

# City of York Council

## PIR Assurance: Second Interim Report for 7 September 2022

### A&G Committee

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## 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 2021 the Audit and Governance Committee received an update on 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 is the second one that the LGA has written in furtherance of this. The second interim report, like the first, aims to identify the steps 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

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- An LGA Facilitator/Manager, Mark Edgell
- An LGA NGDP Graduate, Francis Saukila

## 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 five 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 on Question 2, with Question 3 being answered later, following more extensive evidence collection and after any actions have had the opportunity to have the intended impact.

## 3. Recap: Question 1: Process

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

## 4. Question 1: Findings

4.1 Overall, the team was reasonably satisfied that what needed to be done had primarily been done regarding 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. It was agreed that Recommendation 5 had been appropriately rolled into recommendation 1.

4.2 There were potential gaps identified where the team had some doubts and sought more information, namely:

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1. There are implications throughout the PIR that it was not simply a lack of correct processes that was the issue, but that the underlying culture meant inconsistent adherence to policies and guidelines. A question was raised about which actions would deal with this cultural issue; for example, which actions would ensure members adhere to the rules and codes beyond the proposed training?
2. It was suggested that it might be worth putting together a plan to review declarations of interest made by members, for example, every six months. The review would help in assessing whether and how things had changed.
3. A question was raised on whether there was a sufficient explicit reference to actions to ensure the MO would be enabled to carry out the role effectively within and around meetings.

## 5. Question 2: Process

5.1 Ascertaining whether the actions in the Plan have been implemented in the proposed manner has involved some further conversations between LGA team members and people at CYC. Our considerations around “Question 2” led to quite a few initial questions and requests for more evidence and information on:

- The various guidance throughout the Implementation Plan, what has changed etc.
- The schemes of delegation.
- The training programme, attendance, and steps to enforce its mandatory nature.
- Is there the capacity within the Council, notably the Monitoring Officer’s team, to undertake all the work within the Implementation Plan?

## 6. Question 2: Findings

6.1 Progress has been made around the implementation plan. We have sufficient evidence to assure ourselves that the Council has made good efforts to carry out the plans. There are, however, some outstanding questions that the Council needs to consider. In many ways, these echo those from Question 1. However, some are also more specific:

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1. It is disappointing that the mandatory training (referred to in R3 (1.4)) around the new Constitution, implemented in May 2022, does not yet appear to have happened. It is recognised that other training will be implemented as part of the new Council past May 2023, but what is being done to expedite the training on the new constitution?
2. It is understood that the mandatory training for members and officers around the Code of Conduct (referred to in R4 (1.2) and R4 (1.4)) was done in Autumn 2021 as the Code was implemented in October 2021. It is recognised that other training will be implemented as part of the new Council past May 2023, but where is the Council with the annual Code of Conduct retraining as described in R4 (1.3), which presumably should be taking place this Autumn?
3. Are sufficient steps being taken to address conflicts of interest? For example, regarding R4 (1.5), how effective is the guidance now being provided with all meeting agendas to assist Elected Members in identifying a conflict of interest? Also has a plan been put in place to regularly review declarations of interest made by the members.
4. Changes to your constitution have made the functions of the MO more overt and explicit, but it is still essential that the Council ensures that the MO can carry out the role effectively within and around meetings. This would require some members to change their behaviour and effective support from all CMT members to instill an understanding of the important role of the MO and demonstrate/cultivate respect for the position and the member/officer protocol. What is being done to address this?
5. More generally, has further thought been given to any actions which would correct the underlying culture which has, in the past, led to inconsistent adherence to policies and guidelines?

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## 7. Question 3: Process

7.1 To help answer our Question 3, we intend to come on-site for at least one day in, probably October, to speak to a range of people to ascertain the impact of the actions you have undertaken and whether they have precipitated the changes in the systems, processes, behaviours and culture that the PIR implied were needed?

## 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, and more generally, CMT, as a whole, ensuring members receive the advice they need to hear
4. Strengthening trust and relationships between members and officers; ensuring consistent following of the guiding principles in the protocol on officer/member relations.