

**Open Report on behalf of Andrew Crookham,  
Executive Director for Resources**

Report to:	<b>Audit Committee</b>
Date:	<b>10 February 2020</b>
Subject:	<b>Governance Review - Culture and Values</b>

**Summary:**

This report provides information on the progress made to date and the timescales for planned actions being taken by the Council in light of the 2019 Governance Review of Culture and Values.

**Recommendation(s):**

To note the progress that has been made and future planned actions.

### Background

The Governance Review of culture and values, reported to the Audit Committee in March 2019, assessed that the Council had a good culture and ethical framework which is working for the Council and its partners.

The review used the CIPFA/SOLACE 'Delivering Good Governance in Local Government – Framework and Guidance – Updated in 2016 to test the Council's culture and values:

- Behaving with integrity demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement

During the review, the key findings were that there were many examples of good practice including:

- Clear and effective Leadership setting the 'tone from the top'.
- Although culture can be a hard area to pinpoint, it was found there was agreement and understanding across officers and members. Individuals gave similar responses on their feeling of positive culture and values at the Council.
- There was strong positive feedback from the workforce towards the Council as a whole. Officers and Members gave an average 95% positive response that

they understand the Council's values, that they have the support of colleagues and that the Council is ethical and respectful.

- Clear corporate values and behaviours which are threaded through employee induction and appraisal systems.
- Active encouragement and promotion of high standards by the Management throughout the Council.
- The feeling of confidence to empower and be empowered to take decisions
- A willingness to subject the Council's governance arrangements around culture and its ethical framework to independent review and assessment. Modify existing arrangements where possibilities exist to support further integration and embedding

The results showed some mixed messages, as expected, given the nature of the review, and a number of recommendations were made. All of the recommendations for improvement have been considered by Corporate Leadership Team (CLT) and the Informal Executive and actions determined.

The Governance Review Action Plan in Appendix 1 sets out the recommendations and associated actions and progress to date. A range of actions have been completed and timescales established for the remaining actions to be completed.

In summary, key points of progress to highlight include:

### **Leadership and Management**

CLT has put in place a range of measures to enable enhancements to engagement and communication with the wider workforce. Staff briefings by CLT held across the County during 2019 were well received with all questions and answers communicated to the wider workforce via GEORGE. The expectations of the council's leadership approach, the Council's values and the ambitions for Lincolnshire as set out in the Corporate Plan were discussed. A further round of briefings is planned for 2020.

The biennial corporate employee staff survey ran from 18<sup>th</sup> November 2019 – 13<sup>th</sup> December 2019 and results are being analysed. New questions were included to obtain employee feedback on the 'One Council' model and steps they believe can be taken to improve as well as questions regarding Council values and culture.

This will provide a useful source of data to support the embedding of this model and the associated leadership challenges and opportunities to inform effective actions.

CLT consider that the development of the 'One Council' model and culture is critical to enabling the vision as set out in the Corporate Plan. The outcomes from the recent Peer Review have enabled the Head of Paid Service to triangulate that the direction of the corporate plan and the emerging transformation plan represent a good blue-print for creating 'One Council' and the journey from service silos and of the importance of a culture and behaviours that reinforce corporate thinking and distributed leadership. The Peer Review also reinforced that the Council has well

defined core values that are understood by both Members and staff and these values influence the culture of the organisation.

To support the transformation programme, the Council's Workforce Strategy is being revised to enable the 'One Council' culture and processes to achieve the Council's vision and ambitions for Lincolnshire, and to develop a workforce who are best placed to meet the changing needs of our customers and communities.

As part of the Workforce Strategy, progress has been made on a comprehensive review of the full suite of Employment Policies and Procedures, including external benchmarking. This has resulted in key learning concerning the existing style and approach. Detailed proposals have been developed on the changes that need to take place for the policies to reflect and enable the culture and distributed style of leadership and ways of working that CLT are aspiring to embed. The new policies will enable managers to be given the autonomy to deal with issues and to resolve matters informally before formal employment procedures are invoked.

The policies are being streamlined to ensure the information is presented in a way that is as easy as possible for all to use. It is planned to roll out updated versions of the policies in June 2020, supported by management training, e-learning and a wider communication programme. The review has been communicated to the wider workforce through the monthly CLT Briefing which is emailed to all employees.

When changes are made to e-learning modules, management training programmes and employee and Manager induction in April 2020, employees and Managers will be reminded of expectations around the Council's ethical values and key policies – such as the safe and secure whistleblowing arrangements in place. This programme of communication is the first of a series of leadership culture change campaigns being planned as part of the 'One Council' model, which will continue to bring to life the values and culture of the Council.

The Action Plan in the Appendix also reflects the improvements being made to key processes including recruitment and selection, appraisals and exit interviews to reflect good practice, which will be monitored by the HR Service in conjunction with CLT and Director Area Leadership Teams and reported through the quarterly HR Management Information and Workforce Strategy report to the Overview Scrutiny Management Board.

The Action Plan also reflects the actions taken to review the Members Code of Conduct and Local Arrangements for dealing with standards complaints following the report of the Committee on Standards in Public Life on Local Government Ethical Standards. The review was undertaken by a working party of members established by the Audit Committee. The Working Group reported its findings to Audit Committee in November. The Audit Committee made a number of recommendations to Council in December which was approved by Council and the relevant changes to the Constitution were agreed.

The gifts and hospitality policy and guidance for members were included in the code of conduct working group's remit and a number of changes were agreed by Council. These will be used to inform the review of the gifts and hospitality policy for officers.

The work of Scrutiny Panel B on reviewing the Council's overview and scrutiny arrangements in the light of recently published statutory guidance is continuing and on track to report in the Spring of 2020.

There will be continued oversight of the action plan through the Governance Group. This is a group of officers with a governance remit within their role which includes the Monitoring Officer and Head of Internal Audit and is chaired by the Executive Director – Resources in his role of section 151 officer.

**Conclusion**

This update report and the summary action plan in Appendix 1 provide the Audit Committee with assurance that improvements have been made in line with the recommendations from the governance review of culture and values. The management processes are in place for maintaining and improving the positive culture and values as part of the Council's wider Governance Framework, for both Members and Officers. The action plan will be monitored through the Governance Group, including evaluation that the actions taken and the future planned actions achieve the intended outcomes.

**Consultation**

**a) Have Risks and Impact Analysis been carried out?**

Yes

**b) Risks and Impact Analysis**

Analysis completed

**Appendices**

These are listed below and attached at the back of the report	
Appendix A	Governance Review Action Plan

**Background Papers**

The following Background Papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of this Report.

Background Paper	Where it can be viewed
Audit Committee Report dated 25 March 2019 entitled "Review of Governance Framework and development of the Annual Governance Statement 2018/19"	<a href="https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=133&amp;MId=5250&amp;Ver=4">https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=133&amp;MId=5250&amp;Ver=4</a>
Audit Committee Report dated 18 November 2019 entitled "Code of Conduct Working Group Report"	<a href="https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=133&amp;MId=5254&amp;Ver=4">https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=133&amp;MId=5254&amp;Ver=4</a>
Full Council Report dated 11 December 2019 entitled "Members' Code of Conduct"	<a href="https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&amp;MId=5661&amp;Ver=4">https://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=120&amp;MId=5661&amp;Ver=4</a>

This report was written by Fiona Thompson, who can be contacted on 01522 552207 or [fiona.thompson@lincolnshire.gov.uk](mailto:fiona.thompson@lincolnshire.gov.uk) .

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