarterly reporting is produced with benchmarking included for all measures where it is available. In addition, detailed operational performance reports are provided to committees to enable them to

maintain oversight of operational delivery, with all available benchmarking data included. It is recognised in some areas performance measures need to be refined to ensure they provide the required metrics.

CPC noted that the Council's new performance framework 'will support a move towards an outcome-focused approach. ..., including outcomes which are linked to specific transformation programmes and proposed savings initiatives such as foster care and residential care placements.' The CPC reported that the performance framework 'provides an opportunity to bring more grip on priority outcomes and support a cross-cutting view of the council's performance. This will help to ensure that attention, resource, and capacity is best focused, and will naturally require further time to become embedded.'

The CPC team encouraged the Council to make greater use of benchmarking when discussing performance issues, to support identifying where services and outcomes are outliers to the sector norm and could be improved. The CPC noted that 'Greater use of data and local intelligence to model, and ultimately prevent, future service demand will be important given the financial impact increased demand has had' during 2024/25.

GT reported that the Council was 'open to learning from others to shape improvement and drive performance'. However, GT reported that quarterly performance reports were not considered regularly by some committees between June 23 and July 24 and concluded that the absence of quarterly, service wide performance reports 'seriously limited the opportunity for members and the public to formally assess performance'. In response to an improvement recommendation to review operational performance data being provided to the Council's Policy and Service Committees, officers commented that arrangements for reporting operational performance data to service committees are under continual review. It was confirmed regular performance reporting was now in place for all committees with the exception of Economy, Regeneration & Housing Committee and performance reports for this committee have now been developed.

CQC reported that 'More work was needed to further develop systems to monitor, and quality assure the delivery of Care Act duties.... missed opportunities to make effective use of performance data... Leaders could have better oversight of improvement plans relating to reviews and addressing waiting times'. It was recognised that this was an area of focus moving forwards.

Internal control:

Grant Thornton concluded that there were no significant weaknesses in the Council's governance arrangements, and the Council does have adequate arrangements in place to provide Internal Audit and Local Counter Fraud Services.

GT reported that the Council has 'an established and suitably resourced in-house internal audit service providing a vital component to the Council's overall control environment'. The Internal Audit and Counter Fraud Plan for 2024/25 was considered by ARMC on 31/7/25 (the original meeting had been cancelled due to the timing of the General Election). In line with GT's Improvement Recommendation, the Internal Audit and Counter Fraud Plan for 2025/26 has been reported to the March 2025 meeting of ARMC.

In his annual report, the Chief Internal Auditor is expected to conclude 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 2024/25. Areas identified as major risk in year have included contract governance, financial resilience and a review of the Schedule of Rates contract arrangements. Other audits with high priority recommendations included the ERP review of the General Ledger.

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.

In their 2023/24 Annual report, reported in January 2025, GT noted that the 'reactive and proactive counter fraud activity undertaken by the Council ... demonstrates the importance the Council places on the prevention and detection of fraud and this represents good practice'

Compliance – Procurement

The Council's procurement arrangements have been strengthened further in 2024/25, continuing the progress made in 2023/24.

The new procurement structure is now fully implemented and embedded. Processes are in place to monitor compliance and instigate improvements as required. Work continues to improve compliance issues, such as with the 'No PO, No Pay' policy, and deliver efficiencies from procurement activities. Feedback from Directors has confirmed that procurement colleagues are regularly engaged in strategic/programme work, advice and guidance are issued regularly and officers are supported.

There was a GT Improvement Recommendation in their 2023/24 Annual Report, issued January 2025, to further strengthen procurement & contract management arrangements. The completed Management response confirmed the necessary action was taken in 2024/25 including:

- Contract Procedure Rules have been updated to include requirements of the new Procurement Act 2023 (which came into force on 24 February 2025). These were reported to ARMC in January 2025 and will thereafter be reviewed annually.
- All Procurement staff have undergone the Practitioner training for the Procurement Act 2023 and high-level training will be rolled-out on the FLO platform in 2025 for all commissioners responsible for contract management within services.
- An update on contract exceptions was presented to ARMC in October 2024 and will be included in regular procurement updates to members.

Contract management is improving but further work is required.

The contract with the Cheshire Wirral Partnership (CWP) needed stronger contract management and this relationship has now been redressed. Adult services are keen to improve the relationship between strategic commissioning, procurement and finance so as to avoid any issues of double commissioning. Changes have been made to the Liquid Logic case management system to improve contract compliance over the previous year. There is work underway to improve the position regarding schedule of rates contracts, in conjunction with the procurement teams.

The Social Value Portal went live in August 2024; it has already delivered £6.7m with commitments of £20m. Responsibility rests with directorates to monitor delivery of the commitments within contracts and set milestones as part of regular contract management. A new social value policy is currently in development.

Information Governance

The Council remains committed to maintaining and improving effective information governance. The Terms of Reference for the Information Governance Board (IGB), which reports into the Corporate Governance Group, have been reviewed and quarterly meetings of the Board are scheduled. Capacity has been strengthened; this has included the appointment of the Head of Digital Operations and Cyber Security Post within Data Digital & Improvement (DDI). A SIRO update report was presented to the March 2025 ARMC meeting which demonstrates the Council's compliance with legislative and regulatory requirements relating to the handling, quality, availability, and management of information. An Artificial Intelligence (AI) Working Group has recently been established that reports into the IGB. The group will help create the Council's vision for AI and the governance framework for how AI will be used.

Ensuring appropriate levels of compliance with timelines for received requests remains an organisational challenge; however significant work has been undertaken in 2024/25 to strengthen arrangements in this area. At a corporate level a task group has been set up to improve monitoring and performance in respect of the Council's responses to FOI, SAR and ICO requests. Specific action in respect of FOI responses has included identification of information challenges, establishing FOI Champions in each directorate and FOI workshops for FOI Champions and associated staff. A deep dive exercise to review and report on performance indicators relating to the Council's processing of FOI requests has also been undertaken and reported to the OPG. A new case management system for FOI requests has also been implemented. For the 1st full quarter since implementation of Civica I-case, there has been an improvement in the FOI performance rate, exceeding the 85% compliance target.

Further work is required to ensure full compliance with the Payment Card Industry Data Security Standard (PCI DSS). Work to achieve compliance with PCI DSS is continuing. An action plan is in place and an approach agreed via SLT.

It is recognised that there is currently a lack of a corporate data strategy and platform with more work needed to ensure fully effective data standards, governance and security are in place. A Data Strategy & Roadmap task and finish group is being established to develop the Council's data strategy and its approach to establishing a single data platform and the required roles and skills to enable this, working with Microsoft to develop appropriate solutions. The data strategy will be a building block that will help enable digital transformation within the organisation.

GT's annual report included an improvement recommendation for the Council to review its arrangements for the management of internal complaints, including considering measures to support meeting target key performance indicators, and to present the annual review letter from the Local Government Social Care Ombudsman (LGSCO) to the most appropriate committee. The letter will be presented to the Scrutiny Committee on annual basis. The LGSCO newly launched Complaints Handling Code will be included in LGSOCO monitoring processes from April 2026. The Council has plans to adopt the Code into working practices including new target timescales for responding to complaints.

In 2023/24 the LGSCO investigated 25 complaints, of which 18 were upheld; 11 within Education and Children's Services. Additional measures have been introduced to improve handling of complaints and ombudsman enquires within Children's services; these have included weekly monitoring with DMT and consideration of monthly reports.

Arrangements for Cyber Security have been further strengthened with improvements in year including a strengthening of capacity with the appointment of a new Head of Digital Operations & Cyber Security and the implementation of the Security Information and Event Management (SIEM) and Secure Operations Centre (SOC) technical monitoring. Penetration and phishing tests have also been carried out which have helped to highlight areas of improvement where further work is needed going forward.
(Further detail is available in the Council's Corporate Risk Register)

Delivery of Regeneration Schemes

During 2025, Internal Audit undertook a review of contract governance arrangements for the Birkenhead Town Centre Movement Scheme following concerns regarding significant forecast overspends and delays in delivery. The review identified weaknesses in project governance, design assurance, and procurement processes which have exposed the Council to substantial financial and operational risks.

Key findings included that the contract was entered into with incomplete design work and insufficient site investigations, resulting in numerous compensation events and cost variations. The choice of contract mechanism placed full design risk with the Council, and reporting to governance boards did not adequately convey these risks or the implications of procurement decisions. The investigation also highlighted capacity constraints within Regeneration and Highways teams, unclear allocation of responsibilities, and unrealistic delivery timescales driven by grant funding deadlines. These factors collectively contributed to ineffective oversight and delayed escalation of financial pressures, with the project forecast increasing significantly.

The organisational risk rating for this review was assessed as Major, indicating serious weaknesses in the control environment with potential to significantly impact corporate objectives if not addressed. Lessons learned include the need for strengthened project and programme management frameworks, robust design and site investigation processes prior to contract award, transparent risk reporting, and improved financial planning and change control. An action plan has been agreed to embed these improvements, and progress will be monitored through the Audit & Risk Management Committee.

In July 2025, the Council commissioned an independent review of its regeneration approach. The review identified significant governance weaknesses, including a lack of clear vision, ineffective systems and processes, and a breakdown in decision-making and accountability. It highlighted concerns regarding leadership, member/officer relationships, and the Council's ability to translate strategic plans into delivery. Six headline messages were set out, focusing on the need for a clear vision and delivery model, financial discipline, resetting governance systems, strengthening leadership and management, prioritisation of regeneration ambitions, and rebuilding trust between members and officers. The review made 25 recommendations, and the Council has committed to the completion of a comprehensive action plan categorising actions as

	immediate (within 3 months), medium-term (by summer 2026), and longer-term (beyond 2026), with clear political accountability and officer responsibility for delivery. An independent value-for-money assessment of regeneration projects is currently being conducted by the Council’s external auditors. Further internal cultural diagnostic work is also being undertaken. The diagnostic work will include a review of culture, behaviours, skills and context that may have contributed to the delivery challenges in regeneration projects. The diagnostic work will provide the foundation for a future set of actions that will help address the concerns in the Council and strengthen culture. <u>Schools’ Capital Programme</u> A Schools Capital Programme Health Check is currently being undertaken by the Business Change and Programme Management team to provide assurance on both overall programme performance and individual project delivery, identifying strengths, risks, and areas for improvement. The Health Check will seek to provide assurance that the programme and its associated projects are being delivered in line with the agreed scope, schedule, and budget. It will identify risks, challenges, and dependencies that may impact outcomes, while ensuring governance, financial, and delivery controls remain effective and transparent.
G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.	Assessment of the effectiveness of the key elements of the Council’s Governance processes during 2024/25: <u>Transparency and reporting</u> The Committee system continues to bring a high level of transparency across all activity and decision making, including all key decisions, and facilitate a greater engagement with a broader group of elected members. The Council transmits and records approximately 90% of Committee meetings. A high level of transparency continues to be achieved through a high percentage of reports (95+%) 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. Grant Thornton’s Annual Report for 2023/24 published in January 25 reviewed the arrangements for Council decision making and informed decision making and concluded that the arrangements demonstrate the Council’s ‘commitment to matters of effective governance’. The governance structure for committees has enabled a collaborative approach through, for example, briefings and the opportunity for responding to questions from the public. There are also arrangements in place for regular briefings with the Leader and Deputy. There can at times be potential conflict or duplication between arrangements to brief the Leader and arrangements to brief Committee spokespersons. The CPC recommended the Council ‘Bring together Committee Chairs with the Leadership of the council on a regular basis to support strategic decision making: Recognising the dispersed nature of decisions in the Committee System, a dedicated forum that supports joining up approaches on

strategic issues will support the council's progress'. This will be considered as part of the review of political leadership briefing arrangements from May 2025.

On 22 May 2024, Full Council resolved to adopt amendments recommended by the Constitution and Standards Committee following review by a governance working group. Grant Thornton concluded that the Council's publication of its constitution on its website and the review of the constitution enhances transparency, fulfils the Council's constitutional responsibilities and demonstrates good practice.

Example of initiatives in-year include publishing agendas and report packs for the Local Area SEND Partnership Board on the local offer website, SENDLO, to improve transparency and stakeholder confidence.

The improvements in recent years in the transparency of internal audit reporting and the monitoring of outstanding recommendations have continued. 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.

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 arrangements for its compilation and reporting include briefing sessions with the Leader and Deputy, which support the joint Chief Executive (and SLT) and Leader ownership of the AGS.

Minor amendments were made to the Whistleblowing Policy in 2024. Although there have been no relevant legislative changes or issues arising as to its effectiveness in the last year, a planned major review of the Policy has been completed in 2024/25 with the new Whistleblowing policy reported to ARMC in March 2025.

An investigation was undertaken regarding Birkenhead Market, following a referral to Internal Audit (IA) on behalf of the Birkenhead Market Tenants Association (BMTA) and some individual traders in April 2023. The full IA report was made available on the Council's website. The conclusions of the report did include that opportunities were missed to provide a more transparent response that vacant rent levels were increased and that there had been internal weaknesses in the processes to ensure the accuracy, completeness, and timeliness of responses, including FoI, SAR and answers to public questions. An action plan was agreed following the review and good progress is being made in implementing the actions.

Accountability

Further development training for ARMC Members was delivered in June 2024. The transparent and effective operation of the ARMC during 2024/25, including strong and effective leadership by the Chair, continues to make a significant contribution to the delivery of effective accountability within the Council.

	In GT's Annual Report it was noted that ARMC has a 'willingness to assess areas of potential development and the publication of an annual report of activity, support an effective control environment and fosters transparency which is in line with best practice'. Examples of effective accountability within partnership arrangements have included: - Progress in respect of SEND matters during 2024/25 has included SEND now being clearly recognised as a joint accountability between the Local Authority and the ICB. - Examples in year where Members have provided effective challenge and ensured appropriate accountability in respect of decisions made within the Integrated Commissioning System (ICS). <u>Future developments</u> In response to a Grant Thornton Improvement Recommendation the Council will review Treasury Management reporting arrangements to ensure Members have adequate opportunity to consider the effectiveness of the governance, control and risk management arrangements for Treasury Management activity and to ensure they meet best practice.
--	--

Progress against the Significant Governance Issues reported in the 2023/24 AGS are set out in the table below:

Significant Governance Issue reported in the 2023/24 AGS	Action taken to address the issue in 2024/25
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 highlighted by the auditors have included:	Action taken during 2024/25 has included the following: Reserves The Council continued to review its Earmarked Reserves for appropriateness and purpose. The MTFS notes that unearmarked reserves will be brought to a level of 5% of net expenditure within the term of the MTFP. Financial Accountability, Monitoring Activity & Savings Delivery Monitoring of the 2024/25 budget was 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 were issued, detailing the expectations of budget holders in the context of the annual budget monitoring cycle. Stringent deadlines were set to ensure that early identification of potential financial pressures were recorded and reacted to. To support the active pursuit of delivering savings and efficiencies, CIPFA were commissioned to deliver a rapid review of the Council's 2024/25 and 2025/26 budget positions; the aim was to supplement current finance team resources in the short-term to

-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. 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.	identify potential, additional, savings and efficiency opportunities. Savings were monitored through the method successfully employed previously. Government Engagement and Support As part of routine financial monitoring activity, the Council implemented a number of measures in 2024/25 to mitigate the financial pressures that presented. These measures were insufficient to address the increasing demand, particularly within Adult Social Care. The Council approached the Ministry of Housing, Communities & Local Government (MHCLG) for Exceptional Financial Support for the 24/25 financial year to protect the remaining reserves that the Council holds – in-principal agreement was reached across 2024/25 and 2025/26. Member Engagement & the Role of Committees Monitoring of financial activity, in the context of the approved budget for 2024/25, took place via the relevant Committees throughout the year, to ensure that agreed savings proposals were monitored and delivered upon where possible so that a balanced budget position could be reported at the end of 2024/25. Officer led financial monitoring activity was reported to service committees in respect of their remit and to Policy & Resources committee (P&R) for a holistic, Council-wide view. In addition to formal presentation of financial updates to Committees, Budget Oversight Panels (BOP - service committee related) and Finance Working Group (FWG - P&R related) meetings were utilised to engage more closely with Members, providing them with the latest in-year financial positions in a manner that is not possible via formal committee meetings (due to meetings timings and deadlines for paperwork) and allow them to be better informed and fully engaged on financial management matters in advance of the formal Committee meetings. Finance Team Structure A team restructure was consulted upon and agreed towards the end of 2023/24 – this revised structure continued to be embedded in 2024/25 and associated recruitment activity undertaken 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
--	---

	Existing and new capital schemes were reviewed. Rationalisation of existing schemes was undertaken to ensure alignment with Council priorities and new schemes were incorporated for key priorities and in line with strategic fit. The review process ensured that revenue consequences were fully considered and that external borrowing is minimised and the Programme remains affordable. The Capital Programme has two purposes. Firstly, to carry out routine work to develop and/or maintain the Council's existing asset base. Secondly it can act as a catalyst to accelerate the pace and scale of regeneration and growth in the borough across the medium and long term. This encourages market confidence, demand and growth from developers, inward investors and local businesses that will boost the revenue potential through direct income and/or future increased business rate receipts. Recent spending review announcements have identified opportunities to either fund these programmes at a lower cost, or fund new programmes, which may not have been manageable within the Capital Programme. The capital programme was routinely reviewed and reported to Policy & Resources Committee throughout 2024/25. MTFS and Council Plan The work undertaken at the end of 2023/24 to better link the MTFS with the revised Council Plan was built upon to produce the MTFS for the period 2025/26 to 2029/30. Budget setting activity, including developing budget proposals and reviewing budget activity, was undertaken in consultation with Members via Committee meetings and informal BOP and FWG meetings, with a focus on adherence to the MTFS guiding principles, including the overarching principle that all investment and savings decisions MUST be aligned to the priorities within the Council Plan. The MTFS serves as a comprehensive financial framework consolidating all elements that impact the Council's financial position and long-term sustainability. While the Council Plan sets out the broader strategic vision, the five-year MTFS demonstrates how the Council will resource these ambitions while maintaining financial stability. It provides the foundation for informed decision making, enabling staff to balance the Council's commitment to delivering high quality public services with the reality of financial constraints that are evident.
--	---

Significant Governance Issue reported in the 2023/24 AGS	Action taken to address the issue in 2024/25
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: – 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.	Action taken in 2024-25 has included the following: • Delivered against all actions in the ILACS Action Plan • Held a Deep Dive for the ILACS Action Plan with Elected Members from the Children, Young People and Education Committee on action completed and impact achieved • Refreshed the Corporate Parenting Board, updating membership to include representation from young people as well as cross-Council and partner membership • Established the Strategic Quartet for Children's Services, bringing together the Chief Executive, Director for Children's Services, Leader of the Council, and Lead Member for Children's Services on a quarterly basis to provide oversight of and direction for 4 priority areas (care, corporate parenting, SEND, and Families First for Children Pathfinder) • Lead Member for Children's Services completed their induction and LGA training sessions • Established a Children's Services Assurance Board to monitor the effectiveness of practice within Social Care and across Children's Services • Completed the Annual Engagement Meeting with Ofsted • Completed a Focused Visit with Ofsted on Care Leaver Services, receiving 0 priority actions • Completed a series of quarterly meetings with Ofsted's HMI for Social Care • Established multi-agency child protection teams, delivering effective and decisive interventions which have reduced the rate of children becoming looked after to fall within the range of statistical neighbours • Implemented the care programme to utilise Family Network Support Packages to keep more children and young people living within their extended families rather than becoming looked after • Implemented the Care Programme to provide robust oversight of care packages and increase the number of fostering households so that reliance on high-cost residential placements reduced from 92 to 78 • Provided Children, Young People and Education Committee with quarterly performance reports on the Care Programme • Delivered professional development programmes for Independent Reviewing Officers and the Extended Departmental Management Team • Developed and embedded a Foster Carer Charter to improve recruitment and retention of foster carers, including a review of payment rates • Successfully delivered the Families First for Children Pathfinder programme for social care reform, being awarded further funding from the Department for Education for 2025-26 to continue transforming children's social care • Held the first We Are Wirral Children's Services event for Elected Members, Corporate Directors, parent carers, young people and a cross-section of children's services staff to co-produce a set of practice expectations

	• Completed the North West Association of Directors of Children's Services Peer Challenge with Sefton and Lancashire Children's Services • Undertook a Peer Review of the Independent Reviewing Officer service • Completed an independent scrutiny review of the multi-agency safeguarding arrangements, producing an action plan against recommendations • Established a Head of Safeguarding post, reporting directly to the DCS • Restructured Children's Services so that the Independent Reviewing Officer service, Local Authority Designated Officer for Allegations, Practice Improvement Team and Wirral Safeguarding Children Partnership report to the DCS through the Head of Safeguarding, thereby creating a level of independence from Children's Social Care • Reviewed the remit of the Virtual School and it's Headteacher • Developed a new quality assurance framework for Children's Social Care in partnership with an ex-HMI, rolling out training for the Practice Improvement Team and Team Managers • Developed an overarching Continuous Improvement Framework for Children's Services, establishing a monthly group to oversee and deliver the action plan • Provided the Children, Young People and Education Committee with annual reports and opportunity to scrutinise: ○ IRO Service ○ WSCP Annual Report and Business Plan ○ Fostering and Adoption ○ Child Protection ○ Families First for Children Pathfinder ○ The Virtual School ○ The Care Programme
--	---

SIGNIFICANT GOVERNANCE ISSUES

The following table details the three 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 2024/25 Annual Governance Review.	Action proposed during 2025/26	Lead Officer
Financial Resilience The Council faces significant financial challenges. The Government have approved Exceptional Financial Support of £20m for 2024-25 and a further £7.5m for 2025-26. The Council's budget for 2025/26 identifies total savings of more than £25m. Grant Thornton's (GT's) Annual Auditor's report for 2023/24, included a statutory recommendation in respect of the Council's financial sustainability. GT reported 'the scale of the financial challenges the Council is currently managing, combined with a low level of resources, creates a significant risk to the overall financial sustainability of the Council in the short to medium term'. The Corporate Peer Challenge (CPC) noted the Council faced 'substantial financial challenges'. Key CPC recommendations in respect of financial resilience included: • Strengthen financial planning and oversight. • Develop a financial recovery plan with clear actions and accountability. • Elevate the importance of the council's Medium-Term Financial Strategy (MTFS) within the council's wider Policy framework.	It is acknowledged that the Council faces a significant financial challenge and that sustainable savings proposals are urgently required to manage the position, which exists against the backdrop of increased demand and costs for social care services, compounded by the previous significant reductions in Government funding and uncertainty around the future financial settlements. Government Engagement and Support The Council approached the Ministry of Housing, Communities & Local Government (MHCLG) for Exceptional Financial Support in 2024/25, with in-principal agreement reached across 2024/25 and 2025/26 financial years – the Council will continue to engage with MHCLG on the Exceptional Financial Support process to ensure that the short-term financial position remains in balance. Budget Oversight and Management An agreed budget recovery action plan will be followed. This will recognise the need to prioritise the Council's financial stability above all other considerations. Engagement and training sessions will be provided to Directorates to support budget holders in utilising the Oracle Enterprise Performance Management (EPM) module and providing clarity on roles and responsibilities in respect of financial management, thereby improving the accuracy, efficiency, and strategic impact of financial management processes across the Council. Budget Setting & the Change Programme The difference between the pressures facing the Council in 2025/26 and the available resources will require difficult decisions to be made around the level of support that can be provided and a continued focus on increasing efficiency and reducing costs. It will require the organisation to shrink overall in terms of the number of established posts and a reorganisation of how some services are provided. Directorates will be asked to prepare a set of cost cutting proposals, which must give consideration to all aspects of the organisation's operations, which will be discussed with elected Members prior to formal presentation of budget setting proposals.	Daniel Kirwan Interim Director of Finance

	Each Committee, via the Budget Oversight Panels (BOP), will be accountable for identifying, developing and agreeing reductions in pressures and deliverable savings proposals to close the 2026/27 budget gap and ensure a draft balanced budget can be considered by the Policy & Resources Committee. Officers will develop business cases for savings proposals, which will be presented to BOPs. Service Directors will be given the responsibility for developing a deliverable budget savings plan. Consideration will be given to: • Potential to move towards delivery of only statutory duties and the service level targets associated with the relevant areas. • Level of investment in preventative services to manage pressures from statutory duties and the focus of this expenditure. • Scale and spread of any discretionary services, including geographic coverage, service standards, etc. • Approach to income generation and the potential to increase charges beyond the current levels. • Approach to support schemes – such as Council Tax Support and Discretionary Rate Relief. • Level and scope of central support functions, noting there will be minimum requirements to address statutory requirements and ensure effective legal and financial compliance, provide effective performance monitoring information and back-office support to operational services. • Priorities for capital expenditure. • Asset strategy. • Review of staff terms & conditions • Outsourcing of functions and services. • Maximising receipts from all funding streams, including Council Tax over the period of the MTFS. These considerations will serve as the foundation for updating the Council's Medium Term Financial Strategy (MTFS). This process will enable early engagement of Committees, providing them with the parameters needed to develop savings strategies and reshape services within the available resources. The Change Programme (Transformation Portfolio) is the Council's vehicle for developing and implementing the required projects that support the delivery of the Medium-Term Financial Plan (MTFP). A new Benefit Management Framework will be utilised to ensure all programme and project benefits demonstrate how they contribute to delivering the MTFP.	
--	---	--

Significant Governance Issue identified in the 2024/25 Annual Governance Review.	Action proposed during 2025/26	Lead Officer
External Inspection Reviews The inspection by Ofsted and the Care Quality Commission (CQC) in January 2025 found that “things are changing for the better”, but Wirral’s Area SEND Partnership has “considerable work remaining” to ensure a consistently positive experience for children and young people with SEND. The report gives the Local Area SEND Partnership (LASP) three priority areas for immediate action, plus one other where improvement is needed. Ofsted continue to monitor progress made following the September 2023 Ofsted inspection of Wirral’s Children’s Services which concluded that the service ‘requires improvement to be good’. A Written Statement for Action remains in place for Special Educational Needs and Disabilities (SEND). An Improvement Notice for SEND was issued in May 2024. The Care Quality Commission (CQC) inspection results were published in January 2025. The overall assessment was ‘required improvement to be good’.	<u>Ofsted Reviews</u> Planned action in relation to the Ofsted reviews includes: - Deliver the Education, Health, and Care Plan Recovery Plan - Deliver the Neurodevelopmental Offer Recovery Plan - Deliver the Speech and Language Recovery Plan - Develop and deliver a SEND Communications and Marketing Strategy - Co-produce and publish the SEND and Alternative Provision Strategy 2025-29 - Co-produce and publish the SEND Joint Commissioning Plan 2025-27 - Produce and deliver a Priority Action Plan to replace the Written Statement of Action, with monthly oversight from the Department for Education and NHS England, including 6-monthly reviews of the Improvement Notice - Co-produce and establish a Young Adult Service, providing a robust Preparation for Adulthood Offer - Review the Terms of Reference and subgroups of the Local Area SEND Partnership Board to deliver against the Priority Action Plan - Deliver monthly cycle of Local Area SEND Partnership Board and subgroup meetings to ensure pace and grip continues to lead to sustained improvement - Review participation and engagement for SEND - Fully induct and embed the SENDSTART service - Recruit to the full Educational Psychology establishment <u>CQC Review</u> The CQC assessment was the first of its kind for any NW authority. It forms part of a 2 year programme where the CQC will create a baseline from the introduction of this new assessment process. Therefore, the Council anticipates further guidance along with re-assessment. Wirral Council was assessed as being at the top of the scale for ‘require Improvement’ to be good, effectively 3 points short of a ‘Good’ assessment. The Director is working in Partnership with the	Elizabeth Hartley Director of Children, Families & Education Sayyed Osman Director of Adults’ Care & Health & Strategic Commissioning.

	Local Government Association and Department for Health and Social Care to submit an action plan for improvement of those thematic areas that will bring the Council's services to good. Officers have established work streams with clear action plans. These will be monitored monthly and taken through a Governance structure that will allow the Council to have confidence that progress is being made. The Improvement Plan and outline Governance structure will also be reported to ASCPH Committee in June for approval and will subsequently be monitored and reported regularly.	
Delivery of Regeneration Schemes Internal Audit's review of the Birkenhead Town Centre Movement Scheme identified major weaknesses in project governance, design assurance, and procurement processes, leading to substantial financial and operational risks. The contract was awarded with incomplete design work and inadequate site investigations, resulting in numerous compensation events and escalating costs. Governance boards were not fully informed of these risks, and capacity constraints, unclear responsibilities, and unrealistic timescales compounded oversight failures. An independent review further highlighted systemic governance weaknesses across regeneration, including lack of clear vision, ineffective decision-making, and poor accountability. These issues collectively pose a major organisational risk with potential to significantly impact corporate objectives.	The Council will implement comprehensive action plans to address the weaknesses. Key priorities include strengthening project and programme management frameworks, ensuring robust design and site investigations before contract award, and improving risk reporting and financial controls. Governance systems will be reset to clarify roles, enhance accountability, and rebuild trust between members and officers. Leadership and management capacity will be reinforced, and regeneration ambitions will be prioritised within a clear delivery model. Immediate actions will focus on governance and financial discipline, with medium-term measures embedding improved systems and processes. Progress will be monitored by the Audit & Risk Management Committee, alongside the external value-for-money review. Further internal cultural diagnostic work is being undertaken. The diagnostic work will include a review of culture, behaviours, skills and context that may have contributed to the delivery challenges in regeneration projects. The diagnostic work will provide the foundation for a future set of actions that will help address the concerns in the Council and strengthen culture.	Matthew Bennett Interim Chief Executive