

Annual Governance Statement for Lincolnshire County Council 2013

Scope of Responsibility

- 1.1 Lincolnshire County Council is responsible for making sure that its business is conducted in a lawful and proper way. Public money needs to be protected and used economically, efficiently and effectively. We therefore have a duty under the Local Government Act 1999 to secure continuous improvement in the way our role is carried out, having regard to economy, efficiency and the effectiveness of what we do.
- 1.2 As we carry out this overall responsibility, we need to put in place good arrangements to manage our business to effectively deliver services to the people of Lincolnshire. This includes arrangements for the management of any risks we may face.
- 1.3 To help with these responsibilities we have adopted a governance and assurance structure which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how we have followed the code and also meets the requirements of the latest Accounts and Audit Regulations on the publication of a statement of internal control.

2 The purpose of the governance framework

- 2.1 Each local government body operates through a Governance Framework which brings together a set of legislative requirements. Following the framework helps us to ensure accountability for the proper conduct of our business, through the publication of an annual governance statement.
- 2.2 The Framework consists of the systems and processes, cultures and values by which the Council is directed and controlled. It sets out how we account to and engage with the people of Lincolnshire. It's about **Community Leadership**. It helps us monitor our progress in achieving our goals and whether or not those goals are leading to effective and top quality services.
- 2.3 For more information go to: [Audit Committee Records](#)

3 The governance framework

- 3.1 We have put in place assurance arrangements that help us test and gain confidence that the governance framework is operating as intended and that we are:

“doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner”

- 3.2 The Executive and senior managers have approved the governance framework and they have accepted responsibility for its implementation.
- 3.3 A governance group is in place that is responsible for monitoring the framework’s effectiveness and to make sure that any concerns raised during the year are acted upon.
- 3.4 Through the Audit Committee, elected Members oversee our financial processes, audit and risk management including the effectiveness of the corporate governance framework.
- 3.5 Our Governance Framework is defined by the six principles of good governance as shown below:
- 3.6 **Engaging with local people to raise the profile of the Council and demonstrate public accountability.**
- We continue to put the public first in how we work, looking and seeking their views to help determine decisions on how we use public money, demonstrating clear accountability to the public. [The Constitution](#) gives clarity to all staff and the community to whom we are accountable and what for.
 - Clear communication and consultation is in place with all sections of the community and operates effectively. The outcomes of inspections are published on our website <http://www.lincolnshire.gov.uk/>

- We have responded to the requirements to deliver significant funding reductions and continue to deliver a high quality of service by reviewing how we manage ourselves and provide services to the citizens of Lincolnshire.
- We comply with the transparency initiative promoted by Government and publish details of relevant salaries and expenses together with all payments of £500 or more.

3.7 **Focusing on the purpose of the Council and improving future outcomes for the whole county.**

- Our [Organisational Strategy](#) sets out the principles upon which our future development of services and operations should be based.
- We communicate the vision and purpose of the authority to the public by setting out our objectives and priorities for the year within our [Business Plan](#).
- We make sure the public receive high quality services by measuring our success and publically reporting our overall financial position in our [Statement of Accounts](#). We continually seek to provide world class customer service learning from what our customers tell us as shown by our [Community Engagement Strategy](#) and our [Customer Service Charter](#).
- We will continue to make sure the Council delivers excellent value for money as we review our [Financial Strategy](#), setting

out how we will respond to the economic challenges we are facing whilst ensuring top rate services.

3.8 **Members and officers working together to achieve a shared purpose and being clear about roles and responsibilities**

- We make roles and responsibilities within the Council clear to ensure effective leadership by showing how the Council operates and how decisions are made to make sure we are accountable to local people. The following all help us to achieve this:
 - [The Constitution](#)
 - [Code of Conduct](#)
 - [Codes and Protocols](#)
- Roles of staff are set out in our [Employment manual](#) along with conditions of employment including [Members Allowance](#) in order to make sure that strong working relationships exist between elected Members and Officers.
- Ensuring that relationships between the authority and the public are clear is vital to us and helps us to establish what to expect from each other. In order to do this we open [Council Meetings](#) to the public and effectively monitor the way services are delivered as shown in the [Role of Monitoring Officer](#). The Council also has a [Consultation Strategy](#) which we use to ensure that the Council's vision, aims and priorities are carried out in consultation with the public.

3.9 **Demonstrating the values of the Council through excellent standards of conduct and behaviour**

- We have a commitment to making sure that both our Members and officers display the highest possible standards of behaviour and conduct. A [Code of Conduct](#) has been adopted for Members and officers to ensure and promote good conduct.
- We are dedicated to promoting a strong culture to prevent and detect fraud. This is supported by our [Counter Fraud Policy](#) and our [Whistleblowing Policy](#).
- If for any reason someone feels that the Council has failed to do something that should have been done or has done something badly or feel that they have been treated unfairly we have a [Complaints Policy](#) to proactively deal with complaints and learn from our mistakes.

3.10 **Taking informed transparent decisions and demonstrating clear accountability**

- As a local authority we must be clear about how decisions are taken and also listen and act upon constructive scrutiny. The Audit Committee was established in 2006. It promotes and maintains high standards of good governance including making sure an adequate risk management and control environment exist and that financial performance and accounting is properly and lawfully monitored. Reports and minutes of the Audit Committee meetings are available on [Audit Committee Records](#)

- Our [Overview and Scrutiny](#) Management Committee exists to review and scrutinise any decision made by the Executive, Executive Councillor or key decision made by an officer. It examines the County Council's overall performance and advises our Overview and Scrutiny Committees of any areas of performance requiring detailed consideration.
- The Executive Director – Performance and Governance is the designated Monitoring Officer with responsibility for ensuring the lawfulness of decisions taken by us as detailed in the [Constitution Part 3](#).
- The Executive Director – Resources and Community Safety leads and directs the Financial Strategy of the Council. They are a member of the Councils' Management Board and have a key responsibility to ensure that the Council controls and manages its money well. They are able to operate effectively and perform their core duties - complying with the CIPFA Statement on the role of the Chief Financial Officer.
- Risk Management is about taking measured risks when making decisions or where we need to encourage innovation in times of major change. This will put us in a stronger position to deliver our goals and provide excellent services. Our risk management process is well established in the way we work. The Audit Committee is responsible for reviewing how effective our risk management procedures are. Our Strategic Risk Register is regularly reviewed and more details can be found in our [Risk Management Strategy](#)

3.11 **Developing the capability of members and officers to be effective in their work**

- Making sure that members and officers have the skills, training, experience and support to perform well is one of our key priorities. Our [People Strategy](#) helps us to achieve this. The People Strategy is one of our most important strategies as it helps us to effectively engage with our staff and ensure their commitment to achieving our vision, aims and values.
- We ensure that the skills required by Members and staff are assessed and developed to enable roles to be carried out more effectively through our [Competency Framework](#) and our [Competency Policy](#)
- The Councillor Learning and Development Group co-ordinates activities and training for our members to ensure they are effective in their roles.
- In recognition of our commitment as an employer that achieves the most by getting the best from its people we attained the [Investors in People](#) bronze award
- The Council regularly reviews its [constitution](#) and [financial regulations](#) to ensure members and staff are aware of what is expected of them and that they remain fit for purpose.

4 Review of Effectiveness

4.1 The County Council¹ undertakes an annual review of how effective its governance framework is. This is informed by:

- Executive managers
- Head of Internal Audit's annual report
- Strategic Risk Management arrangements
- Combined Assurance Model and status reports
- Comments made by external auditors and other agencies.

5 Our Assurance Arrangements

There are a number of ways we assess if our governance arrangements are working. These are:

5.1 Corporate Governance Group

The Corporate Governance Officer group was set up to help ensure the Council adopts good governance in running its business and making sure we are:

'doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner'.

¹ Includes the Fire and Rescue function and Local Government Pension Arrangements administered by the Council

5.2 Internal Audit

Internal Audit provides independent assurance designed to add value and improve how the Council operates. It helps the Council achieve its priorities and objectives by bringing a systematic and disciplined approach to evaluate and improve the management of risk, control and governance processes. It provides constructive and independent challenge to management on the way things are done.

We undertake an annual review of the effectiveness of our Internal Audit service ensuring it is compliant with the appropriate professional standards and CIPFA's statement on the role of the Head of Internal Audit in public service organisations.

5.3 External Audit

The Councils financial statements and annual governance statement are an important way we account for our stewardship of Public funds.

KPMG, our External Auditors, audit our financial statements and provide an opinion on these.

They also assess how well we manage our resources and deliver value for money to the people of Lincolnshire.

5.4 Audit Committee

The Audit Committee is a vital group that oversees and promotes good governance, ensures accountability and

reviews the way things are done. The Audit Committee examines areas such as audit, risk management, counter fraud and financial accountability. The Committee exists to challenge the way things are being done, making sure the right processes are in place. It works closely with our Internal Audit team.

Our External Auditors attend Audit Committee meetings. At least once a year a private meeting is held with them to help provide the Audit Committee with independent insight on key issues facing the Council and how well its governance arrangements are working.

We have appointed a non-elected member to the Committee. The ability of an independent member to offer different perspectives and constructive suggestions will improve the way we work. For more information go to: [Audit Committee Records](#)

5.5 **Risk Management**

Good risk management is part of the way we work. Our strategic risk management team supports management to help them take measured risks and create an environment of 'no surprises'.

For more information go to: [Risk Management Strategy](#)

5.6 **Performance Management and Data Quality**

The Council is committed to continuously improving the way we work and the services we provide for the people of

Lincolnshire. Each year we set out plans for improvement in the Council's Business Plan, Statement of Accounts and Annual Report.

For more information go to: [Performance](#)

6 Governance Issues

The following areas have been identified where further work is required to improve systems or monitor how the key risks facing the Council are being managed:

Governance Issue	Lead Officer(s)	Key Delivery Milestones	Implementation Date
Maintaining Good Governance			
<p>The May 2013 county council election has returned a council with very different makeup to recent years with just over half new to the county council (many with no experience as a councillor) and a change of more than half in the membership of the Executive. This could bring positives in terms of new insights but also has the potential for negatives as those councillors may not fully understand the council's governance arrangements.</p> <p>The changed political landscape will require more support from senior managers in terms of briefings etc.</p> <p>Many senior managers are relatively new in post following the Managing Workforce Change programme.</p>	David O'Connor	<p>Extensive induction programme for new councillors after the election with good feedback but will need to continue. Most committees have additional training identified.</p> <p>New Executive and Management Board have spent several informal sessions together reviewing and confirming current direction.</p> <p>Combined impact of the reducing government grant is being addressed by our budget and focus on commissioning which will result in confirmed or altered council priorities.</p> <p>Senior Leadership Programme as part of Workforce and Management Capacity (below) with initial very positive feedback</p>	<p>Completed</p> <p>In progress as needed</p> <p>Completed See Commissioning below</p> <p>See below</p>
Workforce and Management Capacity			
Rapidly changing environment will require a more agile workforce.	David O'Connor	New People Strategy designed and approved last year with detailed implementation plan is a council priority programme	Strategy 2012-2015 (currently on track)

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Reduced workforce means we must focus on value adding activity.		Many Human Resources processes have been reviewed. Future Delivery of Support Services programme will deliver new Enterprise Resource Planning (ERP) tools that will make financial and people management processes more efficient.	Tied in with Future Delivery of Support Services. Current ERP replacement estimated to take place 04/14 to 03/15
Public Health			
<p>New public health functions became the responsibility of the Council from April 2013.</p> <p>Services, staff and contracts transferred from local and national NHS bodies. The transition plan has been successfully delivered but the Council must integrate these new functions at both a strategic and delivery level. The change will inevitably mean cultural change for staff and service redesign.</p>	<p>Tony Hill</p> <p>PHDMT</p> <p>Tony McGinty</p> <p>Isabel Perez</p> <p>Teresa Roche Tony McGinty</p> <p>Tony McGinty</p> <p>Tony McGinty</p> <p>Tony Hill</p>	<p>Implement extended induction programmes for all incoming staff.</p> <p>Agree 'Unwritten Ground Rules' Frameworks for the integrated team.</p> <p>Transition project close down, including staff engagement representatives.</p> <p>Develop integrated continuing professional development programme.</p> <p>Induction programmes for new members and scrutiny committees.</p> <p>Agree programme of Public Health Service Reviews with Executive and Corporate Management Board.</p> <p>Review clusters of service users with full involvement of internal stakeholders.</p> <p>Present recommendations for service change and integration to Corporate Management Board and Executive.</p>	<p>August 2013 completion</p> <p>June 2013</p> <p>July 2013</p> <p>June 2013</p> <p>June and July 2013</p> <p>July 2013</p> <p>July 2013</p> <p>September 2013 onwards</p>

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Adult Care			
<p>Change of pace and scale The scale and pace of change in Adult Care is pronounced and unlikely to change in the medium term. Notwithstanding the transformation required our primary purpose is to work with the most vulnerable adults in our communities, to help them achieve more, stay at home and keep them safe from abuse. We understand the value of working together with the people who need our advice and support, their families, their wider community, statutory partners and organisations providing support. The resources we have including our people and money will be directed to achieving this.</p> <p>Our 5 priorities for 2013/14 are:</p> <ol style="list-style-type: none"> 1. A balanced budget out-turn 2. Improved performance 3. Integration with Health 4. Established plans for the delivery of key elements of Adult Care transformation 5. A set of quality indicators <p>We have also strengthened our programme management arrangements to help ensure all developments and changes are successfully managed.</p>	Glen Garrod/Senior Management Team	<p>Adult Care continues to face a substantial change programme grouped here into 3 headings. Each has relevance to the 5 priorities identified.</p> <ol style="list-style-type: none"> 1. A Transformation Programme for all major projects. This programme is developing a new blueprint for the department. 2. Integration with Health – reflecting the national policy context for Adult Care with NHS partners in Lincolnshire. 3. Adult Care performance and quality improvement. 	<p>October 2013</p> <p>October 2013</p> <p>March 2014 (mid-year review September 2013)</p>

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Adult Care			
<p>Safeguarding Vulnerable Adults Safeguarding Adults is being placed on a similar statutory footing to that which exists for Children. The work to safeguard vulnerable adults is evolving quickly and is expected to be given more policy direction once the Care and Support Bill becomes enacted (currently before Parliament).</p> <p>The pre-existing Safeguarding Adult Board is chaired by an independent person and has commenced a programme to strengthen its assurance and governance framework.</p>	Glen Garrod/ Elaine Baylis (Independent Chairperson)	<p>Several developments are taking place to enhance the safeguarding work for adults (examples are):</p> <ol style="list-style-type: none"> 1. A dedicated training plan for improving practice across all agencies is being organised for 2013/14 and 2014/15. 2. Improved assurance and governance framework. 	<p>September 2013</p> <p>To be agreed</p>
Children Services			
<p>Safeguarding Children</p> <ul style="list-style-type: none"> • Keeping children safe and protected. • Responding to the family Justice reforms and meeting new timescales regarding adoption. • Transforming early intervention services to prevent raising demand in specialist services. 	Debbie Barnes	<p>Adopt Signs of Safety as risk identification and management tool.</p> <p>Establish a MASH (Multi agency information sharing hub).</p> <p>Programme to recruit, assess and support potential adopters and foster carers.</p> <p>Integrated working with Health through "Making it happen for every family" project.</p>	<p>Dec 13</p> <p>Business case Dec 13</p> <p>Dec 13</p> <p>Phase 1 to be implemented Sept 13 / Phase 2 Dec 13</p>

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		<p>Families Working Together Programme to turn around the lives of families in crisis</p> <p>Pilot Authority for Public Law Proceedings to assist with family Justice Reforms</p>	<p>Phase 1 July 13 with expansion in line with Government guidance Dec 14</p> <p>Start Date Sept 13</p>
<p>Education and Skills</p> <ul style="list-style-type: none"> • Responding to school funding reforms whilst supporting small schools to be sustainable. • Responding to the new legislative framework which will govern support for children with additional needs. • Transforming school support services due to academy changes. • Sufficiency of places. • Driving school improvement for academies. 	Debbie Barnes	<p>Support Primary Collaborations project to encourage schools to work together.</p> <p>Project Board established and project plan completed to enable services to respond to "Support and Aspiration.</p> <p>Education Support Services transformed to enable a commercial offering for schools.</p> <p>Capital programme to meet sufficiency of school places.</p> <p>Replacement guidance for schools causing concern which is applicable to Academies to be developed and agreed with schools.</p>	<p>Project ongoing – full evaluation to be completed Sept 13</p> <p>Compliance with new guidance March 14</p> <p>March 14 services to be self sustaining</p> <p>Review Dec 13</p> <p>Sept 13</p>
Maintaining Financial Resilience			
Overall services showed an under-spending which will allow some carry forward flexibility into the current year, together with an increase in reserves to meet pressures	Pete Moore	The financial outturn for 2012/13 was considered by the Council's Executive and the VFM Scrutiny Committee during July. Carry forward budget proposals will be confirmed at the full Council	Outturn considered by Executive and Scrutiny in July 2013. Carry forwards to be

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<p>in 2014/15.</p> <p>Against the current core offer savings target of £146m by March 2015, £102m has already be achieved and a further £20m is already being actioned and classified predominantly as lower risk.</p> <p>A further £24m is classified as higher risk either because action has only just started or plans or still in formulation. The key higher risk areas are around:</p> <ul style="list-style-type: none"> • waste management (the energy from waste plant has still to come on-stream to reduce waste to landfill and reduction in associated taxes) • adult social care where work on reablement, joint commissioning, learning disabilities and the social care blueprint have still to be actioned to reduce costs in 2014/15. <p>These programmes of work will need careful management and monitoring.</p> <p>A one year Comprehensive Spending Review for 2015/16 was published on 26 June 2013 and it implies reductions in Government support to local authorities of close to 15% in 2015/16.</p>		<p>meeting in September.</p> <p>The Council's medium term financial strategy will be updated following that announcement and this will feed into future budget processes.</p> <p>It is expected that a further 3 or 4 year Comprehensive Spending Review will follow the next general election and that the reductions in local government funding will continue possibly until 2020. The Council will be planning for this scenario and the work on a 'Commissioning Council' will assist in determining the desired outcomes and priorities within the likely financial resources available.</p> <p>Consideration of council priorities and budgets as part of the annual budget processes for March 2014 and March 2015. A fundamental budget review will be undertaken over the next 12 months to cover the period from 2015/16 to 2018/19.</p> <p>Monitoring and management of remaining core offer savings through to March 2014.</p>	<p>confirmed in September 2013.</p> <p>Update of medium term financial model following Comprehensive Spending Review announcement on 26 June 2013.</p>
Procurement and Contract Management			
The Council recognises that it needs to manage its procurement and contracts	Pete Moore / David O'Connor	Significant work has been done to strengthen contract compliance in Adult Social Care. Contract	Some actions already complete and others

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<p>better if we are to deliver effective services for the future within significant funding constraints.</p> <p>Work is underway to strengthen our management oversight and rigour over our commercial relationships.</p> <p>Our commissioning strategy aims to influence and support sustainability and resilience of our providers – suppliers, partnerships and voluntary sector.</p>		<p>officers have worked with the Quality and Safeguarding teams to develop more robust contract management protocol which sets out roles and responsibilities for staff in Adult Social Care. Adult Social Care contract officers are going through a comprehensive training programme and this should be complete by the end of June 2013.</p> <p>To support the contract compliance for all Council contracts a contract management toolkit is being piloted in two areas and if successful will be rolled out to all areas of the Council over the next 12 months.</p> <p>A new Contract Assurance Board will meet for the first time on the 26 June 2013. The role of the Board is to provide assurance that proposed contracts are consistent with the direction, aims and priorities of the Council and are properly resourced and managed. Contracts with a total value of over £500k or over a 2 year duration will be initially reviewed.</p> <p>All contracts above a value of £25k are recorded on a single electronic platform, Firefly. The only exception to this is that home to school transport contracts are managed via a separate system (SEATS).</p> <p>Training has been undertaken by staff in the operation of the procurement and contract systems to ensure they are used effectively.</p>	<p>will be ongoing over the next 12 months. Periodic updates on progress and feedback on effectiveness will be brought to the Audit Committee.</p>

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Becoming a Commissioning Organisation			
<p>The Council has expressed an intention to 'become a commissioning council'.</p> <p>As a Commissioning Council we will achieve desired balance of quality, cost and risk by:</p> <ul style="list-style-type: none"> • Consistently making decisions based on evidence of needs and political priorities. • Working with partners to get the best results. • Focusing on outcomes for people and places. • Using the best means of delivering those outcomes, whether that is inside or outside the Council. • Holding all service providers to account with appropriate rigour. <p>This will help us maximise the benefits from available resources through joint commissioning with partners in a context of reduced resources.</p>	Pete Moore / David O'Connor	<p>The 'Commissioning Council' approach will be progressed during the latter half of 2013 and the first half of 2014.</p> <p>This will enable the Council to focus more readily on its key outcomes and priorities for the future and to ensure that the Council has the key skills to commission and procure its services as effectively as possible, whether that be internally or externally via the private sector, voluntary sector or jointly with key partners such as Health.</p> <p>This will be linked to the update of the Council's financial model following the expected Comprehensive Spending Review announcement on 26 June 2013.</p>	Linked to business plan and budget process for 2014/15 i.e. March 2014, although some commissioning policies may follow to fit into joint commissioning with other organisations and contract renewal dates.
Maintaining ICT Resilience			
<p>Whilst Council systems are more resilient than ever before they are delivered from a single data centre.</p> <p>Where possible new applications are</p>	David O'Connor	<p>Capital funding provided for new centre but could be overtaken by Future Delivery of Support Services (FDSS) with all current bidders having multiple suitable data centres.</p> <p>Continue this approach where effective.</p>	<p>Decision on direction during late 2013-14 as part of FDSS.</p> <p>As opportunities arise.</p>

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hosted remotely or provided via software as a service. Improved network security as a result of Public Service Network (PSN) introduction.		Achieve PSN Code of Connection compliance	September 2013

Conclusion

We are satisfied that plans are in place that will address the areas identified above and will monitor their implementation and operation as part of performance management. The Audit Committee will help provide us with independent assurance during the year.

Signed

..... Date/...../.....
**Director of Resources and
 Community Safety**

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Chief Executive

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Leader of the Council

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