

City of York Council

PIR Assurance: First Interim Report for 1 December 2021

A&G Committee

1. Background

1.1 Mazars published a Public Interest Report (PIR) on The City of York Council (CYC) on 19 April 2021 into the Early Termination of the Chief Executive's Employment Contract. The City Council officially received this report at Full Council on 4 May 2021 alongside an Action Plan. On 16 June the Audit and Governance Committee received an update of progress against the Action Plan and an 'Implementation Plan' that supports the Action Plan.

1.2 As a reminder, the 5 recommendations from the PIR were:

1. The Council should adopt and apply appropriate standards for business case preparation in relation to exit and pension discretions to improve information supporting decisions
2. Decision notes should be maintained that document the factors that explain the case for the use of public funds under the scheme of delegation such as where payments exceed contractual entitlements
3. The Council should review the design of its governance policies and procedures to manage conflicts of interest (including self-interest threats). This should include updating the Council's constitution and scheme of delegation
4. The Council should ensure all Members fully understand the requirements of the Code of Conduct in relation to declarations of interests
5. The Council should review its policies and procedures to reflect Government guidance in the use of non-disclosure agreements

1.3 The Local Government Association (LGA) is providing support to assure CYC that it has taken appropriate, timely and effective action in response to the PIR and, particularly, but not only, its 5 recommendations. This interim report will identify the steps that have been taken so far, while also considering other issues.

1.4 This support is being conducted by the following peer team members:

- An experienced Monitoring Officer/Governance Officer - Sharon Bridglalsingh, Director, Law and Governance, Milton Keynes Council
- An HR expert – Sarah Ward, Principal Adviser – Workforce, LGA
- An LGA Facilitator/Manager, Mark Edgell

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- An LGA NGDP Graduate, Jacqueline Smale

2. Scope and Focus

2.1 Throughout the course of this assurance support, the LGA will answer these three questions:

1. Are the Council's Implementation and Action Plans appropriate and sufficient to cover the issues raised in the PIR and specifically the 5 recommendations within it?
2. Have the actions within the Implementation and Action Plans been implemented/carried out in the planned way?
3. Will the completed actions have, or be likely to have in due course, the desired impact in terms of the changes in the systems, processes, behaviours and culture that the PIR implied were needed?

2.2 This interim report will focus mainly on Question 1, with Questions 2 and 3 being answered at a later date, following more extensive collection of evidence and after any actions have had the opportunity to have the intended impact.

3. Question 1: Process

3.1 To answer Question 1, the LGA team have studied the Implementation Plan, and the resulting actions and changes that were planned to be implemented, to assess whether they adequately cover the issues and recommendations found in the PIR.

4. Question 1: Findings

4.1 At this stage overall we are reasonably satisfied that you have largely done what you need to do in terms of our Question 1. In other words, the Action Plan and Implementation Plan include appropriate steps to deal with recommendations 1-4 from the PIR and underlying issues within the report.

4.2 There were 5 potential gaps we have identified, where we have some doubts and have sought more information, namely:

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1. Action on Recommendation 5 has been rolled into action against Recommendation 1 and we therefore assume Non-Disclosure Agreements (NDAs) are included in the work there. But we have seen no explicit reference to checking policy around NDAs. You need to be clearer on the action on this.
2. There are implications throughout the PIR that it was not simply a lack of correct processes that were the issue, but that the underlying culture meant inconsistent adherence to policies and guidance. Which actions do you feel will deal with this cultural issue?
3. For example, which actions are proposed around ensuring members adhere to the rules and codes beyond the proposed training etc.?
4. Should there be any plan for a review of declarations of interest made by members every, say, 6 months? This might help to see whether, and how, things may be changing.
5. Is there sufficient explicit reference to actions to ensure the MO can be enabled to carry out her role effectively within and around meetings

5. Question 2: Process

5.1 Ascertaining whether the actions laid out in the Plan had been implemented in the proposed manner will involve further conversations between LGA team members and people at CYC. Our considerations around “Question 2” so far has led to quite a few questions and requests for more evidence and information including:

- The various guidance referred to throughout the Implementation Plan (e.g., R1 1.1, R3 1.3), what has changed etc.
- The schemes of delegation
- The programme for the training and who has been attending and what steps are being taken to enforce its mandatory nature?

6. Question 2: Findings

6.1 Our only point at this stage around Question 2 is whether there is the capacity within the Council, notably the Monitoring Officer’s team, to undertake all the work within the Implementation Plan. For example, could they reasonably be expected to regularly conduct such thorough reviews with the frequency proposed? This raised

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questions about the long-term intention of some of these reviews, and whether they should realistically become a frequent 'health check' with a more periodic in-depth review?

7. Question 3: Process

7.1 We will cover this in future reports.

8. Question 3: Findings

8.1 We will cover this in future reports.

9. Recommendations

9.1 In the course of our work so far, several specific and associated issues are becoming apparent to us. This is because similar issues have been cropping up in York for the best part of the last decade. Now is the time to take these issues seriously and to deal with them once and for all. The issues appear to us to be largely cultural. So, it is likely that we will also make recommendations at the end of our work around:

1. Members consistently behaving in line with the Members' Code of Conduct
2. Developing the level and effectiveness of cross party working
3. Hearing the advice of statutory officers
4. Strengthening trust and relationships between members and officers; ensuring consistent following of the guiding principles in the protocol on officer/member relations.