

Corporate

Governance

Inspection

Doncaster Metropolitan Borough Council

April 2010

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Executive summary

- 1 Doncaster Metropolitan Borough Council (the Council) is failing.
- 2 The Council is not properly run and as a result it is failing in its legal obligation to make arrangements to secure continuous improvement in the way in which it exercises its functions, having regard to a combination of economy, efficiency and effectiveness. Those leading the Council – the Mayor and Cabinet, some councillors and some officers – do not collectively have the capacity or capability to make the necessary improvements in governance. The Council will not improve without significant and sustained support from external bodies.
- 3 This corporate governance inspection was undertaken because of repeated evidence, over more than 15 years that the Council is not well run. Until the recent ministerial intervention in children's services, the Council had been successful in deflecting all previous attempts to address its problems (despite those problems having been accurately diagnosed in a Public Interest Report and a separate Ethical Governance Healthcheck) whilst allowing poor and failing services to continue. A poor rating for children's services for two years, a red flag in the Comprehensive Area Assessment for poor prospects for children and young people, and the recent tragic events in Edlington are the clearest examples of this. We conclude that the desire to pursue longstanding political antagonisms is being given priority over much-needed improvements to services for the public. The people of Doncaster are not well served by their council.
- 4 The Comprehensive Area Assessment concluded in December 2009, that the Council performs poorly. It does not do enough to meet the needs of its most vulnerable people, does not safeguard children, and has not been good at helping vulnerable people find a home. Too many children underachieve at school, and too many are excluded from school. Whilst some services are improving, for example adult services, the neighbourhoods and communities services and the benefits services, many other issues remain. Crime levels need to reduce further, people need to be helped to lead healthier lives, more decent homes are needed, public spaces need to be cleaner, and local people need better skills so they can get the new jobs that are becoming available in the area. People's satisfaction with the Council is low.
- 5 Good governance is about running things properly. It is the means by which a public authority shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet all local people's needs. It is fundamental to showing public money is well spent. Without good governance councils will struggle to improve services when they perform poorly.
- 6 There are three inter-related issues which mean that Doncaster Metropolitan Borough Council is failing in its legal duty to make arrangements to secure continuous improvement in the exercise of its functions. These three issues are individually divisive and collectively fatal to good governance, each serving to compound and magnify the negative impacts of the others. These issues also mean the Council lacks the capacity or capability to improve in the next 12 months.

- 7 The three issues are as follows.
 - The way the Council operates to frustrate what the Mayor and Cabinet seek to do.
 - The lack of effective leadership shown by the Mayor and Cabinet.
 - The lack of leadership displayed by some chief officers, and the way they have all been unable to work effectively together to improve services.
- 8 The following paragraphs are a summary of the key issues arising within the body of this report, which support our conclusion that the Council is failing in its duty under section 3 of the Local Government Act 1999 (the duty to make arrangements for continuous improvement) and is unlikely to improve without significant support from outside.
- 9 The Council, and key councillors within it, are not working constructively with the Mayor or with partners to achieve better outcomes for the people of Doncaster. Some influential councillors place their antagonism towards the Mayor and Mayoral system, and the achievements of their political objectives, above the needs of the people of Doncaster, and their duty to lead the continuous improvement of services. The Scrutiny process within the Council, which could act to hold the Mayor and Cabinet properly to account, and help him develop his policies, is instead being used to undermine the Mayor, and develop separate policies and budgets. The process of budget-setting itself is not robust.
- 10 Decision making in key areas is too slow. The Local Development Framework, a key document setting out development priorities and proposals, is still not agreed. Decisions around Building Schools for the Future have been delayed, and external capital funds put at risk, because of indecision. Discussions between the Council and the arm's length management organisation (ALMO) for housing – St Leger Homes – about what work the Council wants done to certain categories of homes in the Decent Homes programme have been going on for ten months. Discussions with the primary care trust about funding for a new health centre to allow Council and NHS staff to work together have been delayed by ongoing argument within the Council. The people of Doncaster are at risk of losing out because of these failures. Other parts of South Yorkshire have already made key decisions in these policy areas, and are already delivering positive changes for their residents.
- 11 The way in which the former Interim Chief Executive was recruited in January 2010 is a clear example of poor governance. The Council failed to live up to minimum governance standards, and persevered with an appointment process they were advised, by external legal experts, was flawed. The former Interim Chief Executive, who was until his appointment the Council's Director of Resources and Monitoring Officer, failed to behave in a way that lives up to the required standards of behaviour. He undermined perceptions of the role of Chief Executive as an impartial servant of the Mayor and the Council.

Executive summary

- 12 The Mayor does not always act in a way which demonstrates an understanding of the need for an elected Mayor to lead his authority and represent all the people in Doncaster. Some of the behaviours adopted by the Mayor and some Cabinet members have failed to meet required standards, and serve to reinforce antagonisms from certain groups within the Council. This contributes to the Mayor often failing to achieve consensus around his key proposals.
- 13 More generally, officers have failed to act corporately, have struggled to provide leadership, and have not acted as a team. Some have become used to the dysfunctional politics of the Council, and no longer seek to maintain proper boundaries between the respective roles of officers and councillors. Some officers have stopped seeking political support for new strategic service plans, and seek to deliver them without political discussion.
- 14 Good governance is fundamental to the proper running of public organisations. We have considered whether the Council meets minimum standards of governance in six areas: purpose and outcomes; functions and roles; values and behaviours; decision making; capacity and capability; and engagement. We have also considered whether we think the Council has the ability to improve, by itself, in these areas.
- 15 Our conclusions are set out in the table below. Our judgement is that the Council fails to meet minimum standards in all six of the areas we considered, and lacks the capacity to improve sufficiently in any of them without external support.

1	Purpose and outcomes of the Council are confused, key decisions are being delayed with a result that outcomes for local people are not being delivered, and value for money is not being delivered.	We do not think this will get better in the next 12 months without external help because of the track record of problems, principally relating to longstanding political antagonisms within the Council.
2	Functions and roles are unclear, responsibilities are not understood and not respected, and the Council's leaders do not work effectively together. The Overview and Scrutiny process is operating as a separate source of executive policy making.	We do not think this will get better in the next 12 months because the Council has shown itself unable to work within clearly defined functions and roles even when these have been clearly set out.
3	Values and behaviours do not meet minimum requirements. Some councillors and a few staff are not working within the ethical framework, are behaving in ways which do not exemplify good governance, and the Council is not learning adequately from issues and complaints that arise.	We do not think this will get better in the next 12 months because bad behaviours are entrenched amongst certain councillors and officers, some of whom seem unable to distinguish what is appropriate from what is not.

4	<p>Decision making is not rigorous or transparent. Key decisions relating to schools, housing, and economic development have been delayed due to political antagonism within the authority. Good quality information and advice is not consistently used to make decisions and risk management is inconsistent and does not adequately cover partnership objectives.</p>	<p>We do not think this will get better in the next 12 months because the process of decision making is a victim of the antagonisms that exist within the Council.</p>
5	<p>Capacity and capability within the Council is insufficient to deal with the problems it faces. Skills and knowledge are available, but do not make a difference to the way key individuals behave. The Council has shown itself unable to respond to previous attempts to help it because behaviours are entrenched.</p>	<p>We do not think this will get better in the next 12 months because the response of the Council to previous criticism has been to appear to comply with recommendations made, whilst actually continuing the same destructive behaviours.</p>
6	<p>Engagement by the Council is inadequate, both internally with staff, and externally with partners and the people of Doncaster. Key groups of people within Doncaster find it hard to get their voices heard.</p>	<p>We do not think this will get better in the next 12 months because of the entrenched attitudes of key decision makers within the Council to the need for, and benefits of, dialogue and engagement with staff, partners, and the public.</p>

Recommendations

- 16** The Council is failing in its legal obligation to make arrangements to secure continuous improvement in the way in which it exercises its functions, having regard to a combination of economy, efficiency and effectiveness.
- 17** We recommend that the Secretary of State should exercise his powers under section 15 of the Local Government Act 1999 to give a Direction or Directions to Doncaster Metropolitan Borough Council. Should the Secretary of State accept our recommendation, the form and content of any Direction(s) will be a matter for him to determine. However, it is our view that the purpose of the Direction(s) should be to address the deep-seated culture of poor governance identified by our inspection.
- 18** More specifically, the objectives of any Direction(s) should be to ensure that:
- the behaviour of the Mayor and some key councillors is no longer allowed to obstruct the proper governance of the council;
 - the role of the Mayor and Cabinet as the Executive is properly supported by officers, and the Overview and Scrutiny function ceases to operate as if it were an alternative Executive function;
 - bullying and intimidating behaviour is eliminated;
 - there is a rapid improvement in the performance of key services;
 - the Council plays an effective role in working with external partners to improve the prospects for the people of Doncaster;
 - a high calibre Chief Executive who commands the respect of the Mayor and the Council is in place; and
 - under the leadership of a new Chief Executive, the chief officers work collectively to deliver service improvement.

In the context of the above, it should be recognised that the Council has a long history of responding to recommendations but failing to address the real cause of its difficulties: the poor behaviour of key individuals. As such, the Secretary of State may wish to consider the immediate suspension of some or all of the functions currently undertaken by the Executive and Council, and the appointment of commissioners to be responsible for the administration of Doncaster Metropolitan Borough Council. However, if the Secretary of State considers it appropriate for the Council to retain its functions and make the necessary improvements, he may wish to consider the following actions.

Establishment of an Improvement Board

To oversee the effective implementation of the Direction(s) issued by the Secretary of State an Improvement Board should be established, chaired by a suitable individual appointed by the Secretary of State. The Board should comprise senior figures with expertise in local governance from outside Doncaster.

Failure by the Council to make adequate progress on the objectives set out above, as determined by the Improvement Board, should lead to the Secretary of State considering the suspension of some, or all, of the functions currently undertaken by the Executive and Council.

The behaviour of the Mayor and councillors

The Secretary of State should put in place a package of measures to hold the Mayor and councillors to account for their behaviour, and to build confidence inside and outside the Council that poor behaviour will be tackled effectively. This could include:

- reviewing the terms of reference and membership of the Standards Committee (retaining an independent chair) to ensure that it is effective and perceived as an effective safeguard by officers and councillors; and
- ensuring that a strong Monitoring Officer is in place and strengthening the whistleblowing arrangements to encourage reporting of poor behaviour.

Delivering effective Executive and Scrutiny functions

The Improvement Board should ensure that the proper roles of the Council's Executive and Overview and Scrutiny functions are established and adequately and appropriately supported by officers.

The elected Mayor should be required to seek support from a suitable mentor, chosen by him from a list of suitable individuals suggested by the Secretary of State.

Effective officer leadership

The Improvement Board should oversee the process by which the Council appoints a high calibre permanent Chief Executive who commands the confidence of the Secretary of State, the Mayor and the Council.

The newly appointed Chief Executive should ensure the other chief officers work collectively to improve the quality of governance, decision making and services within the Council, within the context of an effective performance framework for the Council and its staff.

The Improvement Board should ensure that the Chief Executive has access to the level of support needed to deliver the substantial organisational change and development necessary.

Detailed report

Background to Doncaster

- 19 Doncaster sits within the area of South Yorkshire, close to the major conurbation of Sheffield. It consists of a large, mainly rural area and three significant towns – Doncaster, Mexborough, and Thorne. Many of the smaller towns and villages have a history closely associated with coal mining. It has a population of some 291,000 people. 3.5 per cent of the population come from a black or minority ethnic background; some 4,000 are gypsies and travellers; and over 2,000 are new economic migrants.
- 20 The area has a number of natural advantages, including its location and its ready accessibility by road, rail, air and water. The Council has been successful in promoting the physical regeneration of the Doncaster town centre, with new buildings, shopping centres and industrial units much in evidence.
- 21 In the last five years, the number of jobs in Doncaster has increased. Employment has increased as has the number of local businesses, enabling residents to improve their skills.
- 22 However, these improvements have not reduced rates of worklessness and have not enabled Doncaster to improve relative to other places in the Yorkshire and Humber region or in the country. Doncaster is still in the bottom 25 per cent, both regionally and nationally, for many economic indicators.
- 23 Partners' ambitions are for Doncaster to be a centre for economic growth in the Yorkshire and Humber region. Recent research by Northern Way (a think tank set up to support the development of the northern areas of England) suggests that faster economic growth could be secured by closer working with the Sheffield City Region and developing stronger economic links with Sheffield.
- 24 People in Doncaster are less well off, are more likely to be unemployed, and less likely to be healthy than the average for similar types of authority; all of which means a greater demand for public services and a greater need for an effective and well-run local council.
- 25 Average numbers of 11-year old children reach the expected level in their tests. At age 16 achievement in exams is about the same as in similar authorities, although below the national average. The number of young people aged 19 with the higher level qualifications and skills required of many modern jobs is below similar authority and national averages.
- 26 The level of new businesses registering for VAT is the sixth worst in Yorkshire and Humberside, and in the lowest 25 per cent of authorities nationally. In 2009, 55 per cent of homes failed to meet the government's decency standards, which again placed Doncaster in the worst 25 per cent of authorities nationally.

Political context

- 27 The current Mayor was elected in June 2009, as a representative of the English Democrat party. There are no other English Democrats on the Council. Another independent was second in the mayoral vote, with the main political parties further behind.
- 28 The Council's composition is shown in the table below. A full list of Councillors from each group is set out in Appendix 1. One-third of Council seats will be up for election in May 2010.

Number	Party	
26	Labour	Nine chairs and six vice chairs, including: Chair of Chief Officers Appointment Committee; Chair of Chief Officers Investigatory Sub-committee; Chair of Overview and Scrutiny Management Committee; and Chair of Council.
12	Liberal Democrat	Five chairs and three vice chairs, including: Employee Relations sub-committees; JNC Chief Officer Appeals; Economy and Enterprise Overview; and Scrutiny Panel.
9	Alliance of Independent Members	Three chairs and four vice chairs, including: Safer, Stronger and Sustainable; and Overview and Scrutiny.
9	Conservatives	One chair and four vice chairs, including: Chair of Healthier Communities Overview and Scrutiny; and Vice Chair of Awards; Grants and Transport (Appeals); and Elections and Democratic Structures Committee.
4	Community group	
3	Non-affiliated independents	
1	English Democrat	Mayor
64	Total	

- 29 The Cabinet consists of:
- the Mayor (English Democrat);
 - three Conservative councillors; and
 - three independent or unaffiliated councillors.

The history of Doncaster Metropolitan Borough Council's governance

- 30** Doncaster Metropolitan Borough Council has a troubled history of poor governance. The negative perceptions created by the 'Donnygate' affair, which resulted in 21 councillors being convicted of fraud, hangs over the area and over the Council.
- 31** In the aftermath of the Donnygate affair, a mayoral referendum was instigated in 2001, and the people of Doncaster voted to adopt the elected mayoral system of local government. Martin Winter, standing as a Labour candidate, became the first elected Mayor of Doncaster. Mayor Winter, who had been re-elected in 2005, became an independent Mayor in 2008, following increasing difficulties between him and the Labour group within the Council. He chose not to stand again in the mayoral elections of 2009. Peter Davies, of the English Democrat Party, was elected as Mayor in June 2009.
- 32** Further problems with governance emerged in 2005. The then Chief Executive (managing director) made allegations of improper conduct by the Mayor. The police investigated these allegations, but no prosecution was brought. In August 2006, allegations were made about the Chief Executive's behaviour, and after protracted discussion the Chief Executive left the Council under a compromise agreement in December 2006. A Public Interest Report from the District Auditor in May 2008 reflected on the issues raised by the disagreement, and on a wider set of underlying governance issues within the Council. This contained ten recommendations, relating to achieving good governance, implementing chief officer performance reviews, the drafting of disciplinary reports, and about members' impartiality in disciplinary matters. These were pursued through a Governance Improvement Plan overseen by an independently chaired Governance Reference Group. In 2009, the District Auditor concluded that the Council had finally implemented the ten recommendations from his Public Interest Report. However, despite the recommended processes having been put in place, it is clear that the behaviour of certain key individuals has not improved.
- 33** In 2008, the Secretary of State for Children, Schools and Families judged children and young people's services in Doncaster to be so poor as to require ministerial intervention. An independently chaired Improvement Board was set up in April 2009, but has struggled to radically improve children's services so far, in part because of the ongoing political antagonisms within the Council and the failure of the Council to see the issues as relating to all Council services, not just children's services. At the same time, Doncaster's Safeguarding Children's Board was exhibiting serious failings. The tragic events of the Edlington case, which occurred before the appointment of the independent Chairman, are only the latest in a series of failures by the Council to keep children safe.
- 34** In February 2009, at the Council's request, the Improvement and Development Agency (IDeA) of the Local Government Association undertook an ethical governance healthcheck, which was published June 2009. The healthcheck concluded the lack of acceptance of the mayoral model by councillors appeared to be a key factor in the difficulties the Council was having. The healthcheck highlighted behaviours that were 'venomous, vicious, and vindictive'. Both the Public Interest Report and the healthcheck have as a consistent theme the antipathy of certain councillors to the elected mayoral model.

- 35 In January 2010, the then Chief Executive of the Council chose, at short notice, to leave the Council. This triggered the series of events described at Appendix 1 which led to the appointment of an Interim Chief Executive, in circumstances of considerable acrimony. This, the history of poor governance within the Council, the record of poor performance of some services, and the slow improvement of others; and the potential loss of public confidence caused by the Edlington case, led the Audit Commission to conclude a Corporate Governance Inspection was required.

The issues

- 36 There are three inter-related issues which prevent the Council from reaching minimum standards of governance, and mean that it both fails in its duty to secure continuous improvement and has neither the capacity nor capability to improve over the next 12 months. These three issues are individually divisive, and collectively fatal, to good governance and to clear and speedy decision making. Each issue compounds and magnifies the negative impact of the other failings and contributes to the Council failing to meet its duty to secure continuous improvement. As a result, the people of Doncaster are being let down by their Council.
- 37 The three issues are as follows.
- The way the Council operates to frustrate what the Mayor and Cabinet seeks to do. An example of this is the way in which the former Interim Chief Executive was appointed, and the resulting antagonism between him and the Mayor.
 - The lack of effective leadership shown by the Mayor and Cabinet.
 - The way some individual chief officers behave, and more generally the way officers have struggled to work together collectively to improve services.

The Council

The Council, and key Councillors within it, are not working constructively with the Mayor or with partners to achieve better outcomes for the people of Doncaster. A number of councillors put individual political aims and antagonisms above the needs of the people of Doncaster.

38 In a well-governed mayoral authority the council should:

- accept the democratic mandate of the Mayor;
- be clear about the limits of its role in developing policy;
- work collectively with the Mayor and Cabinet to help them develop the most coherent set of policies for the local people;
- enable officers to develop priorities into clear, costed plans of action which are shared and agreed with partners;
- adopt leadership styles which are open, inclusive, and engender trust from staff, other partners, and the public; and
- act as ambassadors for the Council in the wider area and with partners.

The democratic mandate

- 39** The attitude of some key councillors is fundamental to the failure of the Council to improve over recent years, despite repeated involvement by external bodies. These individuals are well known within the Council, and their names came up repeatedly during the course of our inspection. They come principally, but not exclusively, from the Labour group. They are long serving local politicians, and are highly skilled and knowledgeable in the working and decision making processes of local government. They occupy key positions of power, within the Council Chamber, within key committees involved in appointing, and investigating disciplinary matters, for chief officers; and within the Overview and Scrutiny process.
- 40** The Council was the subject of a Public Interest Report by the District Auditor in 2008. It concluded the Council had failed to achieve proper standards of governance. The actions of a few councillors, and of some officers, fell short of these standards. He concluded the breakdown in relationships between the then Mayor and the then Chief Executive (managing director) in part reflected existing tensions between the Mayor 'and a key group of Doncaster Metropolitan Borough Council Labour councillors'. The District Auditor issued ten recommendations to improve governance within the Council.
- 41** In 2009, in part to support the Council's work to respond to the District Auditor's recommendations, the Council commissioned IDeA to undertake a further check of governance. This was called the ethical governance healthcheck. The healthcheck highlighted councillor behaviours that were 'venomous, vicious, and vindictive'.

- 42 The healthcheck again highlighted that ‘a majority of councillors expressed the view they would prefer a different model of governance’. The healthcheck concluded the lack of acceptance of the mayoral model appeared to be ‘a key factor in the breakdown of trust and communication which is currently [in early 2009] facing the Council’. In reporting this healthcheck back to Full Council in 2009, the peer Member on that team said ‘several of you [Councillors] put your hatred of the Mayor above your love of the people of Doncaster’.
- 43 In both the Public Interest Report and the IDeA healthcheck there is thus a consistent theme of a set of councillors, many of whom continue to resent the end of the historic committee system, who oppose the elected mayoral system. They would, even without an elected mayor, find the reduced policy-making opportunities within the modern Leader, Cabinet and Overview and Scrutiny model difficult to accept. Their actions undermine the Council’s ability to function effectively.
- 44 The hostility towards the mayoral system transcends individual mayors. It became a constant feature of the mayoralty of Martin Winter, who ceased to be a member of the Labour Party in 2008, and has shown no sign of abating under Mayor Davies. Mayoral candidates from the main political parties have failed in the third mayoral elections, and discussions with the public as part of this inspection revealed considerable anger at what were perceived as the disrespectful and condescending attitudes of some local councillors.

Work to help the Mayor and Cabinet or Council role in developing policy

- 45 The dysfunctional relationship between the Council and the Executive (the Mayor and Cabinet) is most clearly seen in the way in which the Overview and Scrutiny function, and particularly the Overview and Scrutiny Management Committee (OSMC), has been developed and allowed to work within the Council. Properly run, Overview and Scrutiny should provide a key balance to the executive power of the Mayor by scrutinising decisions and actions or making recommendations about the exercise of executive functions. It does fulfil that function in Doncaster. During the last nine months, OSMC and the four standing panels have made 162 recommendations to the Executive, of which 79 have been accepted and 83 rejected. However, it also operates as if it is a separate Executive function within the Council, developing its own policy and budget, with the aim of marginalising and weakening the democratically elected Mayor. We were given evidence that this is not a new phenomenon, and that this separate function had been developing over a number of years.
- 46 It is perfectly legitimate for OSMC to play a role in developing the budget. The Council’s constitution states that OSMC ‘will, at its discretion: Assist the Full Council and the Executive in the development of its budget and policy framework by in-depth analysis of policy issues.’ The Council’s constitution also makes it clear that although OSMC is generally entitled to develop its own work programme in some areas, its role in relation to the Budget and Policy framework is set out in the relevant part of the Council’s procedure rules. These rules require it to respond to proposals in the Mayor’s budget and do not envisage OSMC developing its own budget.

The Council

- 47 However, the role played by OSMC in setting the 2010/11 budget went beyond the provision of assistance or the exercise of scrutiny. It amounted to a separate process leading to the preparation of an alternative budget to that of the Mayor. Officers were required to service both the development of a Mayoral budget, and also support a six-month long process of developing an OSMC budget in wholly inappropriate levels of detail. There was no sense of OSMC seeking to scrutinise, add value to and make recommendations about the Mayoral budget, but rather of a deliberate attempt to create a separate budget. Detailed budget templates, broken down by service, were discussed and refined with OSMC, and from November onwards were often discussed with OSMC before being discussed with Cabinet.
- 48 Officers did attempt to make the budget process less politically divisive, for example by exploring with the Mayor options for a smaller cut in council tax. The Mayor states that he was prepared to compromise on his manifesto commitment of a 3 per cent reduction, and proposed a 2.6 per cent reduction as an alternative. Officers found him unwilling to explore whether this could be phased over a series of years, or delivered in a later year of the mayoral term.
- 49 The opposition of Full Council to the mayoral proposal to reduce council tax by 3 per cent, and their advocacy of a 3 per cent increase to 'protect services' should be seen in the context of that same Council having agreed in each of the four preceding years a council tax rise pegged to the Retail Prices Index (in other words, a real terms increase of nil).
- 50 The Mayor's budget was voted on and rejected by Council on 22 February 2010, and the alternative budget of OSMC was voted on and approved by Council on 22 February 2010.
- 51 To understand the implications of this it is important to remember that the elected Mayor is the principal executive authority within the Council. The purpose of Overview and Scrutiny is to hold him and his Cabinet to account for the way they exercise this authority, and to contribute to evidence-based policy making. But Doncaster's OSMC is being used not to scrutinise the Executive, but to bypass it. It is a mechanism for hindering the elected Mayor's capacity to act and leaving him largely powerless. This results in deadlock and undermines the Council's ability to fulfil its duty to make effective arrangements for the continuous improvement of its functions.

The role of officers

- 52 Officers acquiesce in this inappropriate use of OSMC. Their motivations for doing so are mixed, but in general are suggestive of officers who have come to accept it as a legitimate manifestation of a member-led authority and who lack the collective ability to withstand unreasonable demands from senior councillors.
- 53 Even some councillors who have attempted to stay impartial report that they find it difficult now to trust officers. They fear that some officer advice has become unduly influenced by the power wielded by one political faction or the other. This loss of trust in the impartiality of officers is inevitably corrosive. For example, recent positive news about improvements in Adult Services has not been fully believed.

- 54 It is also important to note that the budget proposals developed through this process are not addressing the strategic issues facing the Council. There is a disproportionate focus on minutiae (such as saving £1,700 on laundering tea-towels) while leaving major savings, in one case amounting to over £500,000, still to be identified.
- 55 Even at the detailed level, the budgetary process is inadequate. Savings proposals in children's services have not been discussed with partners, and staff are unclear what the proposals mean for their posts. There is no reference in the Children's Services Directorate budget to the planned reduction, by one-third, in the use of external out-of-borough placements for children and young people. Education budget proposals are not accompanied by a costed workforce strategy to explain the cost implications of eventualities such as qualified social workers opting to fill current vacancies.

Leadership styles of councillors

- 56 The behaviour of a small but highly influential group of councillors plays an important role in creating the climate in which officers, and other councillors, operate. It is a major factor in preventing the Council from effectively improving its functions.
- 57 We have been provided with consistent evidence of behaviours from some key councillors that clearly amount to bullying and harassment. These include comments such as 'we have long memories' and 'we will get you' made to officers when in the course of their professional duty they have given advice which certain councillors are uncomfortable with or dislike. In this environment, certain officers have left the Council, certain officers remain but are weakened, and certain officers persevere with trying to deliver better services in spite of the political environment in which they operate. Complaints are not always taken to Standards Committee because it is perceived as weak and ineffective in the political environment that exists.
- 58 As part of this inspection, we undertook a staff survey. We had over 1,400 responses in the two weeks in which staff had the opportunity to respond. Asked whether they agree or disagree with the statement 'There is clear and effective leadership within the Council by Councillors, 60 per cent of staff responding disagreed or strongly disagreed. An additional 21 per cent didn't know.
- 59 Our staff survey showed a difference of view amongst staff as to whether the Council's culture promoted respect. Asked whether they agree or disagree with the statement 'The Council's culture promotes mutual respect between councillors and staff' 34 per cent agreed or strongly agreed. However, 57 per cent disagreed or strongly disagreed. A further 13 per cent didn't know.
- 60 There is no planned and effective approach to borough-wide consultation with residents. Residents feel they are informed rather than consulted. The Council used to have a Citizens Panel, but this has been disbanded. The Council will be unable to improve services for all Doncaster residents unless it listens to all of its residents about their needs. The Council's Community Involvement Strategy 2010-2013 identifies that current practice is poor on a number of counts, including that insufficient information is available to the public, and relies on too few methods of involvement, missing out several groups' voices.

The Council

- 61 The recent Place Survey revealed that 22 per cent of Doncaster people think they can influence the decisions made by the Council. This puts the Council in the worst of 14 comparable councils. The average for the comparator group is 26 per cent.

Being ambassadors and working with partners

- 62 The Local Development Framework also provides an example of the way in which the antagonistic political environment within the Council results in slow decision making, and puts at risk better outcomes for local residents.
- 63 The Local Development Framework is a key document setting out spatial and strategic development priorities and proposals, which have a fundamental impact on partners both within Doncaster and on other councils in the South Yorkshire area. The plans have been significantly delayed, and while they have now been revised and updated will now have to go back to Overview and Scrutiny. Officers foresee a difficult time politically as historic antagonisms are played out again between the competing political factions. Uncertainty remains about whether it will be possible to broker a political consensus around this key policy.
- 64 The slowness of decision-making is also impacting on the prospects for children and young people within Doncaster. The Building Schools for the Future programme offers opportunities for significant capital funding, but these are in danger of being squandered because of the lack of clarity about critical budget decisions. Delays in decision making have affected the NHS Local Improvement Finance Trust programme and delayed agreement on a new health centre which would give opportunities for Council social workers and health to work together. It is, of course, perfectly proper that there should be political debate about this and other policies. But failure to make decisions hinders officers from developing budgets. Still more important, it risks depriving the people of Doncaster of investments that could be made in improving the services they receive.

The appointment of the former Interim Chief Executive

- 65 The process of appointing the former Interim Chief Executive, Tim Leader, is symptomatic of the fundamental governance failures which afflict the Council. It is a prime example of poor governance processes at work. It also exemplifies the inability of a key officer and some councillors involved in the process to see above their own self interest and act for the greater good of the people of Doncaster.
- 66 The former Interim Chief Executive, who was previously the Monitoring Officer of the Council, failed to behave in a way that lives up to the required standards of behaviour. He undermined perceptions of the role of Chief Executive as an impartial servant of the Mayor and the Council. The Council failed to live up to minimum governance standards, and persevered with an appointment process they were advised by external legal experts was flawed.
- 67 The process shows:
- a Monitoring Officer advising on matters in which he had a clear self interest;
 - the Council rejecting internal and external advice, including legal advice;

- the Council persevering with a flawed process despite that advice; and
- the Council being willing to appoint, and then reaffirm, an Interim Chief Executive with whom the Mayor had stated he could not work.

68 The way in which statutory chief officers of local authorities conduct themselves is fundamental to good governance in any Council. The Head of Paid Service (also known as the Chief Executive) is required to be the senior leader of the council's staff, have oversight of all council services, and act as an ambassador for the authority externally. Crucially, they must be impartial, and be seen to be impartial.

69 Councils are also required to appoint a Monitoring Officer. That person cannot also be the Head of Paid Service. The Monitoring Officer's role is also crucial to good governance, and theirs is the onerous task of having to advise councillors, and other chief officers, if their proposed actions or behaviours stray to the point of illegality. Again, their independence, impartiality, and good judgement are crucial.

Events leading to the appointment of the former Interim Chief Executive

70 The events around the appointment of the former Interim Chief Executive are complicated. What follows is a summary of the considerable volume of evidence we have received. A full chronology and explanation is given at Appendix 2.

71 Mr Leader came to Doncaster Metropolitan Borough Council in September 2009, as Director of Resources and as Monitoring Officer, through an external recruitment exercise overseen by a recruitment agency. At his best he was seen as inspirational by some Councillors and some staff. He was described by some as intelligent, giving of clear direction and purpose, insightful and incisive. However, there were also contrary views about Mr Leader. Some questioned his temperament, the level of his skills to undertake what is a hugely difficult job, and also the extent to which his actions through January and February 2010 were self-serving. He did not have the full confidence of all of his chief officer colleagues.

72 The chronology of events at Appendix 2 show Mr Leader played an active part in leading the advice to the Council, and to the Chief Officers Appointments Committee (COAC), about the appointment process. We have seen no evidence that Mr Leader expressed concern about the fundamental conflict between his ability to advise the Mayor, Cabinet and Council impartially, and his being one of the likely beneficiaries of the process about which he was advising.

73 The evidence we have received makes it clear that Mr Leader continued to advise the Council on the process it should follow to appoint an Interim Chief Executive even after it became clear that he was a leading candidate for that position.

74 Legal advice from Eversheds to the Cabinet on 19 January 2010 suggested Mr Leader's actions may have been contrary to the Employees Code of Conduct. In Evershed's view Mr Leader should have withdrawn from the process and declared an interest.

The Council

- 75 Further legal advice from Wragge & Co to Ms Leigh (Director of People, Performance and Improvement) and Mr Roger Harvey (Interim Monitoring Officer), dated 1 February 2010, was clear. 'The procedural objections can not be lightly discarded. They appear to be serious, honestly held and substantial in terms of the importance of the appointment'. They were also of the view that 'Members must consider with great care how the Council's interest can lie in appointing to the post of Chief Executive, a candidate with whom the directly elected Mayor says he cannot work with'[sic].
- 76 The legal advice also suggested two further defects with the procedure adopted by the Council on 18 January 2010. The Doncaster Metropolitan Borough Council Constitution was defective in not including within the COAC a voting member of the Executive (in other words. the Mayor or a Cabinet member). Secondly, the resolution of the Council on 18 January was not effective because statutory consultation and objection to any proposed appointment had not taken place. Both procedural requirements are contained in the Local Authorities (Standing Orders) (England) Regulations 2001.
- 77 The Extraordinary Meeting of Council on 3 February 2010 was called to discuss again the appointment of the Interim Chief Executive. The Interim Monitoring Officer, Mr Harvey, and the partner from Wragge & Co both spoke to the meeting. Both advised Council to refer the process back to COAC and get them to rehearse and decide on the procedural and substantive objections to the process adopted on 18 January. It is unclear, had this happened, whether COAC would have been reconstituted to include a member of the Executive, but in any event it was immaterial. Full Council declined to send these issues back to COAC. They sat for six and a half hours and re-affirmed Mr Leader's appointment.
- 78 We have been told that in the period prior to the meeting on 3 February, key national political figures from local government were in Doncaster speaking to their local groups, and it has been suggested that they advised the groups to think very carefully about respecting the wishes of the Mayor. If so, this advice was ignored.
- 79 We have highlighted the inappropriateness of Mr Leader advising on the process that led to his own appointment. But this is not the only issue of governance that arises from this episode. When engaged in appointing an interim Chief Executive, Councillors were prepared to disregard independent legal advice that the process they were adopting was flawed.
- 80 As a postscript to these events, there was subsequently a whistleblowing complaint about the appointment process for the former Interim Chief Executive.
- 81 It should also be noted the District Auditor is currently seeking legal advice and is awaiting the conclusion of this inspection before he decides whether there is any action he needs to take in response to the Corporate Governance Inspection findings in relation to the defects in the appointment process.

The Mayor and his Cabinet

The Mayor fails to act in a way which demonstrates an understanding of how an elected Mayor might lead his authority in an inclusive way with a view to building consensus. Some of the behaviours adopted by the Mayor, and some Cabinet members, fail to meet required standards.

82 In a well-governed mayoral authority we would expect the Mayor and Cabinet to:

- adopt leadership styles and behaviours which are open, inclusive, and engender trust from staff, other council partners, and the public;
- discuss priorities with the rest of the Council and be seen to respond to the Council's feedback;
- work collectively with officers to develop those priorities into clear, costed, plans of action, which are shared and agreed with partners;
- be clear and decisive about their political priorities; and
- act as ambassadors for the Council in the wider area, to work effectively with partners.

Leadership styles and behaviours

83 The Mayor is not the cause of the Council's problems, which date back to a time before either he or his predecessor were elected. However, the way he has set about his task has tended to make those problems worse. He acknowledges that he is inexperienced and the leadership he and his Cabinet provide has so far lacked the sophistication and skill that would help the Council and its partners to deliver better services for the people of Doncaster.

84 The Mayor was elected in June 2009. By his own admission this was something of a surprise to him. He lacked any background in local government politics, but found himself overnight in a position of considerable power and influence over the people of Doncaster and the services they receive. His expressed views are unsympathetic to many of the normal processes by which decisions are traditionally taken and policies developed in local government.

85 The Mayor's views on issues of diversity and political correctness are well known, and formed part of the platform on which he was elected. He is, of course, entitled to pursue his political agenda as a democratically elected Mayor, and is doing so.

86 However as Mayor he has also certain responsibilities including, for example, a statutory duty in discharging the functions of the Council to have regard to the need to promote good race relations. Perhaps partly through inexperience, he seems insufficiently aware that the way he expresses his views might compromise his ability to discharge those responsibilities.

The Mayor and his Cabinet

- 87 The Mayor's statements about removing translation services, or there being 'no such thing as child poverty' have led to confusion. Partners are unclear what they mean for them, and for jointly-agreed objectives within the Borough Strategy and Local Area Agreement, such as helping and supporting vulnerable groups. They have also caused major concerns amongst vulnerable groups within Doncaster. Some staff, residents including some from the black and minority ethnic communities, and representatives of the voluntary and community sector, expressed concern that certain people within Doncaster may see some of the Mayor's comments as legitimising their racist and homophobic behaviour.
- 88 In discussion, the Mayor is more balanced, and suggests that he accepts the need to adhere to legal duties around racial equality and the need to address inequality and poverty. He appears to accept the need for translation services to aid in the safeguarding of vulnerable adults from minority backgrounds. However, his public utterances, which he may see as serving a useful political purpose, have served internally to confuse and de-motivate staff; externally to confuse partners; and publicly to worry sections of the community who are already vulnerable.
- 89 Asked whether they agree or disagree with the statement 'There is clear and effective leadership within the Council by the Mayor,' 67 per cent of staff responding to our survey disagreed or strongly disagreed. An additional 16 per cent didn't know.

Working with the Council

- 90 The Mayor and Cabinet find it difficult to work constructively with the Council. This is in no small part due to the behaviours of some councillors. However, the Mayor is also not averse to provocative and inflammatory statements and these serve to create division when compromise and conciliation are required.
- 91 An elected Mayor requires the approval of the full Council for key decisions, such as the budget. The Mayor, coming from a minority party (the English Democrats), has little natural support within the Council and consistently struggles to capture enough votes to secure his policies. His current Cabinet consists of three Conservative and three independent members. Attempts to attract independent members to sit on the Cabinet have caused acrimony and given rise to complaints.
- 92 It is in the context of this unstable and limited powerbase, that the Mayor's attitudes towards political leadership within the Council, and how to build consensus amongst competing politicians and groups, becomes problematic. The Mayor has genuinely tried to discuss matters of mutual interest, and has sought to make alliances with groups and individuals in return for support. He has himself identified that at least nine of his ten priorities could easily link to priorities already expressed within the Borough Strategy.
- 93 However, the Mayor lacks the political skills to build and maintain consensus. His offers for others to 'get in touch' are often not followed through, and he fails to understand that simply saying 'my door is always open' will not result in dialogue unless his behaviours, attitudes, and opinions also support a more collusive and open approach. The Mayor has not responded positively to offers of help, for example from IDeA. The Mayor has also decided to take the Council out of the Local Government Association and the Local Government Information Unit from 2011.

- 94 The Mayor, and the Council, are too insular in their approach, failing sometimes to see the key links between Doncaster and the rest of South Yorkshire and the City Region. This in turn may mean opportunities to improve with the rest of South Yorkshire are missed. In addition, their lack of appreciation of issues relating to diversity risks perpetuating inequality amongst the people who live within Doncaster. For example, Council strategies do not feature children who come from gypsy and traveller families, despite there being over 4,000 gypsies and travellers in the Doncaster area.

Working with officers

- 95 The Mayor is isolated, and has too often been unwilling to take advice. In his early days he relied heavily on Mr Hart, the then Chief Executive. This had two consequences. It took so much of the Chief Executive's time that it affected his ability to function as a strategic leader of the staff within the Council. It also created a perception amongst some (already antagonistic) councillors that the Chief Executive was becoming too friendly with the Mayor.
- 96 The induction process for the Mayor did not lead him to understand how the Council works. In his view, considerable time was spent on key policy issues and service concerns, but only belatedly was he told about the mechanics of how a mayoral authority works: what key decisions are; the necessity to get key decisions through Full Council; and the respective roles and powers of the Mayor, the Cabinet as Executive, the Council, and the Overview and Scrutiny function. Others suggest that these briefings did take place. Whatever the process, the result was that the Mayor only belatedly gained an understanding of the processes that had to be adopted in relation to certain decisions, and this resulted in further delay. It also increased the Mayor's frustration that as democratically elected Mayor it was proving so difficult to 'get things done'.
- 97 Recent events, and the divide between the Mayor and Cabinet and the Interim Chief Executive only served to increase this isolation and underscore the Mayor's frustration. By the Mayor's own admission, getting decisions taken was like 'wading through treacle'. This is further evidence in support of our conclusion that the Council has failed to make proper arrangements to fulfil its duty of continuous improvement.

Clear and decisive

- 98 The Mayor's, and some Cabinet members', bluff approach to dialogue also extends to the way in which they relate to officers. Some officers report considerable pressure being put on them to amend or alter professional advice. If advice is contrary to expectations, then officers sense they fall out of favour. Clearly, this is not conducive to a well-governed organisation or to a situation in which officers feel able to give impartial advice.
- 99 In part, as a result of the political impasse within the Council, key decisions have been slow to be taken or still remain undecided. Examples include decisions about the Local Development Framework, which is described in Paragraph 63.

The Mayor and his Cabinet

100 A further example of slow decision making, involving partners, relates to the decent homes programme delivered with St Leger Homes – the ALMO. On becoming Chief Executive in May 2009, the Chief Executive of the ALMO defined a series of key decisions on which she needed clarity from the Council to enable her to deliver ALMO and Council priorities. Examples included clarity on whether tower blocks were to be included in Decent Homes Standard refurbishment plans, and if so to what extent – just windows and doors, or full refurbishment to include repairing concrete and improving thermal efficiency. The Chief Executive stated she needed these key decisions by November 2009, thus giving six months for discussions and resolution. In February 2010, three months after the deadline, and ten months after identifying the issues that needed to be decided, there was still a lack of clarity, having discussed and redrafted proposals around these programmes three times. We understand this decision may now have been taken.

Working with partners

- 101** A further impact of the conflict within the Council is the confusion it creates with partners about what the Council's long-term priorities are. There are mayoral priorities and there is a Borough Strategy, and partners and staff express confusion about how these are linked. The corporate strategy also fails to link properly with individual service development plans. The recently defined strategic vision for children and young people is not yet set firmly within a clear corporate strategy as this corporate strategy still consists of the priorities inherited from the previous Mayor.
- 102** The Cabinet has limited experience. Whilst some portfolio holders are accomplished, others are inexperienced and appear less comfortable with the strategic leadership required. Some have clear views of their own, and in certain cases these have caused confusion and concern with partners. The ALMO, St Leger Homes, is in ongoing discussion with the Cabinet, and portfolio holder, over the length of its management agreement. There are differing views about how long the ALMO agreement should last for, but one consequence of the portfolio holder seeking a shorter term is that ALMO staff have become concerned about their job security. Tenants have also become concerned that their homes, scheduled to be improved in the latter stages of the Decent Homes process, may not get the necessary funding as they believe the ALMO may not exist in the longer term. This is both unhelpful and destabilising.
- 103** The rejection of the usual methods of working with others is also slowing the progress partners can make. For example, the Mayor's chairmanship of the Local Strategic Partnership Board – Discover the Spirit (the DTS Board) - is causing some confusion.

Officers

The former Interim Chief Executive failed to act properly. More generally, chief officers have not always acted corporately, have struggled to provide leadership, and have not acted as a team. Some have become used to the dysfunctional politics of the Council, and no longer seek to maintain proper boundaries between definitions of the respective roles of officers and councillors. Some officers have stopped seeking political support for new strategic service plans, and seek to deliver them without political discussion.

- 104** Despite the political environment in which they operate, and despite previous confused restructuring, some officers are highly credible and have succeeded in improving poor services. Examples include the Adult Services Director, where a clear, logical and methodical approach to service improvement, involving staff and partners, has secured a rating from Care Quality Commission for 2009 of 'performing well', having previously been rated as adequate and having been identified as a Department of Health priority for improvement. The new Director of Children's Services has considerable personal credibility, and a clear sense of how much, and how far, the children's service still has to improve. Many officers and staff work tirelessly to deliver services of which they can be proud. Too often, however, their successes are achieved despite, rather than because of, the leadership they receive.
- 105** Some of the Council's services attract negative attention. The children's service is the most notable and serious example, but others exist such as housing services, in particular the level of voids, and housing services for vulnerable people. Corporate leadership has failed to quickly and effectively deal with these serious weaknesses. A reorganisation of the Council in 2005 is widely seen by staff at varying grades as having been disastrous. It created a matrix management approach which left staff confused, with several lines of accountability, and no clear recourse to advice when problems arose. It has taken years to remedy the impact of this reorganisation, and there remain some vestiges of it which chief officers know they need to correct (for example the location of warden services in Neighbourhoods and Communities as opposed to Adult Services).
- 106** The Council has had a consistently high rate of turnover of chief officers, especially within children's services. This creates confusion, inevitably leads to new ways of working and new strategic approaches from each chief officer, and prevents the forming of a stable and effective corporate team. It also disrupts the ability of the corporate management team to effectively discuss and respond to issues which cover more than one departmental boundary. One example is the 2005 Every Child Matters agenda, on which the Council has been consistently slow to respond. There has been a failure to see that the issues in Every Child Matters relate not just to services for children and young people but are connected with housing, regeneration, skills, health, and the safeguarding of children in transition to adulthood. The Every Child Matters agenda is therefore also relevant to partners in police, the NHS, and the voluntary sector. The Council has been similarly slow in responding to the current policy on children's trusts.

Officers

- 107** Allied to this high officer turnover is a high use of interim appointments to provide stop-gap cover. Whilst highly skilled in their own fields, such interims inevitably come with their own ideas of how to 'fix' things, and in some cases have exhibited an unwillingness to learn from chief officer colleagues, some of whom (for example in Adult Services) already had a proven and effective track record of service improvement in a Doncaster context. This failure to learn from colleagues internally slows the speed of service improvement and again acts against a truly corporate and shared approach being developed to services.
- 108** At the point the Secretary of State intervened in children's services, the Council acknowledged its lack of capacity to manage children's services, but the series of interim directors, and continued use of interim and temporary staff in key functions such as contact, referral and assessment has hindered safeguarding of children. There are some signs of progress, such as a multi-agency resource panel, that has improved access to placement for vulnerable children; and the continuation of high quality provision by the Youth Service. The appointment of a permanent Director of Children's Services from outside the Council and of two assistant directors, signals an opportunity for stability and coherence that has been lacking for years.
- 109** However, a more corporate approach to improving children's services is still required. At a recent Corporate Leadership Team (CLT) meeting chief officers, led by the former Interim Chief Executive, failed to properly discuss a corporate response from all services to the need to serve children and young people better. A conclusion that the improvement plan be brought back to CLT in 'two or three months' showed a worrying inability to seize and drive corporately the most important issue the Council faces. There was no sense of CLT taking corporate responsibility and providing tangible support; rather it was just left to the Director concerned who had only recently arrived at the Council.
- 110** Examples exist of good service provision, among them adults' services, Neighbourhoods and Communities and physical regeneration. There have also been successes in job creation and new business starts. But there is a worrying attitude amongst councillors and some staff that 'services in Doncaster are good'. They are not. There are clear failings in children's services, and whilst prospects for the future look more promising than they have for a while, the current state of the service is weak and not fit for purpose. Housing services received a red flag in the Comprehensive Area Assessment in 2009, as a result of a high level of void (empty) properties and poor provision for vulnerable groups. There are high levels of health inequality, high levels of unemployment amongst local people, a relatively lowly skilled local workforce, and a high level of non-decent homes.
- 111** Certain officers have suggested that, in part, frustrated at the slowness of decision making and the acrimony involved when any political direction or agreement is required, they have begun to seek to avoid political input into policy development and delivery. This is, from one perspective, understandable, and may allow the Chief Officer to 'get on'. However, it runs the risk of undermining trust in officers amongst councillors who remain impartial in the ongoing antagonism between Council and Mayor. It also militates against a truly integrated and corporate approach to service development and delivery, and therefore reduces the likelihood of sustained improvement in services to the people of Doncaster.

- 112** Certain other officers have become accepting of the political dysfunction around them. Their acquiescence means that certain councillors remain able to act inappropriately, exercising Executive functions in policy development where they should not. This acquiescence on the part of officers may be connected to instances reported to the inspection team of bullying by councillors, and in one instance by another chief officer colleague. A number of chief officers did not trust the former Interim Chief Executive.
- 113** As part of this inspection we undertook a staff survey. Asked whether they agree or disagree with the statement 'There is clear and effective leadership within the Council by senior officers,' 47 per cent of staff responding agreed or strongly agreed. However, 42 per cent of staff disagreed or disagreed strongly. An additional 10 per cent didn't know.

Other governance failings

- 114** The ongoing failures within children's services were one of the triggers that led to the Corporate Governance Inspection. In children's services communication is poor, management is inconsistent and the Council does little to gather and act on the views of staff. Communication is often via email, and staff report incidences of bullying using email. Inconsistent management of children and young people's teams leaves some staff without information, support, or professional development. Despite this, staff remain loyal to the Council but desperate for improvements to happen.
- 115** The Council's performance management is poorly developed and inconsistently applied. The Council's self-assessment, which must be treated with caution as it was prepared without input from Mayor, Cabinet or councillors, is nonetheless clear and direct about the failings in performance management. It states that 'the lack of consistency in service delivery across the board and the tendency of the Council to be taken by surprise by poor performance stems from the lack of performance management'.
- 116** The self-assessment is also critical of the Council's delivery of value for money; the lack of clarity of roles and behaviours; the firmly held and entrenched opposition to the mayoral system; and the failure to live out defined values and behaviours. It also recognises the need to improve the use of good quality information in decision making, and the need to improve governance procedures with partners.
- 117** It is telling that this self-assessment was produced by certain key officers and was not a collective submission by the Mayor, Cabinet, councillors, and officers. Whilst honest about certain aspects of governance as exist currently, the self-assessment is too optimistic about the prospects of change for the future, and in particular seems to underplay the difficulty of brokering any future political consensus where little has existed before.

Appendix 1 – Full list of members of Doncaster Metropolitan Borough Council for municipal year 2009/10

Source: www.doncaster.gov.uk/about/chamber/default.asp?Nav=PartyList

Party or group	Members
Community Group Party	4
Conservative Party	9
English Democrats	1
Independent or not affiliated to a party	3
Labour Party	26
Liberal Democrat Party	12
The Alliance of Independent Members Group	9

Community Group Party

Member	Political party or group role
Martin Williams	Leader
Carol Williams	Deputy Leader
Stuart Exelby	
Nigel Hodges	

**Appendix 1 – Full list of members of Doncaster Metropolitan Borough Council for
municipal year 2009/10**

Conservative Party

Member	Political party or group role
Barbara Hoyle	Leader
Yvonne Woodcock	Deputy Leader
Patricia Bartlett	
Bob Ford	
Allan Jones	
Cynthia Ransome	
Patricia Schofield	
Jonathan Wood	
Doreen Woodhouse	

English Democrats

Member	Political party or group role
Peter Davies	

Independent or not affiliated to a party

Member	Political party or group role
Andrea Milner	
Mark Thompson	
Richard Walker	

Appendix 1 – Full list of members of Doncaster Metropolitan Borough Council for municipal year 2009/10

Labour Party

Member	Political party or group role
Joe Blackham	Leader
John McHale	Deputy Leader
Susan Bolton	
Elsie Butler	
Richard Cooper-Holmes	
Marilyn Green	
Stuart Hardy	
Beryl Harrison	
Sandra Holland	
Moira Hood	
Eva Hughes	
Mick Jameson	
Barry Johnson J.P.	
Glyn Jones	
Ros Jones	
Ken Keegan	
Ted Kitchen	
Ken Knight	
Chris Mills	
Bill Mordue	
John Mounsey	
Beryl Roberts	
Craig Sahman	
Tony Sockett	
Norah Troops	
Austen White	

Appendix 1 – Full list of members of Doncaster Metropolitan Borough Council for municipal year 2009/10

Liberal Democrat Party

Member	Political party or group role
Paul Coddington	Leader
Eric Tatton-Kelly	Deputy Leader
Kevin Abell	
Jill Arkley-Jevons	
Paul Bissett	
Stephen Coddington	
Clifford Hampson	
Karen Hampson	
Susan Phillips	
Pat Porritt	
Edwin Simpson	
Patrick Wilson	

The Alliance of Independent Members Group

Member	Political party or group role
Garth Oxby	Leader
Deborah Hutchinson	Deputy Leader
Tony Brown	
Peter Farrell	
David Hughes J.P.	
Mick Maye	
Georgina Mullis	
Ray Mullis	
Margaret Pinkney	

Appendix 2 – Detailed evidence supporting former Interim Chief Executive section

Events leading to the appointment of the former Interim Chief Executive (Mr Leader)

- 1 Mr Leader came to Doncaster Metropolitan Borough Council in September 2009, as Director of Resources and as Monitoring Officer, through an external recruitment exercise overseen by a recruitment agency.
- 2 Prior to Mr Leader's appointment, in April 2009, Mr Hooper joined the Council as Monitoring Officer. On becoming Deputy Director of Children's Services, Mr Hooper relinquished this job to Mr Leader in September 2009.
- 3 In early 2010, the position of the Chief Executive, Mr Hart, was unclear. He had mentioned privately to colleagues in early 2009 that he might in the future have to leave the Council because of views expressed to him by certain influential councillors, but nothing further had come of this. On Monday 11 January 2010 Mr Hart announced that he was leaving the Council. By the end of that week (15 January) he had left. Mr Leader led the process by which the Council began to consider how to find a successor, a process made even more urgent by an imminent meeting the following week with the Department of Communities and Local Government, to discuss the continued inability of the Council to improve failing services and deliver good governance.
- 4 Discussions were ongoing during the week of 11 to 15 January, including speculation as to who would be Interim Chief Executive. We have been told that during this week Mr Leader, in response to a question, specifically ruled himself out as a candidate. It was he who advised that, due to pressure of time, the Chair and Vice Chair of the Chief Officer Appointments Committee (COAC) could decide on a candidate and recommend them to Full Council for their vote, rather than go through the longer procedure of convening the COAC, considering a range of candidates, considering their merits, and asking Council to vote on them all. The advice, from Mr Leader as the Monitoring Officer, on the use of the urgency route was clear and unequivocal.
- 5 During the week there was talk of a variety of possible candidates for the Interim Chief Executive job. During the course of Thursday 14 January it emerged that Mr Leader was a candidate, not least because he had been named as the preferred candidate by the Vice Chair of the COAC. The Mayor at this stage saw both Mr Leader and Mr Hooper as potential candidates, but expressed a preference for Mr Hooper (though also a view he could work with either). The Mayor suggested he might see Mr Hooper as only an interim appointment, and support Mr Leader as permanent Chief Executive in a year or so.

Appendix 2 – Detailed evidence supporting former Interim Chief Executive section

- 6 Ms Leigh, the Director of People, Performance and Improvement, has said she reviewed Mr Leader's Curriculum Vitae from his application for the Director of Corporate Resources post and concluded he had the skills to carry out the Interim Chief Executive post.
- 7 Ms Leigh has said she contacted the Chair and Vice Chair of the COAC, individually by telephone, and they both nominated the Monitoring Officer, saying they had considered other members of the Corporate Management Team.
- 8 Ms Leigh spoke to the Mayor about the appointment. He wanted to suggest the Interim Deputy Director of Children's Services, Mr Hooper (who was the previous Monitoring Officer), but also suggested he was willing to work with Mr Leader.
- 9 The Mayor, in a conversation with Mr Leader, asked him to stand aside in favour of Mr Hooper, with some suggestion that Mr Leader might get the permanent Chief Executive job a year or so later.
- 10 The Mayor sought advice on how the process should be conducted, and was advised by the Deputy Monitoring Officer (Mr Harvey) that if there were two candidates, one backed by COAC and one backed by Mayor, then each candidate should be put to the vote of Full Council on 18 January (the following Monday).
- 11 By the end of Thursday 14 January there were two prospective candidates for the Interim Chief Executive job, one the preferred candidate of the Mayor and one the preferred nominee of the COAC. On Friday 15 January Mr Leader convened a meeting of Ms Leigh (who as Director of People, Performance and Improvement is the chief officer responsible for Human Resources and was to be the author of the report for COAC, to be discussed at Council on 18 January) and of Mr Harvey as Deputy Monitoring Officer. At this meeting Mr Leader made clear that the COAC Chair and Vice Chair would make their report, and also made it clear that they would not be making an alternative (in other words, Mr Hooper) recommendation. The report subsequently authored by Ms Leigh accordingly contained a recommendation to appoint Mr Leader. Mr Leader's advice to Ms Leigh and Mr Harvey was that contrary to the advice Mr Harvey had previously given the Mayor, COAC could recommend to Council that they consider only one candidate.
- 12 This discussion was followed up by an email dated 15 January from Mr Leader to the Chair of COAC, providing advice on the appointment process:
 - 'The Mayor is entitled to be consulted on the recommendation [from COAC], thus he can express his reasonably held views about the candidate that you put forward. On reflection the Mayor is not, however, entitled to substitute his own recommendation for yours and VC's, although you could, at your complete discretion, allow him that facility. If you go down the route of allowing the Mayor to promote an alternative a whole range of other issues come into play, which we talked about last night and which I can note for you if you like. I have, however, left them out of this afternoon's note in order to keep things simple.' Cc to Vice Chair of COAC, Director of People, Performance and Improvement and Deputy Monitoring Officer.

Appendix 2 – Detailed evidence supporting former Interim Chief Executive section

- 13 On Sunday 17 January at 6.16.p.m. Mr Leader emailed Ms Leigh, and copied in the Chair and Vice Chair of the COAC. The email was a response to a question from Ms Leigh to Mr Leader, as Monitoring Officer, about what consultation had taken place, and with whom, on the proposals to be put to Council. She needed this information to record in her report to full Council on the next day (Monday 18 January).
- 14 In this email Mr Leader stated:
- the Mayor had spoken to the Chair and Vice Chair of COAC, on more than one occasion (the minutes of 18 January Council meeting suggest that actually it was the other way round and that the Vice Chair had spoken to Mayor, and Chair and Vice Chair had spoken to group leaders);
 - 'the Mayor has thus been fully informed of the Chair and Vice Chair's proposal. If all that does not amount to consultation I don't know what does'; and
 - Mr Leader went on to state that the Mayor's right to be consulted meant being consulted on the proposal of the Chair and Vice Chair of COAC and not the right to put an alternative proposal, and that this 'is not up for debate'. He (Mr Leader) was 'keen to learn the source of any conflicting advice and be told what it is'. Mr Leader went on to suggest to the Chair and Vice Chair of COAC 'I am in any event inclined to remain in Council when this matter is discussed so that if procedural issues do arise they can be dealt with firmly. I will though consult with others on this. The bottom line is this: there is a report before Council, which is thus seized of the matter. Procedure will now be at the discretion of the Chair and the adequacy or otherwise of the process (and the desirability of the recommendation) will fall to be determined by the Council'.
- 15 The Monday 18 January Council meeting proved to be a very difficult and contentious meeting. Mr Leader did not attend the relevant part of the meeting. The Deputy Monitoring Officer, Mr Harvey, advised the meeting that the Council's constitution had a clear process for how to deal with two candidates: that they should vote on both, with the names being taken in alphabetical order (in other words, Mr Hooper would go first). The Mayor tried to propose his alternative candidate, but before this was seconded the debate moved on. The Chair of Council intervened to say that Council had the COAC report, they had its recommendation, and Council would now vote on this. At this point in proceedings the COAC Chair suggested she was no longer happy with the recommendation. She reportedly came under severe pressure, and then retired from the meeting in tears. The Council voted, and Mr Leader became Interim Chief Executive.
- 16 In a postscript to a file note on 20 January, Ms Leigh explained the decision to seek external advice from lawyers, and records that a range of officers who would usually provide such advice were potentially implicated, therefore might not be seen to be independent. In addition, she recognised that independent legal advice was necessary given the complexity and difficulty of the issues the Council needed to respond to in relation to the appointments process.

Appendix 2 – Detailed evidence supporting former Interim Chief Executive section

- 17 On 20 January Mr Leader gave the Mayor a six-page letter. It records the difficult conversation the Mayor and Mr Leader had had following Mr Leader's appointment by the Council on 18 January. It records that the advice from Eversheds to Cabinet identified that the appointment process was legally flawed, and that the Mayor was considering an application for a judicial review of the process. Mr Leader suggested that a special meeting of the Council might be called to discuss the appointment again in accordance with 'whatever process might be agreed to be more appropriate than that which was followed'. Mr Leader's letter records that the Mayor and Cabinet had no confidence in him as Interim Chief Executive, did not recognise him as Head of Paid Service, and that they did not wish him to attend any formal meeting of the Council at which Mayor or any member of Cabinet are present, and if he does so, they would 'walk out'. The letter also contained a justification and reiteration of the appointment process, including Paragraph 20 point (v): 'Whether or not the Council had been presented with making an express choice between two candidates, namely myself and Robin [Mr Hooper], or proceeded as it did, the result would have been exactly the same: Robin would have lost by a significant number of votes. The process was thus fair'.
- 18 The above letter was leaked to the media, further damaging the Council's already poor reputation.
- 19 Following the 18 January meeting, Mr Harvey, by now Interim Monitoring Officer (because Mr Leader could not be Monitoring Officer as well as Head of Paid Service) and Ms Leigh sought external legal advice from Wragge & Co with expertise in local government law issues. This advice, sent to Ms Leigh on 1 February, was clear. It responded to both the procedural and substantive objections to the process the Council had undertaken on 18 January that had been raised by members of the Cabinet. The view of the lawyer was that 'the procedural objections can not be lightly discarded. They appear to be serious, honestly held and substantial in terms of the importance of the appointment'. The lawyer also stated in discussing the substantive objections, 'Members must consider with great care how the Council's interest can lie in appointing to the post of Chief Executive, a candidate with whom the directly elected Mayor says he cannot work with'[sic].
- 20 The legal advice also suggested two further defects with the procedure adopted on 18 January. The Council Constitution was defective in not including within the COAC a voting member of the Executive (in other words, the Mayor or a Cabinet member). Secondly, the resolution of the Council on 18 January was not effective because statutory consultation and objection to any proposed appointment had not taken place. Both procedural requirements are contained in the Local Authorities (Standing Orders) (England) Regulations 2001.
- 21 A further extraordinary meeting of the Council was required to discuss this advice. In the meantime the former Interim Chief Executive assumed the title of Acting Chief Executive (Designate).

Appendix 2 – Detailed evidence supporting former Interim Chief Executive section

- 22 The Extraordinary Meeting on 3 February 2010 was another difficult meeting. Both the Interim Monitoring Officer and the partner from Wragge & Co spoke to the meeting. Both advised the Council to refer the process back to COAC and get them to rehearse and decide on the procedural and substantive objections to the process adopted on 18 January. It is unclear, had this happened, whether COAC would have been reconstituted to include a member of the Executive, but in any event it was immaterial, because full Council declined to send these issues back to COAC. The meeting took six and a half hours to hear each objection, and included 37 votes to conclude on them. After this, the appointment of Mr Leader was re-affirmed.
- 23 The Interim Monitoring Officer, in our view showing considerable courage, again suggested to the meeting that in the interests of the Council they should consider whether they should approve a Chief Executive in whom the Mayor had expressed no confidence. The Council did not heed this advice and proceeded to reaffirm their support for the Acting Chief Executive (Designate). We have so far been unable to find any minutes of this meeting.

Appendix 3 – Staff survey results

- 1 One thousand, four hundred results, from 4,000 staff surveyed, in two weeks, 22 February onwards.

	Agree strongly	Agree	Disagree	Disagree strongly	Don't know
Leadership, Culture and Standards of Conduct					
There is clear and effective leadership within the Council by the Mayor	1.2	13.4	35.6	31.9	16.6
There is clear and effective leadership within the Council by councillors	0.6	16.3	39.6	20.8	21.3
There is clear and effective leadership within the Council by senior officers	4.9	42.2	28.9	12.5	10.1
The Council is an effective leader of the wider community and other partners	2.6	41.4	27.0	8.6	18.9
The Council's culture promotes mutual respect between councillors and staff	2.4	31.0	35.6	17.1	12.6
The Council champions and encourages people to 'blow the whistle' when appropriate	3.1	41.8	24.6	14.6	14.4
The Council champions and encourages anti-bullying	8.1	54.4	18.1	8.3	9.4
The Cabinet in Doncaster Metropolitan Borough Council champions good working practices	2.5	29.0	24.4	11.3	31.1
Scrutiny Committee councillors in Doncaster Metropolitan Borough Council champion good working	1.9	30.3	16.3	5.6	44.6
Other councillors, not included above, at Doncaster Metropolitan Borough Council champion good working	1.3	25.8	18.4	5.6	47.3

Appendix 3 – Staff survey results

	Agree strongly	Agree	Disagree	Disagree strongly	Don't know
Senior officers at Doncaster Metropolitan Borough Council champion good working practices	5.8	52.0	19.8	6.8	14.3
Clarity of aims and expectations					
I think the Council has a clear vision of what it wants to achieve for the people of Doncaster	6.1	46.3	28.6	11.9	5.9
I understand how my personal performance contributes to the overall performance of the Council	23.4	62.1	8.6	1.9	2.6
I understand what Doncaster Metropolitan Borough Council is seeking to achieve	9.8	51.3	23.8	5.4	7.1
I get regular feedback on my performance, which is fair	14.9	54.4	19.7	7.9	1.6
I have an agreed set of targets which are related to the council's vision	12.9	55.0	19.9	5.4	5.5
Community focus					
The Council understands the needs of all people in Doncaster	3.0	36.9	32.3	11.6	13.9
The Council understands the opportunities for people in the area	3.4	44.6	24.9	6.7	17.9
The Council works well, where necessary, with partners to deliver services	7.1	46.4	21.2	5.7	17.4
The Council is a good partner to other organisations in Doncaster	7.1	44.9	14.9	5.0	25.5
Structures and processes					
The Council has internal structures and processes which I think operate in an appropriate way	3.4	35.1	32.8	14.1	9.7

Appendix 3 – Staff survey results

	Agree strongly	Agree	Disagree	Disagree strongly	Don't know
Internal control					
The Council serves the public well	4.9	55.1	25.6	5.2	7.7
The Council safeguards the public's interest at all times	4.3	38.6	33.3	7.3	15.3
The Council ensures projects are properly resourced	2.2	23.9	38.1	16.0	18.5
The Council ensures projects are rigorously managed	3.1	28.9	33.1	11.3	22.5
Council services					
All the services provided by my Council are of high quality	1.9	23.8	49.1	9.0	14.8
The services provided by my Department are of high quality	31.1	52.4	10.9	2.4	1.9
The quality of services provided by all the Council has got better in the last 12 months	6.4	32.1	26.6	7.5	26.1
The quality of services provided by my Department has got better in the last 12 months	18.0	45.2	21.2	5.1	9.1
I enjoy working for Doncaster Metropolitan Borough Council	19.1	53.6	14.9	4.7	6.1

Appendix 4 – Corporate governance inspection key lines of enquiry

Key Lines of Enquiry

1	Purpose and outcome
1.1	Is the organisation clear about its purpose and intended outcomes for citizens and users?
1.2	Is the organisation achieving its desired outcomes?
1.3	Does the organisation’s leadership ensure that taxpayers receive value for money?
2	Functions and roles
2.1	Is the organisation clear about the responsibilities of governors, officers and of partnerships?
2.2	Is the organisation’s leadership working constructively together, and with partners, to achieve their common purpose?
3	Values and behaviour
3.1	Are governors and staff putting the organisation’s values into practice and working effectively within the ethical framework?
3.2	Are individual governors and staff behaving in ways that uphold and exemplify effective governance within the organisation?
3.3	Is the organisation managing its complaints, whistleblowing and ombudsman arrangements effectively, and is the leadership and organisation learning from individual cases?
4	Decision making and risk management
4.1	Is the organisation rigorous and transparent about how and what decisions are taken?
4.2	Do the organisation’s leadership and management use good-quality information, advice and support to help reach decisions?
4.3	Does the organisation ensure that there is an effective risk-management system which covers partnership working?

Appendix 4 – Corporate governance inspection key lines of enquiry

5	Capacity and capability
5.1	Does the organisation make sure that governors and staff have the skills and knowledge they need to perform well?
5.2	Does the organisation develop the capability of people with governance responsibilities and evaluate their performance, as individuals and as groups, including when working in partnerships?
5.3	Is the organisation governed and managed by an appropriate body of people?
6	Engagement
6.1	Does the organisation's leadership understand formal and informal accountability relationships?
6.2	Does the organisation take an active, effective and planned approach to consultation, engagement and dialogue with and accountability to external stakeholders, the public and users?
6.3	Does the organisation take an active and planned approach to responsibility to staff?

Appendix 5 – Details of work undertaken and interviews

Work undertaken	Coverage	
Document reviews	<ul style="list-style-type: none"> Council key documents Various external legal guidance to the Council Partner key documents Previous governance reports Previous reports of District Auditor Previous reports of IDeA 	
Staff Survey	See Appendix 2	
Interviews	<ul style="list-style-type: none"> Mayor Cabinet Key councillors Interim Chief Executive All chief officers Interim Monitoring Officer Trade unions Partners (primary care trust, St Leger Homes, police) Regional Development Agency Government Office, Yorkshire and Humberside) Previous Mayor and previous Council staff Representatives of some black and minority ethnic communities Members of parliament 	
Focus groups	<ul style="list-style-type: none"> Public Focus Group Staff focus groups: general, and children and young people Voluntary and community sector 	

Appendix 5 – Details of work undertaken and interviews

The inspection team comprised the following.

David Jennings	Audit Commission	Team leader
Marion Talbot	Audit Commission	Team member
Elaine Nicholson and Cathy Purnell	Audit Commission	Area team support officers
Rosemary Matthews	Ofsted	Team member
Tim Shields	Chief Executive of Hackney London Borough of Hackney	Peer officer
Graham Chapman	Deputy Leader Nottingham City Council	Peer member

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