

Inspection report

March 2005



Corporate Governance Inspection

Lincolnshire County Council

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Executive summary

- 1 Lincolnshire County Council has a troubled recent history. In the last six years two successive chief executives, and other chief officers, have left the council in difficult circumstances. In April 2004 the ex-leader was convicted of misconduct in public office, was imprisoned, and subsequently resigned from the council in November 2004. The current leader is being investigated by the Standards Board.
- 2 Service quality is not improving compared to other local authorities, as can be seen by the 2004 Comprehensive Performance Assessment score remaining at 'fair'. The council is slow to respond to key future service developments, such as the Children Act, and external regulators are concerned services will not improve in the future without better corporate leadership.
- 3 The council's leadership is inadequate at a political, managerial, and community level. Leadership of the ruling political group is weak, and fails to establish expected norms of behaviour, conduct, and commitment to council business and councillor training. There has been a lack of political priority given to the implementation of recommendations arising from work commissioned by the council to help improve its governance. In particular there has been a failure to adequately progress the recommendations of the ethical governance audit¹. The council's political leadership underestimates the impact that recent events, and their handling of them, continue to have on the council's effectiveness, the morale of staff and on public perceptions of the council. We are not confident about the prospects for improvement in the council's arrangements for leadership, culture and standards of conduct in the next 12 months given the denial of the need to change amongst key members of the executive.
- 4 Internal leadership of council staff by the executive (the cabinet), and by the corporate management team (CMT), is weak. Although there are some examples of good working relationships between individual portfolio holders and chief officers, staff show worryingly high levels of dissatisfaction with political and managerial leadership. Significant numbers of staff do not feel the council is well led by executive councillors, feel that councillors do not give them enough respect, and do not feel the council is well led by its CMT. Whilst the CMT does have an understanding of what needs to change generally within the organisation, it is not cohesive or strong enough as a team to drive this forward.
- 5 The council's community focus and community leadership is inadequate. The council's way of engaging with both geographic communities and communities of similar interest is weak and outdated. The council has no clear statement of what it is seeking to achieve and so no basis for a consistent process of planning and service delivery. It has had little involvement with district-based local strategic partnerships and their community strategies, and does not have its own county-wide community strategy. Its approach to consultation and communication is weak, and there is a reluctance to work in genuine partnership with other key agencies within Lincolnshire. There are some service level examples of partnership working, but some partners increasingly question the council's commitment to partnership working. There is a danger some partners will begin to work without the council's input. We are not confident about the prospects for improvement in the council's arrangements for community focus in the next 12 months given its weak political leadership.

¹ Ethical Governance Audit of Lincolnshire County Council undertaken by Rodney Brookes 2002.

- 6 The council has structures and processes in place, but they are inconsistently applied and therefore inadequate. The constitution is in need of development, and corporate processes for policy development and consultation are in need of significant improvement. The council's processes for defining corporate ambition and objectives, and translating them into clear, consistent, measured business and service plans need overhauling. Chief officers need up-to-date, consistently expressed and measured targets and the performance management regime needs improving. The role of the standards committee needs enhancing, and quicker progress is required to turn the various corporate strategies that currently exist from statements of intent into tangible actions. We are not confident about the prospects for improvement in the next 12 months given they rely heavily on the future appointment of a credible permanent chief executive, able to overcome the failings in leadership evident within the council over the past few years.
- 7 The council's internal control processes meet the minimum standards required of an effective local authority, and are therefore adequate. Many services perform reasonably, and education performs well. However, there is significant scope for improvement, much of which is recognised by the council. The council's financial position and financial management are generally sound. There is ongoing development of corporate systems such as performance, risk and project management, and staff appraisal, though the challenge is to use them consistently across the council and produce tangible service improvements. We are confident about the prospects for improvement in the next 12 months, reflecting the relatively straight forward nature of the work required. However, the ability to sustain this improvement could be in doubt if the council does not address the wider issues of leadership and organisational development.
- 8 The council needs to be led by a strong, inclusive chief executive, who is committed to an outward-facing, modern, responsive local authority willing to work effectively and genuinely with partners. The leadership style of the new chief executive will have to be mirrored by a fundamental change in the style and functioning of the political leadership of the council. This will require all councillors with executive or scrutiny responsibilities to revise their working relationships with each other, with officers, and with external partners. The appointment of an appropriate permanent chief executive, currently underway and scheduled to take place by March 2005, is the most vital decision the council will make in the foreseeable future.
- 9 Since the fieldwork for this inspection was undertaken (November / December 2004) the council has not been inactive, and has begun to respond to the issues it faces. The interim chief executive, with leading councillors and officers has:
 - ◆ progressed the appointment of a permanent chief executive, which is hoped to happen in early April 2005
 - ◆ begun to map how it will respond to the Children Act
 - ◆ agreed to create a County Forum at which the council can begin to work more productively with the District Local Strategic Partnerships (LSPs)
 - ◆ begun to review the way Executive (Cabinet) and Corporate Management Team (CMT) work
 - ◆ begun to discuss how it would undertake a programme of mandatory joint councillor and officer training.

Recommendations

10 It is recommended that:

To oversee the continuous improvement of the Council:

- ◆ Lincolnshire County Council discuss with the ODPM and the Audit Commission and agree to the establishment of an Improvement Board, comprising suitably experienced representatives from the Council, ODPM, Audit Commission, and other key stakeholders. This Board to oversee, support, and monitor the Council in the delivery of its actions in response to this report and related external reports/letters;
- ◆ the Council co-operate fully with the Improvement Board;
- ◆ the Council Executive, and CMT define, and the Improvement Board agree:
 - ◆ a clear, specific, time-limited and resourced improvement plan to tackle the actions required to address the issues raised in the CGI, in other reports, and more generally to deliver the duty of continuous service improvement. This document to be made public. This plan to include coverage of issues specifically related to community focus, leadership and conduct;
 - ◆ a framework for implementing, managing and monitoring progress against the improvement plan, and reporting this progress regularly in public. A summary of this progress to be submitted to each Improvement Board meeting; and
- ◆ the Audit Commission revisit progress made by the Council in Autumn 2005, as part of their annual direction of travel statement/annual audit and inspection letter.

In any event, a lack of progress in responding to these recommendations or in addressing the key issues within the Council's improvement plan within nine months of the publication of this report may lead the Audit Commission to consider referral of the Council to the Secretary of State to further consider the Council's position.

To ensure that the Council has an adequately trained, competent and forward-looking executive, the Council must:

- ◆ ensure an experienced and strong chief executive is appointed; and
- ◆ develop (with external support) and implement a comprehensive councillor training and mentoring programme for the next 12 months, ensuring that mandatory elements are identified and all councillors attend.

What is corporate governance?

- 11 Corporate governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives. The quality of corporate governance arrangements is a key determinant of the quality of services provided by organisations. The purpose of a corporate governance inspection is to assess the quality of a council's corporate governance arrangements.
- 12 The legal basis for the Commission's corporate governance inspections is the power established in the Local Government Act 1999 to carry out inspections of a best value authority's compliance with its duty 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'. Specifically, sections 3, 10, 11 and 13 of the Act provide the relevant powers and duties for the Commission to inspect, report, and make recommendations to the Secretary of State. Where the Secretary of State receives a recommendation under section 13, section 15 provides him/her with the power to issue directions to a 'failing' authority.
- 13 A corporate governance inspection collects evidence to provide judgements on the following two questions.
 - ◆ How good are the council's corporate governance arrangements?
 - ◆ What are the prospects for improvement in the council's corporate governance arrangements?
- 14 The answers to these questions will determine the scope and nature of the recommendations. Where the Commission is satisfied that current arrangements are and will remain adequate, or that currently inadequate arrangements will improve, it will recommend actions that the council can take to ensure sustainable improvements are made. Should the Commission not be satisfied that adequate arrangements can be developed, it will recommend more serious action. This can include referral to the Secretary of State, where the Commission has evidence that any of the following apply:
 - ◆ serious service failures in an authority that could result in danger or harm to the public;
 - ◆ persistent failure by an authority to address recommendations made by inspectors (or auditors); and
 - ◆ serious failures in a number of services in an authority, which reveal fundamental weaknesses in an authority's corporate capacity to manage services and make improvements.
- 15 Inspections of corporate governance take a themed approach (see appendix 1), which looks at how the council approaches:
 - ◆ **leadership, culture and standards of conduct** - the underpinning political management processes, organisational culture, leadership and how behaviour in the organisation is governed;
 - ◆ **community focus** - working with and for the community, including community leadership;

- ◆ **structures and processes** - the capacity for decision making and the exercise of authority within the organisation, including the role of councillors and their relationship with officers; and
- ◆ **internal control** - control of the organisation's resources and the way in which demands on them are anticipated.

16 Within this structure, each corporate governance inspection will have its own particular focus, depending on the reasons for the inspection. Inspection teams include inspectors from a range of backgrounds working alongside senior officer and elected member local government peers from other councils. The size and make-up of the team depends on the inspection. Appendices 2 to 4 contain details of the inspection team and the activities they carried out in respect of this authority.

Background to the corporate governance inspection in Lincolnshire County Council

- 17 This corporate governance inspection was prompted by the ongoing governance problems of the council. A series of chief officers have left the council since the late 1990s, some in acrimonious circumstances. A public interest report was issued in 2002 by the then external auditor, KPMG, highlighting significant failings in governance. The leader of the council resigned as leader, and in April 2004 was imprisoned following his conviction on the charge of misconduct in public office. This conviction was upheld by the Court of Appeal in November 2004. The council has instituted a series of externally supported reviews since 2002, all aimed at improving governance, but has been slow to act on the resulting recommendations. The current leader is being investigated by the Standards Board.
- 18 There are substantial concerns amongst outside inspectorates that current failings in governance are impacting on the quality of service provision by the county council for the people of Lincolnshire.

Focus of the corporate governance inspection

- 19 In agreement with the council, this corporate governance inspection has particularly focussed on two of the four themes described above: leadership, culture and standards of conduct; and community focus. We see these as the key areas for exploration, underpinning as they do the ability of the council to improve in the future and address its current problems.
- 20 We have not sought to address issues covered by the previous reviews of the council, or to go into any detail about the ongoing disputes between the ex-leader and ex-chief executive. These fall outside our remit, and are not relevant to the questions of 'how good are the council's governance arrangements?', and 'will they improve?'

Report

Context

- 21 Lincolnshire County Council (LCC) is a mostly rural county in the East of England. It is the fourth largest county in England in terms of area but only has a population of 657,800. The county has a very low population density of only 109 people per square kilometre compared to the national average of 378. Three per cent of the population are from black and minority ethnic (BME) communities compared to the national average of 13 per cent. There is a relatively large proportion of older people with 21 per cent being over pensionable age compared to the national average of 18 per cent. There are significant issues about access to services, and migrant populations of agricultural workers from poorer EU states, and traveller families.
- 22 The largest employer in the area is the public sector (15,000 people are employed by the county council) with manufacturing, agriculture and tourism being the other key employers. Although unemployment is lower than the regional or national averages, the average hourly earnings are the lowest in the East Midlands. On the 2004 indices of deprivation, the county ranks 94 out of 150, with one being the highest level of deprivation.
- 23 The population is growing at a faster rate than the regional and national average due to inward migration. This growth is projected to continue, with a high increase in older age groups. This is particularly so in the coastal areas of the county, which are the subject of a Coastal Action Zone to address particular economic and population issues. Parts of the coastal area have wards which rank amongst the top 10 per cent most deprived in the East Midlands. The main centres of population are in Lincoln, Grantham and Boston, which between them account for 25 per cent of the total county population.
- 24 In common with all of local government, the council faces a considerable change agenda. In addition to developing policy on, and approaches to, national issues such as children's services, the council has a set of Lincolnshire-specific issues to which it must respond. These include rural deprivation, low wage economies dependent on seasonal work, population sparsity, the difficulty of accessing services in remote areas, and the need to adopt policies which promote social inclusion. Responses to all these problems place at a premium the ability to work effectively in partnership.

The council

- 25 The council comprises 77 councillors. The Conservative group has control with 48 seats, Labour have 21, the Liberal Democrats four and there are three Independents, with one vacancy. Currently, an executive and scrutiny model governs the business of the council. There are nine portfolio holders, covering; community safety, policy and resources, property and capital, IT and personnel, economic development and tourism, education and special needs, cultural services, highways and planning, health and social care and waste management. The council's overall budget for the year 2004/05 is £596 million.
- 26 The council has reviewed its priorities as identified in the 2004/07 best value performance and budget plan and now has six ambitions supported by ten objectives. The ambitions for the county are:
 - ◆ create economic prosperity;
 - ◆ enrich the quality of life;
 - ◆ improve community engagement;

- ◆ provide opportunity for people to realise their full potential;
- ◆ improve transport infrastructure; and
- ◆ provide community-focused, cost-effective services.

27 The first comprehensive performance assessment was carried out in 2002 and the council received an overall score of 'fair'. Its corporate assessment score was '2'. There were weaknesses in social care provision and the way in which the council was managing environmental issues. In 2004, the council continued to be 'fair'. Improvements had been made in a number of areas such as educational attainment and waste management and the council had also begun to shift resources to priority areas such as social care.

Leadership, culture and standards of conduct

Summary

- 28 The council's current arrangements for leadership, culture, and standards of conduct are inadequate. Leadership of the council with external partners is limited, and some partners increasingly question the council's commitment to partnership working. Internal leadership of staff by the executive and CMT is weak, and staff show very high levels of dissatisfaction with political and managerial leadership. The leadership of the ruling group is weak, and fails to establish expected norms of behaviour, conduct and commitment to council business and councillor development. The council has also failed to act clearly and decisively to implement many previous recommendations made to it, particularly those arising from the ethical governance audit in 2002, which were designed to help it improve its governance.
- 29 We are not confident about the prospects for improvement in the council's arrangements for leadership, culture, and standards of conduct over the next 12 months. The council's failure to act on previous recommendations made by external reviewers, and the denial of the need to change amongst key politicians are a significant cause for concern. With weak political leadership and a disunited ruling group, there is also the potential that decisions which need to be made will be avoided. A political leadership style must be developed which allows different political viewpoints to be expressed, but which has the drive and focus to ensure that timely, incisive, and relevant decision-making takes place within a stronger strategic framework of council ambitions and priorities.
- 30 The council's self assessment describes the key role the performance and budget plan plays in expressing the vision and role in leading improvement within LCC. It is acknowledged these priorities need to be revisited and strengthened. Community leadership is described in terms of community focus and consultation, but political leadership within the external community is not addressed. The development of policy is hinted at, but again scope for improvement is acknowledged. A competency framework is referred to in the context of training which is being developed for officers around leadership styles. No mention is made of a similar framework for councillors. Reference is also made to improvements being made to executive and CMT joint planning and liaison arrangements. The self assessment fails to directly address the issue of leadership and its quality.

Inspection findings

- 31 The council is seen externally to be a weak leader. Its approach to LSPs has been reactive, and has awaited the completion of district-based community strategies before considering the need for a county-wide LSP or strategy. This has also impacted on the definition of priorities for the council's LPSA 2 programme.
- 32 Political leadership within the council, and within the ruling group, is weak. There has been a failure to draw a line under the various difficulties the council has faced, most notably a failure to clearly and unequivocally disassociate the current political leadership from that of the former leader. This has resulted in mixed messages being sent by the political leadership to council staff, partners and the public. Amongst some key ruling group councillors there is a denial of the need to change, with assertions that historic problems have now been dealt with, and that there are no barriers to the council now moving on. Significant numbers of staff, and a number of partners do not agree with this view.

- 33 There is a failure to appreciate the depth of disenchantment of many staff with the leadership of the council. We asked the council to send a staff survey we developed to all staff within the council. From a total of 740 respondents to our staff survey 57 per cent disagreed or strongly disagreed with the statement 'the council is well led by executive councillors'. Fifty per cent agreed, or strongly agreed with the statement 'councillors do not give staff enough respect'. Thirty four per cent felt that the council had 'not at all' resolved the difficulties in relationships between some elected councillors and senior officers with a further 35 per cent feeling that they had been resolved only to a 'limited extent'. Appendix 5 presents a summary of the staff survey results.
- 34 There are some examples of the council starting to conduct business in a more open and transparent way. It has an external chair of the standards committee and opposition chairs of scrutiny committees. There have been some limited attempts to learn from other councils and their governance processes, but progress has been hampered by a tendency either to import these councils' processes wholesale, rather than adapt them to the specific requirements of LCC, or to adapt them in such a way that they no longer are effective.
- 35 The council has been weak in its leadership of improvement following previous external reviews of its governance arrangements. In particular its response to the ethical governance audit undertaken in 2002 has been ineffective. Forty nine recommendations were originally made, but several were re-interpreted, or re-written, by the then council leader, before they were adopted. Reference to IDeA² supporting members training was deleted, as was IDeA undertaking a review of the scrutiny function after six months of operation. In a subsequent report in October 2004, the council's acting chief executive and monitoring officer reported on progress on these 49 recommendations. Of the recommendations, 30 were being actioned or had been actioned. Nineteen, including those key to actively changing the governance process and culture within the council, had made little or no headway.
- 36 Key mechanisms such as the standards committee, which could help send clear messages about the council's willingness to change, have been limited in their effectiveness by a desire amongst the political leaders of the ruling group to maintain control over its workings. Political difficulties within the ruling group mean the leader is not willing to explore changing the balance of the standards committee to make it less council dominated, and little progress has been made in making it a more effective and transparent vehicle for dealing with conduct issues.
- 37 The council has set up a modernisation panel, which is seeking to deal with acknowledged issues about the clarity of the constitution and the role and operation of the executive, scrutiny, and standards processes. However, with only intermittent meetings over the last two years it has failed to produce tangible outcomes that have demonstrably improved the council's governance.
- 38 The current leader is weak, and has failed to clearly express to executive colleagues legitimate expectations in terms of the amount of input they have to the council, and the way in which they work together. There has been an ongoing loyalty amongst a minority of ruling group councillors (including the current leader) to the ex-leader. Key developments such as the council's response to the Children Act have been delayed because of a reluctance to deal with the politics associated with changing education and social services executive portfolios.

² Local Government Association Improvement and Development Agency.

The weak political leadership of the council is exacerbated by the denial of the executive that anything is wrong, and the lack of a strong, permanent chief executive.

- 39 The leader has also failed to champion the need for councillor training. A key recommendation within the ethical governance audit report was the idea of using externally-facilitated councillor training. This is common in local government, and recognises the key role leading councillors have in defining community needs, and translating them into effective strategic aims and objectives, informed of course by political aspirations. There has been an ongoing reluctance to involve external agencies, such as IDeA, in councillor training. The take-up of the limited training that is available is partial, and is left to individual councillors' choice. A member development sub-group has been recently established, but it has yet to deliver any tangible outcomes against its action plan.
- 40 The perception of weak council leadership has been exacerbated by the lack of a clear council strategy for dealing with the continuing public disagreements between the ex-chief executive and the council, and the public comments about the leader and executive councillors. The council does not have a clear strategy for dealing with the media on these issues. It has not established clarity and understanding of the values, principles, ethos and standards of behaviour which the council wishes to strive for in order to distinguish itself from past poor conduct.
- 41 The executive and the CMT are ineffective teams individually, and also ineffective when they meet jointly. The lack of strong and effective political and managerial leadership means they lack cohesion. Corporate policy making processes are similarly weakened as a result, and there is a lack of corporate overview taken by CMT, a lack of a team spirit and rivalry between some chief officers.
- 42 Individual chief officer and executive councillor portfolio relationships are good (see economic development, education and transport). However, this serves to underline the lack of team working as these one-to-one relationships fail to translate into effective corporate working, with councillors' locally-based agendas often being at odds with the corporate, cross-cutting view required of much modern service delivery. The Commission for Social Care Inspection expressed concern at the fragility of improvements in social services without strong corporate leadership and support to address the traditional pattern of under-funding. Initial progress has been made with the redirection of £18 million to the Social Services' Budget in 2004/05, but it is unclear if this funding is sustainable and whether it is delivering clearly specified corporate outcomes.
- 43 There are consistent messages about the lack of trust between officers and councillors in parts of the organisation. This may arise from the mismatch of locally-driven political agendas and corporate policy requirements for modernised service delivery. Councillors thus interpret some officers as seeking to frustrate their locally-based aspirations.
- 44 Senior officers have been unable to respond effectively to the political difficulties and the lack of political leadership shown within the council in recent years. This has been due both to coping with the external pressures of a police investigation, a court hearing and media attention, and to their lack of coherence as a corporate team. They have therefore tended to address issues locally within departments, rather than collectively and corporately. Senior officers have also done little to actively develop the councillor skills they have available. The staff survey shows 30 per cent of staff tend to disagree, or strongly disagree with the statement that the 'council is well led by its senior management team'. See Appendix 5 for a summary of staff survey results.

- 45 There are substantial concerns over the culture of the council. It is described as parochial by external partners, and has old-fashioned ideas of how to relate to its communities. While there are parts of the council where staff are positive about the culture, in many areas it is one of mistrust and fear. A sizeable minority of staff (18 per cent) have little confidence in the Confidential Reporting Code, particularly following the departure of the chief executive. Eighteen per cent of respondents to the staff survey said they strongly agreed, or tended to agree with the statement 'I have been bullied by another member of staff'. See Appendix 5.
- 46 The council appointed an interim chief executive with effect from 22 November 2004. He has been appointed for a six month term whilst a permanent chief executive is appointed using SOLACE as recruitment advisors. This appointment serves to prolong the period of uncertainty before a new substantive chief executive can begin to address the many issues facing the council. It is vital that the council ensures that its next permanent chief executive has a clear track record of dealing with fundamental breakdowns in governance processes. They must also have an ability to drive change through organisations (making an immediate impact), to sustain long term improvement despite political reservations, and be committed to outward facing, inclusive leadership. This is needed to begin to heal the divisions clearly evident between the council's leaders, both political and managerial, and their workforce; and between the council and its partners.

Community focus

Summary

- 47 The council's current arrangements for community focus are inadequate. It has had minimal involvement with the district-based local strategic partnerships (LSPs) and the community strategies that they have produced, and does not have its own community strategy for the county-wide area. It has a weak corporate approach to consultation and communication with the public and also a reluctance to work in genuine partnership with other organisations across the area. Whilst it has a broad corporate statement of what it is trying to achieve for the county, it is not clearly linked to the rest of its planning processes. Although mainly at service level, the council is able to lead some partnership activities well, but its inability to engage in a more inclusive, cross-cutting and corporate approach means that it is not contributing effectively to engaging with and serving all of the communities in Lincolnshire.
- 48 We are not confident about the prospects for improvement in the council's arrangements for community focus over the next 12 months. There are no plans to indicate if or how the council will engage more fully with the LSPs, no draft county community strategy has been produced, and there has been no work undertaken to review the appropriateness of the council's vision and objectives in the light of the district community strategies. No work has been undertaken to review and strengthen the consultation, information, and communications strategies, or improve their impact. In terms of partnership working there is nothing to indicate that the corporate reluctance to engage in inclusive and genuine partnership working will change. The current political leadership cannot see that there is anything significantly wrong with their approach to partnership.
- 49 The council's self-assessment details a series of processes by which it seeks to understand the needs of the area. These include its website, the County News monthly newspaper, attendance at parish meetings, and consultation on specific issues such as the budget. Individual plans set out needs and how they are met. The self-assessment describes a series of uncoordinated processes, but there is no mention of a mechanism for integrating these service-based processes or obtaining a corporate overview. They are seen to exist to deliver service-based information. The self-assessment does not identify or address the serious weaknesses in community focus identified in the corporate governance inspection.

Inspection findings

- 50 The council does not have a clear corporate expression of what it wants to achieve for the area. It has a wide range of medium-term objectives and six longer-term ambitions (see paragraph 26 above). It also has a vision framework, produced for a proposed county local strategic partnership (LSP) at the end of 2003. This identifies an additional three 'key elements' (wealth creation, quality of life and culture) and six 'vision statements':
- ◆ wealth creation is encouraged;
 - ◆ access for all to raise standards of living;
 - ◆ increasing opportunities to improve quality of life and a safe environment;
 - ◆ access to lifelong learning;

- ◆ respect and understand cultural heritage; and
- ◆ to develop culture and values.

- 51 These statements are then supported by seven cross-cutting 'themes' (the economy; support for families and individuals; leisure and the arts; lifelong learning; the environment; safety, security and protection and social inclusion).
- 52 However, the council's themes and ambitions do not clearly link to each other, and the stated objectives do not amplify the ambitions or identify specific outcomes. The county-wide vision framework, which was discussed at a meeting of the council and a selection of partners in November 2003, has not been taken forward, and there is no LCC plan on how to do so. It is unclear how the council's own themes and ambitions link to this vision statement, and the council's ambitions and objectives do not adequately convey to partners, stakeholders, staff or the public what the council is trying to achieve.
- 53 The council is not able to show that it has a clear understanding of the needs of, and opportunities for, Lincolnshire. It has no community strategy of its own and has shown little active or consistent engagement with the district councils in the development of their own community strategies. Until very recently, council representatives on district LSPs have had insufficient links into the decision-making bodies of the county council to be able to influence council engagement with the districts. The council has not taken steps to reassess or adjust its own vision or objectives in the light of the district community strategies, and neither has it provided a supporting framework for the districts to work within. This lack of regard for the outcomes from local LSPs means that the council does not share the districts' comprehensive understanding of the needs and priorities of their local communities. This, in turn, means that the priorities that LCC has identified for LPSA 2 do not have a basis in the district community strategies and are seen by partners to be out of touch, inappropriate and insufficiently cross-cutting.
- 54 Although it is formally committed to the sub-regional partnership, the council's attempts to set up a county LSP and its 'One Lincolnshire' campaign are seen by some as undermining wider partnership working and do not include some significant organisations in the county. In the view of some leading figures within the County, the credibility of the council's 'Missing Millions' campaign is undermined by its failure to address the current issues around its own culture and recent history.
- 55 Any understanding and clarity that the council does have about community need and opportunity is, in the main, limited to individual services or directorates within the council. These frequently operate in isolation from each other. Partners report a council preference for service or directorate, rather than a corporate or cross-cutting focus. There is a tendency to concentrate on local and parochial issues and service-based responses, rather than address complex issues and partnership responses. This approach contributes to a lack of vision and means that the council is missing opportunities for comprehensively tackling serious cross-cutting issues such as deprivation and social inclusion. For example, while the council's involvement in the emerging coastal action zone is positive, the strong bias towards education and limited engagement with East Lindsey district council mean that some of the severe issues of deprivation along the coast are not being adequately identified and tackled. So far the council's traditional approach to service delivery, for example in education and social services, has continued to be perceived by external reviewers and the public as producing generally fair services. However, with an increasing emphasis in future on cross-cutting and user-focussed services, such as those for children, the limitations in the council's approach will begin to impact on service quality.

- 56 Our survey of parish and town councils suggests that the council is not seen as good at consulting or acting on the results of consultation. The local councils also feel they are not involved in setting the standards of service delivered by the county council in the local parish area. Links with parish and town councils were cited by the county council as being one of the key ways in which it does respond to local needs (see Appendix 6).
- 57 The council's limited understanding of community need is also reflected in customer satisfaction levels with the council and its services. Satisfaction levels with the council as a whole are amongst the worst in the country and although they are better for individual services, no service has a satisfaction level above 60 per cent.
- 58 Other key strategies which should help to support community focus are weak and lack clear evidence of direction, measurement of effectiveness and impact. While the information and communications strategy has good intentions it lacks detail of how these will be put into practice, what the council's priorities are and what outcomes are intended. Although it expresses the need to ensure that the council's reputation is developed and managed as an open and honest community leader, it does not tackle the considerable damage done to the council's image and credibility by its handling of the issues around the sentencing, imprisonment and unsuccessful appeal of the previous leader, or the issues with the previous two chief executives. Although it is widely recognised by staff, many councillors, partners, and the public that there is an urgent need to rebuild both media and public relations, the political leadership of the council does not recognise the scale, urgency or seriousness of this task. In addition the council continues to issue press releases (for example after the dismissal of the former leader's appeal against conviction) which prolong the impression in some employees', and the public's, minds that the council has not yet moved on.
- 59 The council does make use of a citizens' panel, and the regular production and distribution of County News is an effort to establish two-way communication with the residents of Lincolnshire. However, questions asked of the panel are often seen to be too guided by the council's, rather than the public's, agenda and there is little evidence to show that views gathered via County News are being used to change or improve service delivery. Partners and staff also perceive a reluctance to engage more closely with communities, for example through the introduction of area forums.
- 60 The council has a limited view of corporate consultation and there is no consultation strategy. There is a framework which is limited in scope, has not been updated since 1999 and which sees consultation more as a means of gathering public views and comments than as a means of developing public engagement and capacity-building.
- 61 The council also has no social inclusion strategy, despite social inclusion being one of its seven identified cross-cutting themes. Currently social inclusion is addressed under separate directorate-based policies and therefore an overall corporate steer to this key issue is lacking. Again, this will become a key barrier to service quality improvement as services are increasingly required to be delivered in an integrated way across the council, and with council partners.
- 62 The council's approach to race and equality issues needs to be further developed. Although it has a race equality scheme (RES), with clear action plans, there is no plan relating to councillors and the promised monitoring of its implementation has not taken place. While there was a commitment to annual RES monitoring reports being put on to the council website, only one report has been posted there and this only covered the six months up to September 2003. No other progress reports are available on the website.

- 63 The council often appears to be a reluctant partner. Partners believe that the council inadequately understands the needs of its communities. Its record in providing services in partnership is inconsistent. Its Supporting People Inspection (August 2004) highlighted considerable weaknesses, its services for older people need to improve, and it has no coherent vision for children's services. It has only limited engagement with the crime and disorder reduction partnerships (CDRPs).
- 64 However, at a service level there are positive examples of successful projects and improved services. The rural action zone (RAZ) has been extremely successful. It has brought in significant external funding and enabled services and support which otherwise would not have been possible, despite the limitations in the process of working with the district council described at paragraph 55 above.
- 65 Through this work the council has gained beacon status for supporting the rural economy and has contributed to the national Rural Strategy 2004. In economic development and highways the council has also made significant contributions to partnership work, notably in infrastructure terms in Lincoln with the county and city museum, and the development of the ring road.
- 66 The council has made notable progress in education, sustaining the improved rate of attainment in key exam results, and playing a significant role in the development of the rural and coastal academies. It has also played a full role in the county IT partnership (Lincup), even though the corporate customer services centre will be a year late in opening. The council has also made progress on some partnerships which are sustainable. For example there are pooled budgets between the NHS and social services, and the agreement of key strategies between all six NHS chief executives and social services on eight common themes. In all these positive examples it is apparent that where the council has clear leadership of a project it is willing and able to make good headway, but that this level of commitment is not brought to activities where a broader and more equal and inclusive approach to partnership is required.

Structures and processes

Summary

- 67 The council's current structures and processes are inadequate. The required structures and processes are in place, but are inconsistently applied. The constitution is in need of development, and corporate processes for policy development and discussion are in need of significant improvement. Corporate processes, including the monitoring officer function, will need to be reviewed to ensure they are focussed on the correct improvement issues, and function effectively to secure improvement within the council. The role of the standards committee needs enhancing, and quicker progress is required on the various corporate strategies that currently exist, for example around human resources (HR), which provide a statement of intent, but have yet to deliver tangible outcomes.
- 68 We are not confident about the prospects for improvement in the council's structures and processes. Actions are currently being taken by the council that indicate that some improvement is possible within the next 12 months, but this must be set against the failure of the council so far, due to poor leadership, to properly deliver remedial action on the issues it faces. There is evidence of work beginning on several key agendas (the work on developing the constitution, HR strategy and some cross-cutting working between directorates), but sustained momentum is lacking and will be dependent on decisive leadership from a new chief executive, who is yet to be appointed. It is also reliant on the establishment of an effective working relationship between the new chief executive and the political leaders of the council. All of these 'success factors' are for the future and are not currently in place.
- 69 The council's self-assessment describes the new distinction between executive, scrutiny and overview functions (arrangements having been in place since December 2003); and clarity between policy development and pre-decision scrutiny. Service planning is seen as robust. Service improvement is said to have a strong track record, although the CPA score remains at fair, and the best value review programme will be redefined in 2005, following the completion of outstanding reviews in 2004. The council acknowledges further work is needed to improve the way overview and scrutiny is carried out and co-ordinated, and to further develop the role of chief whip, who is responsible for business management of councillors. The detailed scheme of delegation is also said to be in need of review, and the role of councillors and officers needs to be specified more clearly. The modernisation panel is mentioned as having yet to agree a programme of future work to look at how structures are currently operating. It is acknowledged further development is needed about the way decisions are presented in reports, and that the current portfolio structure, replicating traditional service committees, tends to hamper cross-cutting policy making. The council does not have a strategy for cross-cutting working. There is ongoing concern amongst some councillors about the concentration of decision-making powers in executive councillors' hands. In general the impression given from the self-assessment is one of new structures, which have yet to be reviewed, but which are acknowledged as needing improvement. There is a lot of work in progress, but because the final outcome of this work is at yet unproven, our inspection finding is that current structures and processes are inadequate.

Inspection findings

- 70 This element of the inspection was agreed with the council to be of secondary importance in comparison to the primary areas of community focus and leadership.
- 71 The council's constitution is confused and lacks clarity about how it works in practice, and the council lacks a corporate approach to policy development. There is confusion between the roles of scrutiny (which is under-used and has limited agenda items), and the roles of overview and policy working groups (PWGs). The roles and responsibilities for policy-making and decision-taking are blurred, with the executive (cabinet) taking decisions, although the main driver for policy formulation seems to be the PWGs, informed by policy development within council directorates. Education lacks a PWG, having instead an Education Committee. With policy-making lacking a corporate direction and perspective the council is perpetuating a 'silo' or directorate-based approach to service delivery which means that it has an inadequate response to cross-cutting agendas such as social inclusion and residents who have multiple needs.
- 72 PWG chairs have only met together once since June 2002, and therefore have only a limited understanding of each other's roles and areas of responsibility. In general, councillor and officer roles are insufficiently defined, with some councillors unclear about, or not accepting of, new ways of working. A number of councillors continue to view the old committee system as preferable to new executive and scrutiny arrangements, and the current portfolio system closely mirrors the old committee structure. Whilst CMT/executive meetings are a positive development they are not yet providing visible strategic leadership, and there are no corporate forums for managers and staff to contribute their ideas.
- 73 The standards committee plays an inadequate part in the council as its role and function are not welcomed, understood or utilised by the executive. It has only three independent members, including the chair, with six councillor members, reflecting the political complexion of the council. The constitution fails to support adequately the work of the committee, in that whilst there is a presumption that business is done in private, the constitution does not clearly state this. This fails to establish a clear culture amongst all members of the committee that business is initially in private, and hampers the development of trust and openness in the committee to discuss key standards issues without them becoming embroiled in public controversy.
- 74 Key officers and councillors do not work well together to develop and promote a corporate approach. Executive councillors meet only once a month and there is no planned time for any other informed debate amongst the executive. The executive has never had dedicated time together to discuss emerging issues and its response to them, and demonstrates no awareness of the need to build greater corporate capacity in order to tackle the many challenges that the council faces.
- 75 The CMT does not naturally work corporately or as a team, and therefore tends to perpetuate the directorate-based approach to services and partnerships. There are some examples of effective joint working between directorates, such as between social services and education (the development of an all-agency referral system); a joint assistant director post between social services and education; and work between schools, highways, and libraries on Surestart. These examples depend on effective bi-lateral working between two directorates. Wider directorate working as required, for example, by the Children Act, has been hampered by the lack of a truly effective CMT, and the absence of an executive model with a portfolio structure that reflects the cross-cutting requirements of modern service delivery.

- 76 Some corporate functions are inadequately resourced. Examples include problems in servicing the council's input to the district LSPs, and patchy implementation of corporate HR procedures such as appraisal. Although councillor champions are in place for some important cross-cutting areas such as diversity and older people, and one is to be appointed for children in 2005, there is, as yet, no evidence of any successful outcomes from their work.
- 77 In the context of the county council, the monitoring officer is a key function. Clearly, over recent years the monitoring officer has spent a disproportionate amount of her time absorbed in the ongoing disputes between councillors and some officers. For the future, it will be vital that the role is adequately resourced and focussed on key legal and structural developments necessary within the council and providing timely, accurate and well-judged advice to the council.
- 78 The council has several key developments which are in progress, or have been developed to a strategy stage, but in several areas these sound ideas have yet to be implemented and to produce outcomes. The council has just completed a corporate human resources (HR) strategy which identifies the key issues. However, it is unclear how the issues will be tackled and how the strategy aligns with, or can supersede other, better-established directorate approaches. Directorate HR documents such as the social services workforce strategy are silo-based and not linked in to the corporate people strategy. There are some good directorate plans for staff development, for example in social services, although they have been slow to incorporate the corporate approach to management development. The corporate training and development strategy sets out priorities but does not give these for all directorates and it gives no clear indication as to how these will be implemented. Officer competency and development plans exist, but are not always up to date, and there are no similar plans for councillors.
- 79 The council has no communications policy or strategy. It has failed to draw a line under previous disputes, still being pursued by ex-employees and councillors. It has made extensive use of external communications advisors, and the monitoring officer has been heavily involved in writing external press releases, which is a distraction from more important areas of work. The general approach lacks clarity and purpose, while diverting resources away from their intended ends, with no specified way in which current communications issues can be satisfactorily controlled or resolved.
- 80 There is an e-government strategy and effective involvement in Lincup – the Lincolnshire-wide ITC partnership with other public sector bodies. However, many of the e-government outcomes are yet to be achieved, and will need to be revisited once better progress has been made on developing future service visions, based around more effective cross-cutting delivery of key agendas. These will include children and young people and a more effective integration with district LSP priorities.

Internal control

Summary

- 81 The council's internal control processes are adequate, in that the required building blocks are in place, and meet the minimum standards required of an effective local authority. However, there is significant scope for improvement, much of which is recognised by the council. The council's financial position and financial management are generally sound. The council's processes for defining corporate ambition and objectives, and translating them into clear, consistent, measured business and service plans need overhauling. Chief officers need up-to-date, consistently expressed and measured targets, and the performance management regime needs improving. Work is underway to embed a performance management culture across the organisation so that tangible service improvement will be driven by the performance management data currently available. Risk management is developing within the council, though there is a need to embed this process consistently, and to use it to produce tangible outcomes that influence future service delivery. There is a CMT and executive lead for risk management and performance management. There is a framework for appraisal and target-setting for staff, though this is inconsistently applied at present across directorates. Project management shows signs of promising development, but with the recognised need to embed this culture consistently across the council, and to co-ordinate the various individual projects that are underway via an integrated business planning process.
- 82 We are confident that the current adequate level of internal control arrangements will improve over the next 12 months. There is evidence of work beginning on several key agendas, such as finance, performance management and risk management, and with clear, decisive leadership from a new chief executive it should be possible to upgrade current structures and processes to reflect the needs of a modern, outward-facing local authority. The work required is more straight forward and less susceptible to the failures within the council's political leadership.
- 83 The council's self-assessment is positive about internal control. It identifies a robust financial monitoring regime, and financial regulations have been reviewed and updated in the last 12 months. There is a robust internal audit, and in 2004/05 a full statement of internal control is included within the annual statement of accounts. The council's performance and budget plans include at least a three year horizon for revenue expenditure, and five years for capital. There is cross-service and cross-organisation medium term planning for Public Service Agreements (PSAs) and pooled budgets. The performance management system is described as robust, with the aim of addressing 'projected performance variations'. There are executive and CMT leads on developing and promoting a performance management regime. The risk management system is in place, but was only finally approved in November 2004. Project management is developing with steps taken to roll this out to non-IT staff involved in project delivery, although it is acknowledged that the process for co-ordinating projects at a corporate level, through the integrated business planning process, has been delayed and is still in its infancy. The self-assessment is broadly in line with our conclusions.

Inspection findings

- 84 This element of the inspection was also agreed with the council to be of secondary importance in comparison to the primary areas of community focus and leadership.
- 85 The council's financial position is positive, with a reasonable level of balances, and an improving ability to redirect resources to priority areas (for example the £18 million released for social services). The council has a medium term financial strategy, but it lacks detail, is not linked to corporate objectives, and has no clear timescales. However, the financial approach has delivered tangible savings, for example by the use of outsourcing business processes to Hyder Business Services (HBS), saving £4 million a year, although there is a lack of examples of how the corporate procurement strategy has been implemented, and what outcomes it has delivered.
- 86 The external auditor's judgement for 2004/05 shows a generally robust internal control environment, particularly for financial control and measures to detect and prevent fraud and corruption. However, the scores have not improved since 2002/03 which reflects the slowness of the council in dealing with issues from its own ethical governance audit undertaken in 2002.
- 87 The council lacks a clear statement of its corporate ambitions, and therefore a 'golden thread' from this to corporate plans, service plans and chief officer and staff targets. Instead of a clear corporate strategy there is a confused set of ambitions, objectives, visions, key elements and themes which do not give a clear picture of what the council is setting out to do. There are 60 medium term improvement priorities. These are difficult to track into service plans, and there is little translation to chief officer targets. Currently several chief officers' targets are out of date, and lack a common format or measurement system. This serves to encourage directorate-based working which compromises cross-service working, as can be seen in the slow response to the children's act, or the way the LPSA 2 priorities lack any clear cross-cutting rationale. The end result of this is that two years after the initial CPA assessment, and in the context of local government generally being successful in that period at driving service improvement and thus achieving higher CPA scores, the CPA score for the council remains at 'fair'.
- 88 Performance management is inconsistently applied and does not always drive action for service improvement. The current performance management information presented to CMT and to executive is too detailed and fails to clearly identify progress on the council's ambitions. Too much information is given about comparisons with previous years' BVPIs, and progress against targets, but there is little analysis of what this information means and little prompting of CMT or executive to address the strategic, corporate or service issues that arise from this performance data. A performance management board has been set up to strengthen the council's approach to performance management but deadlines for action agreed by the board have slipped.
- 89 There is an acknowledged need to address and embed performance management, risk management, corporate governance and competency frameworks. In particular the 2003/04 statement of accounts recognises 'significant internal control issues' around the actions of the ex-leader, which were said to have significantly distracted the council from addressing some of the wider internal control issues, including the implications of the ongoing dispute between the leader and then chief executive..

- 90 There is a good framework for staff appraisal but again its application is inconsistent, with only 50 per cent of staff currently receiving appraisals and target setting. Neither of the chief officers in education or social services has targets for 2004/05 and it is unclear how areas of service weakness, such as children's services are being addressed.
- 91 Some project management is effective, for example in delivering the coastal action zone initiative, and the economic development infrastructure projects. However, there are also examples of less effective application, such as the delays in getting the customer service centre operational.

Appendices

Appendix 1 - Corporate governance key lines of enquiry

Leadership, culture and standards of conduct

- ◆ Is there clear and effective leadership of the wider community and the council?
- ◆ Does the council's culture promote mutual respect and constructive engagement among councillors and staff?
- ◆ Does the council meet its legal obligations to promote high standards of conduct?

Community focus

- ◆ Does the council understand the needs and opportunities of the area?
- ◆ Is the council's vision translated into organizational aims and objectives?
- ◆ Does the council have a clear and effective communications strategy?
- ◆ Does the council secure, enable and support partnerships effectively to deliver benefits to local people?
- ◆ Does the council seek to ensure equal access to services among all groups and areas?
- ◆ Does the council have an e-government strategy that supports its wider strategies to deliver service improvements?

Structures and processes

- ◆ Does the council have clear and appropriate councillor and officer structures, with roles and responsibilities defined and implemented to provide leadership and direction?
- ◆ Are the council's democratic structures properly constituted to ensure clear accountability?
- ◆ Are the council's policy and decision-making processes working effectively to ensure clear accountability and good governance?
- ◆ Are the council's corporate and service planning processes comprehensive and consistent?
- ◆ Does the council meet its requirement to secure continuous improvement under the Local Government Act 1999?
- ◆ Does the council have a comprehensive and well-managed strategy for cross-departmental working?
- ◆ Is the council's human resources strategy fit for purpose and integrated with its broader priorities and plans?
- ◆ Is the council's asset management strategy fit for purpose and integrated with its broader priorities and plan?
- ◆ Is the council's ICT strategy fit for purpose and integrated with its broader priorities and plan?
- ◆ Does the council clearly document and communicate its structures and processes?

Internal control

- ◆ Does the council ensure good stewardship of the authority's resources?
- ◆ Is there clear, detailed and accurate financial reporting and monitoring?
- ◆ Does the council plan resources over the medium and long-term?
- ◆ Does the council have a system of performance management that secures the delivery of its plans?
- ◆ Does the council have an active system of risk management, which staff and councillors understand, use and monitor?
- ◆ Does the council ensure projects are properly resourced and rigorously managed?

The full corporate governance inspection key lines of enquiry can be found on the Audit Commission's website at www.audit-commission.gov.uk/where.

Appendix 2 - List of people interviewed

The following people were interviewed as part of the corporate governance inspection.

| Job title | Organisation |
|---|-----------------|
| Leader | Lincolnshire CC |
| Acting Chief Executive/County Treasurer | Lincolnshire CC |
| Monitoring Officer | Lincolnshire CC |
| Director of Education | Lincolnshire CC |
| Director of Highways and Planning | Lincolnshire CC |
| Director of Community Safety | Lincolnshire CC |
| Policy and Performance Manager | Lincolnshire CC |
| Auditor | KPMG |
| Leader Labour Group | Lincolnshire CC |
| Staff Focus Groups | Lincolnshire CC |
| Management Focus Groups | Lincolnshire CC |
| Focus Group of Scrutiny, Overview and PWG chairs | Lincolnshire CC |
| Focus Group of Backbenchers | Lincolnshire CC |
| Public Consultation Focus Group x 2 Lincoln and Boston | |
| Executive Councillor and Portfolio for Health and Social | Lincolnshire CC |
| Director of Social Services | Lincolnshire CC |
| Leader Liberal Democrat Group | Lincolnshire CC |
| Executive Councillor, Portfolio for Property and Capital | Lincolnshire CC |
| Trade Union Group | Lincolnshire CC |
| Chairman, Standards Committee | Lincolnshire CC |
| Independent member of Standards Committee | |
| Leader Independent Group | Lincolnshire CC |
| Executive Councillor and Portfolio Holder for Education and Special Educational Needs | Lincolnshire CC |

| Job title | Organisation |
|--|----------------------------------|
| Portfolio Holder – ICT and Personnel | Lincolnshire CC |
| Chairman Policy and Overview Committee | Lincolnshire CC |
| Councillor, Scrutiny Committee | Lincolnshire CC |
| Councillor, Scrutiny Committee | Lincolnshire CC |
| Councillor, Policy Overview Committee | Lincolnshire CC |
| Councillor, Scrutiny Committee | Lincolnshire CC |
| Chairman, Highways and Planning PWG | Lincolnshire CC |
| Chair | Lincolnshire Enterprise |
| Managing Director | Hyder Business Services |
| Chief Executive | West Lincolnshire PCT |
| Chief Executive | South West Lincolnshire PCT |
| CEO | UL Trust |
| District Auditor/Relationship Manager | Audit Commission |
| Director of Care | LPT |
| Chief Constable | Lincolnshire Constabulary |
| Director of Rural Affairs | East Midlands Development Agency |
| Policy Officer, Community Services Directorate | South Holland DC |
| Head of Community Services | Lincoln CC |
| Head of Policy | East Lindsey DC |
| Principal Grantham College | South Kesteven LSP |
| Interim Chief Executive | West Lindsey DC |
| Interim Chief Executive | East Lindsey DC |
| Chief Executive | South Holland DC |
| Interim Chief Executive | Lincolnshire CC |

| Job title | Organisation |
|--------------------------------|---------------------|
| Chief Executive | North Kesteven |
| Chief Executive | Boston |
| Chief Executive | Lincoln CC |
| Member of Parliament | (Lincoln City) |
| Education lead | Lincolnshire CC |
| Liberal Democrat Deputy Leader | Lincolnshire CC |

Appendix 3 – Documents reviewed

The following key documents were taken into consideration as part of the corporate governance inspection.

| Document | Produced by |
|--|------------------|
| Standards Committee Report | Lincolnshire CC |
| People Strategy 2004/05 | Lincolnshire CC |
| Auditor Scored Judgement | External auditor |
| Management Development Guide | Lincolnshire CC |
| Report of John Sutherland | |
| Social Services Workforce Strategy 04/07 and action plan | Lincolnshire CC |
| BVPP 04-07 | Lincolnshire CC |
| BVPP 02-05 | Lincolnshire CC |
| Training & development Strategy 2004/05 | Lincolnshire CC |
| Selection of Appraisal Forms | Lincolnshire CC |
| Modernisation panel brief and minutes | Lincolnshire CC |
| ICT Strategy | Lincolnshire CC |
| Corporate Consultation Strategy | Lincolnshire CC |
| Social Services draft development plan 2004/05 | Lincolnshire CC |
| Medium term financial strategy | Lincolnshire CC |
| Changes in staffing structures and personnel | Lincolnshire CC |
| Procurement Strategy | Lincolnshire CC |
| LCC Self Assessment | Lincolnshire CC |
| IEG Statement 2003/04 | Lincolnshire CC |
| Financial Statements 2003/04 | Lincolnshire CC |

| | |
|--|------------------|
| Scrutiny Committee minutes | Lincolnshire CC |
| Executive minutes (re children) | Lincolnshire CC |
| KPMG performance management review and follow up | KPMG |
| Action points from the performance management board | Lincolnshire CC |
| Lincolnshire Health & Social Care strategic framework | Lincolnshire CC |
| Competency Framework | Lincolnshire CC |
| Race Equality Scheme | Lincolnshire CC |
| Social Inclusion ESCD working document | Lincolnshire CC |
| Richard Penn Report | Richard Penn |
| Written Briefing from Business Relationship Manager CSCI | CSCI |
| Written Briefing from GOEM | GOEM |
| Performance targets for education 2003/04 | Lincolnshire CC |
| Context & PI data | Audit Commission |

Appendix 4 – Inspection team

The inspection team consisted of:

| Name | Job title | Organisation |
|-------------------------------|--|---------------------|
| David Jennings Team Leader | Relationship Manager & District Auditor | Audit Commission |
| Rachel Purchase | Inspector/ Performance Specialist | Audit Commission |
| Mike Wood | Audit manager | Audit Commission |
| Nick Chard Peer Councillor | Finance Portfolio holder | Kent County Council |
| Mary Ney Peer Officer | Chief Executive | LB of Greenwich |
| Nena Beric | Project Support Officer | Audit Commission |

Appendix 5 – Staff survey results summary

This survey was undertaken between 17 November and 15 December 2004. It was an anonymous survey, open to LCC staff, using an on-line audit commission survey tool. There were 740 responses.

| Question | Strongly agree | Tend to agree | Neither agree or disagree | Tend to disagree | Strongly disagree | Don't know |
|--|----------------|---------------|---------------------------|------------------|-------------------|------------|
| About Lincolnshire County Council | | | | | | |
| The Council understands the needs of people in Lincolnshire. | 3.1% | 37.3% | 24.2% | 24.7% | 5.7% | 3.9% |
| The Council is well led by the Cabinet (Executive) councillors. | 0.9% | 5.8% | 26.9% | 29.9% | 27.4% | 8.5% |
| The Council is well led by its senior management team. | 3.2% | 33.2% | 24.7% | 19.3% | 10.7% | 6.8% |
| Councillors do not give staff enough respect. | 16.6% | 33.4% | 25.1% | 13.6% | 4.9% | 5.5% |
| I understand what the Council wants to achieve for the people of Lincolnshire. | 7.7% | 45.1% | 20.5% | 17.7% | 4.5% | 3.8% |
| The Council works well with other organisations to provide good services for people in Lincolnshire. | 3.5% | 41.2% | 27.7% | 17.2% | 5.1% | 4.6% |
| The Council is a good 'champion' for Lincolnshire. | 3.4% | 20.5% | 27.8% | 27.3% | 17.0% | 3.1% |
| The Council provides poor value for money for the people of Lincolnshire. | 5.4% | 24.1% | 30.0% | 28.0% | 7.2% | 4.9% |
| The Council makes sure projects have enough resources. | 0.8% | 14.5% | 22.4% | 35.3% | 20.1% | 5.8% |
| The Council does not always manage its projects well. | 10.0% | 45.4% | 25.3% | 10.1% | 2.8% | 5.7% |
| All of the services provided by the Council are of high quality. | 0.8% | 16.1% | 33.0% | 34.5% | 10.4% | 4.2% |
| The Council manages its finances well. | 3.4% | 15.5% | 26.4% | 29.7% | 14.5% | 9.5% |
| The services provided by my department are of high quality. | 16.5% | 50.1% | 16.8% | 11.4% | 3.9% | 0.3% |
| The quality of services provided by the Council has got better in the last 12 months. | 2.8% | 18.0% | 40.9% | 16.9% | 9.2% | 11.9% |

| Question | Strongly agree | Tend to agree | Neither agree or disagree | Tend to disagree | Strongly disagree | Don't know |
|---|----------------|---------------|---------------------------|------------------|-------------------|------------|
| About working for Lincolnshire County Council | | | | | | |
| I know how my job helps the Council to achieve its objectives. | 27.4% | 55.3% | 8.9% | 4.9% | 1.4% | 0.9% |
| I do not get regular feedback on my performance. | 8.2% | 22.7% | 9.7% | 33.5% | 24.5% | 0.4% |
| I would 'blow the whistle' if there was something wrong at the Council. | 20.1% | 36.5% | 15.9% | 10.8% | 7.0% | 8.9% |
| I have been bullied by another member of staff. | 9.1% | 9.3% | 7.8% | 13.5% | 58.6% | 0.5% |
| I work with staff in other departments to help achieve the Council's objectives. | 27.2% | 51.8% | 11.2% | 5.8% | 2.4% | 0.8% |
| The quality of services provided by my department has got better in the last 12 months. | 11.8% | 36.2% | 26.8% | 10.8% | 6.8% | 6.6% |
| I enjoy working for Lincolnshire County Council. | 20.4% | 43.5% | 19.5% | 10.7% | 4.3% | 0.7% |

| | |
|--|-------|
| In the past few years, Lincolnshire County Council has experienced difficulties in the relationships between some elected councillors and senior officers, which has attracted local and national attention. To what extent do you think these difficulties have been resolved? | |
| Completely | 0.3% |
| To a great extent | 3.1% |
| To some extent | 15.3% |
| To a limited extent | 34.5% |
| Not at all | 34.3% |
| Don't know | 11.1% |

| Which is your department? | |
|----------------------------------|-------|
| Corporate directorates | 12.6% |
| Education & Cultural Services | 20.4% |
| Social Services | 34.2% |
| Highways & Planning | 21.9% |
| Waste Management | 1.1% |
| Community Safety including Fire | 3.6% |
| Other | 5.8% |

| Are you.. | |
|------------------|-------|
| Female? | 60.5% |
| Male? | 37.2% |

| How long have you worked for Lincolnshire County Council? | |
|--|-------|
| Less than 1 year | 11.1% |
| Between 1 and 5 years | 35.8% |
| Between 6 and 10 years | 13.1% |
| More than 10 years | 38.9% |

Appendix 6 – Parish Council survey results summary

This survey was undertaken between 17 November and 15 December 2004 seeking the views of 33 parish councils in Lincolnshire selected at random by the inspection team. There were 12 responses. Figures represent the percentage of respondents in each category.

| Question | Strongly agree | agree | Don't know | disagree | Strongly disagree |
|---|----------------|-------|------------|----------|-------------------|
| The county council are clear about the priorities it wants to achieve. | | 50% | 33% | 17% | |
| Your parish/town council has been consulted about these priorities. | | 45% | | 36% | 18% |
| The county council is good at consulting local people and acting on their views. | | 8% | 25% | 42% | 25% |
| The county council is good at consulting with all sections of the community. | | 8% | 58% | 25% | 8% |
| The county councils actions match up to what it says are its priorities. | | 17% | 67% | 17% | |
| The county council keeps your town/parish council informed of what it is doing. | 9% | 45% | | 27% | 18% |
| Your parish/town council is involved in setting the standards for the services that are delivered by the county Council in your area. | | 8% | | 75% | 17% |
| The county council has engaged your town/parish council in helping to manage/improve local services. | | 36% | | 55% | 9% |
| The county council responds quickly and constructively to complaints or issues raised by your council. | | 67% | | 25% | 8% |
| Your parish/town council is involved in determining what the policies for Highways should be. | | 33% | | 25% | 42% |
| Your parish/town council is involved in determining what the policies for Education should be. | 9% | 27% | | 36% | 27% |
| Your parish/town council is involved in determining what the policies for social services should be. | | 9% | 27% | 36% | 27% |
| I think the county council provides good leadership for all of Lincolnshire. | | 8% | 17% | 57% | 17% |

| Question | Strongly agree | agree | Don't know | disagree | Strongly disagree |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
| I think the county council is an effective advocate for Lincolnshire in the wider world, including with central government. | 9% | 9% | 55% | 18% | 9% |
| I think the County Council is good at bringing together the various groups involved in my area, to help us make joint decisions. | | 9% | 18% | 36% | 36% |
| Overall how would you rate the county council on a scale of 1-10 where, 1 is very poor and 10 is very good. | 4 rated LCC as 2 | 1 rated LCC as 3 | 1 rated LCC as 5 | 6 rated LCC as 7 | |