



Northumberland

County Council

REPORT TO COUNCIL

DATE: 8 June 2022

REPORT OF INDEPENDENT CORPORATE GOVERNANCE REVIEW

Report of Leader and Deputy Leader (Portfolio Holder for Finance, Governance and Corporate Services)

Cabinet Members: Cllr Glen Sanderson and Cllr Richard Wearmouth

Purpose of report

To introduce Max Caller CBE to the Council and to present his report on a review of the Council's Corporate Governance arrangements. Group Leaders have been consulted on the arrangements for the meeting and the proposed recommendations set out below.

Recommendations

The County Council is asked to:

1. Thank Mr Caller and the whole review team for their work and their report and recommendations.
2. Form a Steering Group on a task and finish basis, consisting of:
 - a. The Leader and Deputy Leader of the Council
 - b. The Business Chair
 - c. The Vice Chair of the Audit Committee (Cllr Towns)
 - d. The Leaders of the Labour, Independent, Liberal Democrat and Green Groups
 - e. A second Member of the Labour Group nominated by the Labour Group Leader

The Steering Group to meet within the next 7 days to consider the Council's response to the Caller Review and its recommendations and report back to the County Council on 21 June 2022.

3. Convene an Extraordinary meeting of the Council on Tuesday 21 June 2022 to receive the report of the Steering Group.

Key Issues

The governance and culture of the Council is a matter for all Elected Members. The way in which we conduct our business, and the interaction between the public and the Council

and officers and Members, is all set by the Members themselves. We all sign up to the Nolan Principles of conduct in public life and we all want the best outcomes for our residents, businesses, and visitors to the County. The 'Caller Review' is an opportunity to take stock and revise the ways in which we work.

Background

When Cllr Sanderson was elected Leader of the Council after the election in May 2021, he asked the Chief Executive to commission a review of how the Council conducted its business. Despite considerable resistance to instituting an external, independent review, the Leader formally delegated the function of appointing an external consultant to the Deputy Leader.

On 7 February the Deputy Leader, acting under executive delegation, commissioned SOLACE Enterprises to undertake a corporate governance review of the County Council and report the findings of that review directly to the County Council. Mr Max Caller CBE is the Lead reviewer supported by Gordon Mitchell and James Taylor. The terms of reference for the review are attached to the delegated decision notice appointing them and appear as appendix 1 to this report.

The purpose of the review is to highlight areas for improvement. It is not designed to 'blame' or criticise anyone in particular. The Administration fully expects there will be learning for everyone and an opportunity for the Council to adapt and change the way in which it does business, to ensure that there is clarity, accountability, and transparency in what we do, why decisions are taken and who is taking the decision.

At the meeting of the County Council on 8 June, Members will receive a presentation from Mr Caller and his team. They will explain their methodology and findings and we expect that they will make recommendations to the Council.

It would not be fair or appropriate to ask Members to take any decision on the report or recommendations on the 8 June meeting as this review deserves careful consideration. We have therefore proposed to Group Leaders that a steering group is established on a 'task and finish' basis to consider the recommendations and report back to a further extraordinary meeting of the County Council on 21 June 2022, with a considered view on:

1. Whether to accept the findings of the report;
2. Whether to accept the recommendations of the report; and
3. If so, an action plan for implementation, identifying financial resources, human resources and a timeline for implementation and review.

The Council has a single party Administration, reflecting our political composition. But the way in which we do business, and the culture of the Council cuts across party political boundaries, and the responsibility to shape the culture of the organisation rests with all Members.

This report proposes the Steering Group includes: all the Group Leaders: the Deputy Leader of the Council, whose portfolio includes finance, governance and corporate services; the Business Chair of the Council (to represent all Members and reflecting his responsibility for the way in which meetings are conducted); and the Vice Chair of the

Audit Committee, Cllr Towns. To provide better overall representation and in consultation with Group Leaders, we also suggest a second member of the Labour Group is appointed to the Steering Group, at the nomination of the Labour Group Leader. This will result in a group of 9 members 4 Cons, 2 Lab, 1 Ind, 1 Lib Dem and 1 Green. It is not strictly proportional in accordance with the make-up of the groups on the Council, but the Steering Group will be non-decision-making and therefore the normal rules of political proportionality do not apply. In this context, it is more important that all the key decision makers and representatives of the groups are represented.

The Group will be supported at an officer level by the Deputy Chief Executive, the Monitoring Officer, and the Interim Senior Service Director (with responsibility for Democratic Services). They will nominate a project lead to manage the action plan and resource requirements.

Ahead of hearing the findings of the review, this report thanks Mr Caller and his team for their hard work, dedication, and professionalism. During the review, the team received a large number of messages and requests for interviews and have worked diligently to assimilate a large volume of information in a very short time. This report also acknowledges all those who contributed to the review as well as the officer team who supported the review team.

This is an important opportunity for the County Council to embrace change. There will doubtless be some hard messages, and significant changes to be made. This report seeks to reach across the aisle and invite all members to be part of that change for the good of the Council and the County as a whole.

Implications

Policy	The corporate governance arrangements are key to all that the Council does.
Finance and value for money	Value for money, transparency and accountability are key aims of the Council
Legal	It is essential there is a firm legal and ethical basis for the way in which the Council does its business. There is a significant number of Member conduct complaints arising from other Members of the Council and there are strained relationships within the Council resulting in legal and reputational risk.
Procurement	Mr Caller was procured through an open process under the executive delegation rules.
Human Resources	Grievances, dignity at work, sickness absences and claims can all be affected by the prevailing culture and policies of the Council
Property	N/A
Equalities	N/A
Risk	The absence of sound corporate management arrangements poses a

Assessment	significant risk to the County Council in terms of finances, reputation, and statutory intervention.
Crime & Disorder	N/A
Customer Consideration	N/A
Carbon reduction	N/A
Health and Wellbeing	N/A
Wards	N/A

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	
Deputy Chief Executive (OBO Chief Executive)	Rick O'Farrell
Portfolio Holder(s)	Cllrs Sanderson and Wearmouth

Author and Contact Details

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Appendix 1 Decision Notice and Terms of Reference