audit 2003/2004

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E-government Progress Review

South Kesteven District council

INSIDE THIS REPORT

Introduction

E-government is more than technology or the Internet or service delivery: it is about putting citizens at the heart of everything councils can do and building service access, delivery and democratic accountability around them.

E-government includes exploiting the power of information and communications technology to help transform the accessibility, quality and cost-effectiveness of public services. It can be used to revitalise the relationship between citizens and the public bodies who work on their behalf. Local e-government is the realisation of this vision at the point where the vast majority of public services are delivered.

In March 1999 the government produced a white paper *Modernising Government*, which included a new package of reforms and targets. The intention was that by 2002, 25 per cent of dealings by the public with government, including local government and the NHS, should have been capable of being conducted electronically, with 100 per cent of dealings capable of electronic delivery by 2005.

In November 2002 the Office of the Deputy Prime Minister published the *National Strategy for Local e-government.* This set out a framework of standards, expectations, infrastructure and support within which local innovation and delivery could flourish; a model of local e-government and a range of potential proposals to promote their effective delivery. This clearly sets out the requirement to join up services around the citizen at the local level and demonstrates the need for collaboration with local providers including health. The target that by 2005 all services should be available electronically remains. However, the expectation is that they should be available through a variety of channels.

The 4th *UK Online Annual Report 2003* (published on 15 December 2003) outlines five key principles which will underpin the future of public service delivery:

- building services around customers;

- moving towards web-based service delivery;

- driving cost out from service delivery;

- using technology to free up those in the front line of service delivery; and

- automating and integrating a greater number of back office functions.

These principles echo the issues in the checklist for members and chief executives (to be found in the National Strategy for Local e-government).

Background

South Kesteven District Council has been addressing the e-government agenda through membership in the Welland Partnership, supplemented by in-house initiatives, and through the Lincolnshire Network Partnership. Both partnerships have been successful in levering money from central funding sources, but for the most part, achievement of tangible e-government improvements in South Kesteven are yet to be achieved.

Internally, the council has been going through a period of management change with the appointment of a new chief executive and four new directors. In addition, there have been some staffing difficulties within IT.

It is against this difficult background that the council has been seeking to progress e-government. However, the e-government deadline is 100 per cent transactions capable of electronic delivery by December 2005. Time is running out.

Audit scope and objectives

In the audit plan for 2002/04 we undertook to review the council's progress in relation to e-government. Our review has covered the South Kesteven District Council specifically; and in addition, we have reviewed progress at all Lincolnshire district councils. This has enabled comparisons to be made.

Our objectives were to:

- assess South Kesteven's progress towards the 2005 ESD target;
- compare South Kesteven's progress to that of other Lincolnshire district councils;
- identify where the speed of progress needs to increase; and
- assess whether the council has the infrastructure in place to be able to achieve its e-government aims.

In addition, although not part of the original brief, we have also compared the council's progress to its Welland partners.

Audit approach

In undertaking this progress review we have:

- reviewed progress outlined in IEG3;
- undertaken a comparison with the progress made by other Lincolnshire district councils;
- assessed progress using the checklist for members and chief executives contained in the *National Strategy for Local e-government* (attached in Appendix 2);
- reviewed other relevant documentation; and
- interviewed the customer services manager, Jackie Mills.

Main conclusions

The key issues for the council to address are:

- e-government leadership and capacity to promote greater ownership throughout the council; and
- the need to speed up the per cent of e-transactions (BVPI 157).

Details of these are set out in the sections below.

In summary, South Kesteven has made little real progress to date. In terms of BVPI-157, is currently behind both its Lincs DC neighbours and its partners in the Welland Partnership. Moreover the gap is significant, and time is running out.

On a positive note, officers and members are now aware of the situation, and action is underway – including a formal scrutiny. An action plan is currently being developed; and the management structure supporting the e-government agenda is being strengthened. This action is helpful.

In order to achieve seamless local services across Lincolnshire, the council is obliged to participate in the Lincolnshire Networking Partnership. However, it is also a member of the Welland Partnership by choice. Having 'a foot in both camps' may have dissipated the council's strategic focus and thus affected its ability to succeed.

Much of the infrastructure for delivering e-government is in the process of development, and considerable staff time and effort, as well as council resources, have been invested. The council will achieve the necessary changes, but on present evidence, this will be somewhat slower than its partners in both the Welland and Lincolnshire. Efforts need to be focussed to enable the council to catch up.

BVPI-157

South Kesteven started from a low base with only 7 per cent of services e-enabled by March 2002. By the end of March 2003 this reduced to 5 per cent (as a result of a change in the method of calculation). Exhibit 1 (in our detailed report attached) shows the comparative data for Lincolnshire district councils and places South Kesteven 7 out of 7. Exhibit 3 shows the comparisons with Welland partners, and again, South Kesteven is trailing.

Progress is forecast to build more slowly than in other councils with something of a 'quantum leap' in 2005. The council is nevertheless forecasting that it will achieve the 100 per cent ESD (electronic service delivery) target by 2006. This seems aspirational, as much progress needs to be achieved before this will become a reality.

A process of formal scrutiny is taking place to investigate the poor performance on BVPI-157 to date.

Resources

In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire. When compared to the Welland partners, however, the council's expenditure is the second-highest total in the partnership. At this stage the council has not been able to quantify any potential savings resulting form e-government.

We have been unable to draw any firm conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 3, due to differing interpretations by councils as to what should be reported in IEG3.

IEG3 'Traffic Lights' assessment

IEG3 requires councils to report progress on key e-government drivers by way of a 'traffic lights' system where:

- black = not part of current local e-government strategy or not applicable
- red = preparation and planning stage, including projects that are being planned or piloted
- amber = implementation stage: roll-out of approved projects
- green = fully implemented: projects completed and implemented

We have compared the assessments given by each of the Lincolnshire district councils and translated these into bar charts in Appendix 3. Altogether, there are 46 separate sections/subsections where councils have to assess their progress.

Our review of South Kesteven's IEG3 shows that (compared to the other six Lincolnshire district councils) the council has made or is forecasting *faster* progress in five (out of 46) areas, and *slower* progress than others in six areas. To provide some perspective, other Lincolnshire district councils have up to two areas of slower progress. These are discussed later in our detailed report (see section 3). The council has given reasonable explanations in IEG3 for not progressing in certain areas, usually because of lack of public demand, poor cost/benefit ratio, or where the council is awaiting the result of national projects.

Checklist for Members and Chief Executives

The checklist covers 4 main areas:

- leadership;
- transforming services;
- renewing local democracy; and
- promoting economic vitality.

Leadership

The council has recently undergone a top management restructure, and strengthened capacity. Changes have been made to the original arrangements for e-government champion at officer and member level. Strategy to date has been expressed in the IEG statements and various project bids/plans. A formal e-government strategy is currently in development, which will strengthen the councils strategic approach. Whilst the appointment of a new chief executive and four chief officers theoretically increases capacity, in practice at least two of the chief officers have simply changed title. What is needed is for a shift in workload and departmental structures to be strengthened to release the extra capacity that is needed to drive forward on e-government. Leadership is crucial and impacts on other areas particularly the BVPI 157 per cent performance, as well as the engagement of members and officers to improve service standards council wide.

Transforming Services

The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but a number of steps have been implemented or are planned. However some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. The overall approach is hindered by the lack to date of a formal e-government strategy and/or customer access strategy. This is now being addressed.

Renewing Local Democracy

The council's is using e-government to increase opportunities for people to contact the council, find out what it is doing, mainly through the corporate website.

The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term.

All members have been offered home computing facilities (and all but two have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government in their role.

Promoting Economic Vitality

The council has done more than most to promote economic vitality on its current website: the district is presented as a vibrant place to do business, and the council emerges as a helpful resource for local businesses.

South Kesteven has a considerable amount of information on its website. Prospective investors can look up possible commercial/industrial sites available and find size, rental, photographs, contact details, and potential sources of funding. The district is promoted well.

E-procurement is not a current priority for the council, which is monitoring the national project for developments.

Good practice

We have gathered together examples of good practice found in our review of the Lincolnshire districts, for each section of the checklist for members and chief executives. All councils will be able to use this as a reference and comparison tool, as well as a source of further initiatives to consider. This can be found in Appendix 3.

Next Steps

We have made a number of recommendations and will discuss and agree these with officers. The council is then invited to commit itself to an action plan to address these issues. These will support the work that the council is doing to promote and implement e-government.

Status of our reports to the council

Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to Members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

Progress against the ESD target (BVPI-157)

South Kesteven started from a low base with only seven per cent of services e-enabled by March 2002. By the end of March 2003 this reduced to five per cent (as a result of a change in the method of calculation). Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh out of seven. Exhibit 3 shows the comparisons with Welland partners, and again, South Kesteven is trailing. The council needs to speed up its per cent performance.

Progress is forecast to build more slowly than in other councils with something of a 'quantum leap' in 2005. The council is nevertheless forecasting that it will achieve the 100 per cent ESD (electronic service delivery) target by 2006. This seems optimistic.

A process of formal scrutiny is taking place to investigate the poor performance on BVPI-157 to date.

1. South Kesteven District council is making poor progress in relation to BVPI-157.

2. The council started from a low base with only seven per cent of services e-enabled by March 2002. By the end of March 2003 this apparently reduced to five per cent, but this was as a result of applying the IDeA ESD toolkit in a very strict fashion. Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh out of seven. On the face of it, it looks like the council has stood still for 12 months whilst other district councils have moved forward. In reality, much background work has been undertaken and, once certain key decisions are made, the council will make swifter progress, but it will be some time before it 'catches up' with other councils. However, the December 2005 deadline is one year nearer and the council therefore has a year less in which to catch up.

3. Progress is forecast to build more slowly than in other councils towards the 100 per cent ESD (electronic service delivery) target, as follows:

   - 2004 – 66 per cent (this seems optimistic)
   - 2005 – 80 per cent
   - 2006 – 100 per cent

4. Not all councils have yet used the recommended method for calculating BVPI-157, the IDeA ESD toolkit. Most of our Lincolnshire authorities have used their own methodologies in IEG3 and will move to using the toolkit in 2004. Therefore comparisons have to be treated with caution.

5. We are concerned that South Kesteven is considerably behind its neighbours in Lincolnshire and its partners in the Welland Partnership.

6. Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh in last place at the end of March 2003, where it remains until catching up in 2006.

EXHIBIT 1: BVPI-157 PER CENT OF TRANSACTIONS E-ENABLED AT END OF 2002/03

BVPI-157 ESD achievement at end of 2002/03
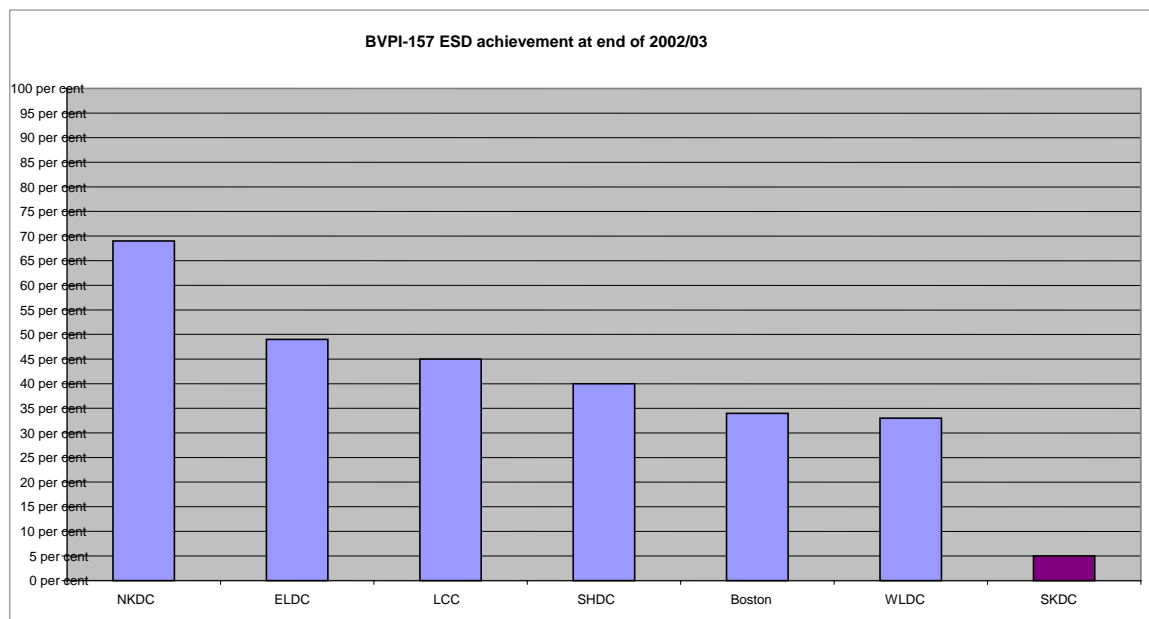
Source: IEG3 statements

7. The guidance for completing IEG3 statements recommended councils use the IDeA ESD toolkit; prior to this there was no standard method for calculating BVPI-157. It has been reported to us by a number of councils that using the toolkit causes a drop in the percentage compared to previous years' calculations: how much depends on how different the previous method of calculation is compared to the ESD. We have had reported to us 'reductions' in BVPI-157 performance ranging between 2 per cent and 22 per cent.

8 The district councils in Lincolnshire have used the following methods:

- North Kesteven has used the 'Tameside' method, but is moving to the ESD toolkit in 2004.

- East Lindsey has used the method recommended by LGA/DETR in 2001 and is moving the ESD toolkit in 2004.

- City of Lincoln has an in-house methodology and is moving the ESD toolkit in 2004.

- South Holland has used the ESD toolkit.

- Boston has used an in-house methodology and is moving the ESD toolkit in 2004.

- West Lindsey has used an in-house methodology and is moving the ESD toolkit in 2004.

- South Kesteven has used the ESD toolkit.

8 Comparisons, therefore, both those between the Lincolnshire districts and with any other councils need to be treated with a little caution, until such time as all councils are using the same methodology. However the picture is unlikely to change as the gap is so significant.

9 In a recent report entitled '*Big success by small councils*' the Society of IT Managers (SOCITM) named a number of small to medium district/city councils whom it considers are examples of councils making good progress on ESD. All of these have gross revenue less than £35m and a population of less than 140,000. To provide a comparison between Lincolnshire districts and these councils we have charted their ESD achievements, in exhibit 3 below.

EXHIBIT 2: SOCITM'S EXEMPLARS FROM 'BIG SUCCESSES BY SMALL COUNCILS'

BVPI-157 at end March 2003 (SOCITM exemplars)
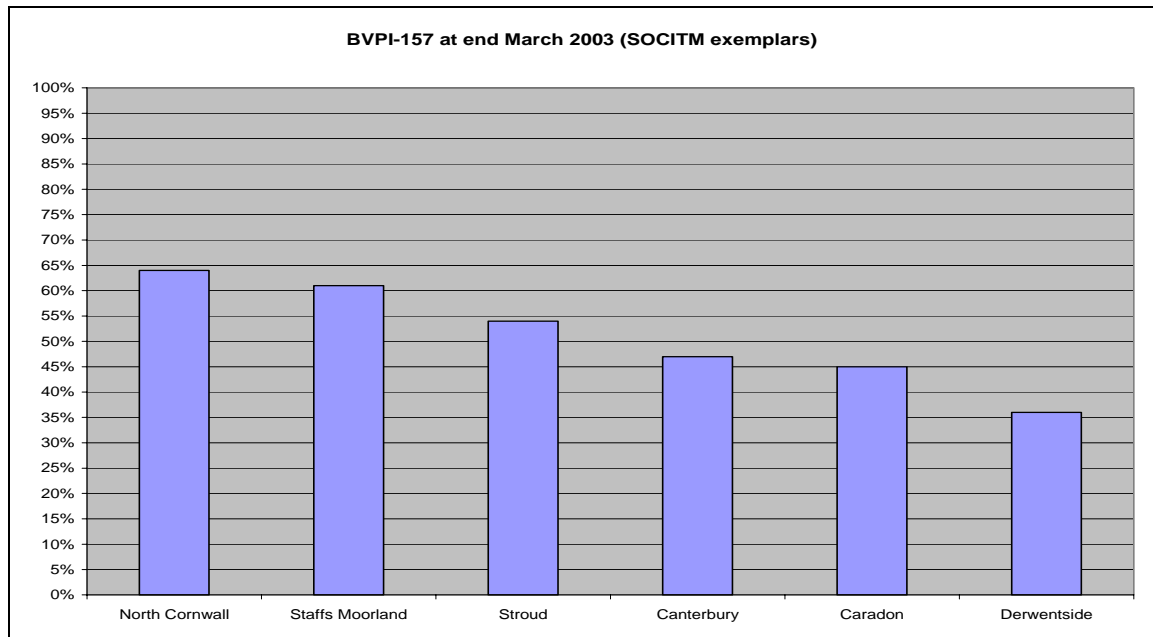
Source: IEG3 statements

8. As can be seen from exhibits 1 and 2, the progress of some of the Lincolnshire district councils (unfortunately, not South Kesteven) compares reasonably with this set of councils. However, two of this group (Staffordshire Moorland and Derwentside) are forecasting the achievement of the 100 per cent ESD target in 2004/05, ahead of the national deadline. None of the Lincolnshire districts is forecasting this.

No review of South Kesteven's progress can be made without considering the Welland Partnership, which has been the council's main partnership of choice and the key mechanism for delivering e-government. Exhibit 3 below shows the comparisons between South Kesteven and its Welland partners, and again, South Kesteven is trailing.

EXHIBIT 3: BVPI-157 AT END OF MARCH 2003 WELLAND PARTNERS
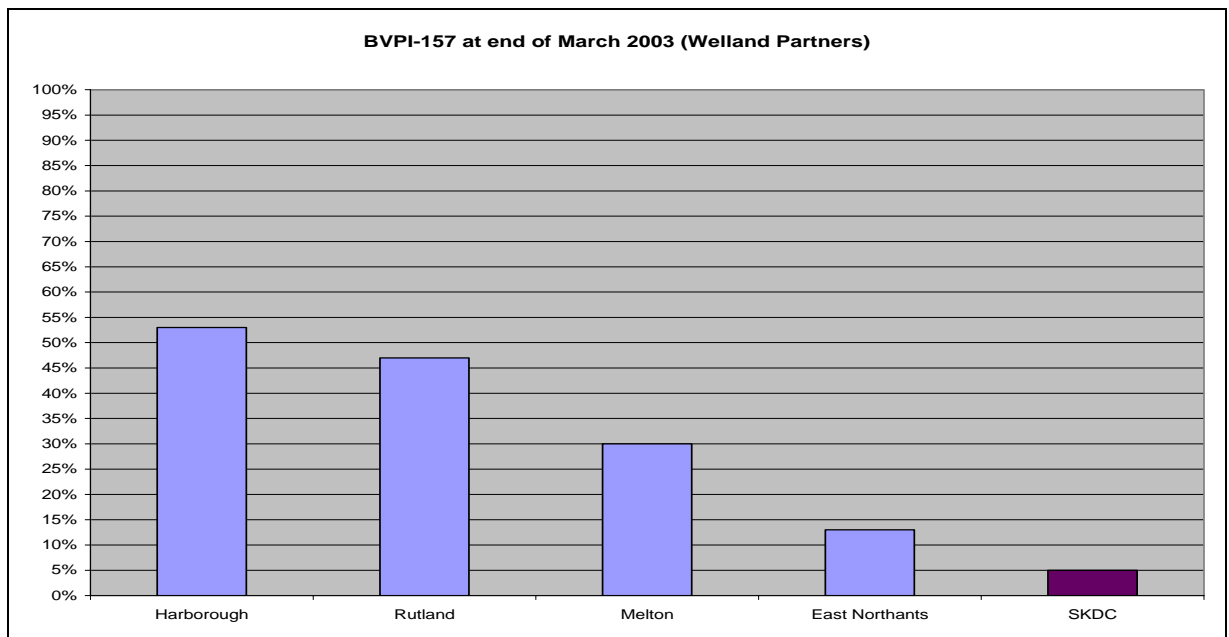
Source: IEG3 statements

9. It is possible that some of the difference is explained by differing methods of calculation (we are not aware of the methods used by the other Welland partners) but again, as with the Lincolnshire districts, South Kesteven does not 'catch up' until 2005/06.

10. Given the time, effort and resources the council has contributed to the Welland partnership, it is disappointing not to see a more equitable spread of progress amongst partners. South Kesteven needs to ask itself, and possibly its partners, how this situation has arisen.

| Recommendations |
|---|
| R1 Take action to speed up BPI-157 per cent performance. |
| R2 Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government. |

Resources

In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire. When compared to the Welland partners, however, the council's expenditure is the second-highest total in the partnership. At this stage the council has not been able to quantify any potential savings resulting form e-government.

We have been unable to draw any firm conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 3, due to differing interpretations by councils as to what should be reported in IEG3.

11. In IEG3, councils were required to provide a summary of current and forecast expenditure on implementing electronic government up to 2005/06. This included investment designed to e-enable local services and to transform their accessibility, quality and cost-effectiveness in line with the 2005 target. The information was to be provided in tabular form against a set of standard elements. Cyclical spend related to the maintenance of the existing ICT infrastructure should not have been included.

12. We compared the resources reported in IEG3 for the seven Lincolnshire district councils. This showed a wide range, from less than £1m, to just under £4m; in other words, the highest spending authority is predicting a total spend on e-government *4 times* that of the lowest spending authority. See exhibit 4 below.

**EXHIBIT 4: TOTAL EXPENDITURE RANKED BY COUNCIL – LINCOLNSHIRE DISTRICTS**
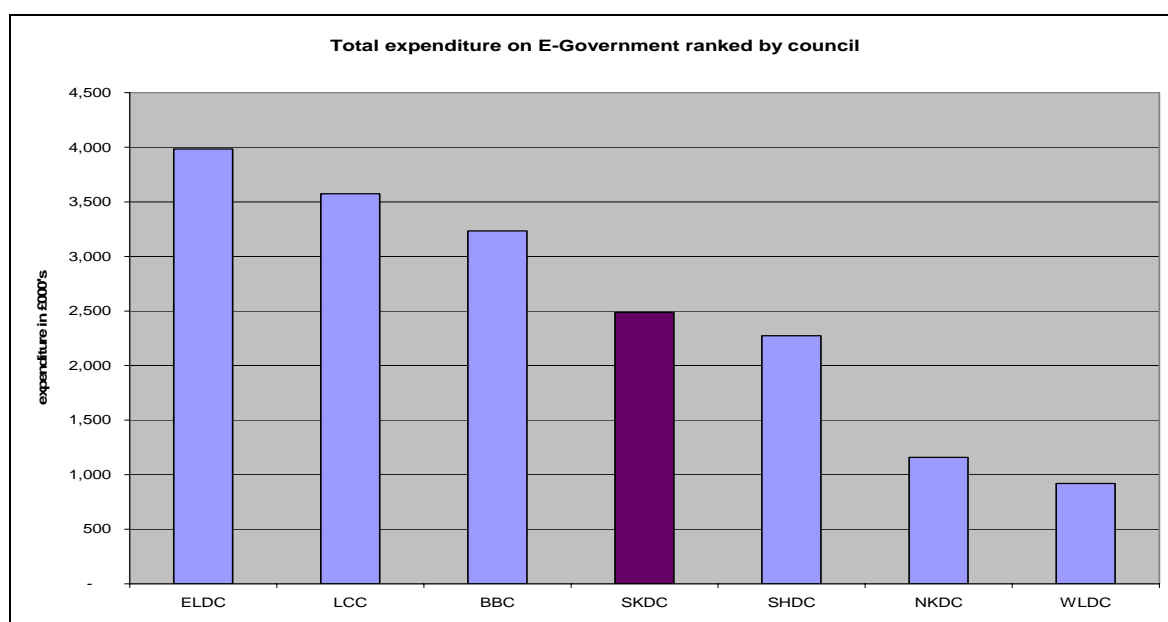
Source: IEG3 statements

13. In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire, although this comparison needs to be treated with caution as the e-expenditure total has been compiled differently (is not consistently defined) in each district council.

14. Given the wide range of expenditure reported in IEG3, we challenged these figures and found a number of differences in interpretation of what should be reported. The guidance contained in IEG3 is brief and has been interpreted in varying ways. Only two councils included expenditure for 2001/02. Some council's excluded the cost of systems that they would have purchased anyway, irrespective of e-government; others have included the costs of those systems because they support e-government.

15. We have therefore been unable to draw any valid conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 4, due to differing interpretations by councils as to what should be reported in IEG3.

16. We have also compared the resources reported in the Lincolnshire district councils' IEG3 statements with those district councils named in SOCITM's report. Expenditure in the second group of councils is significantly higher than in Lincolnshire councils, as shown in exhibit 5 below.

EXHIBIT 5: EXPENDITURE REPORTED IN IEG3 BY SOCITM'S EXEMPLARS

Net total expenditure on E-Government (SOCITM exemplars)
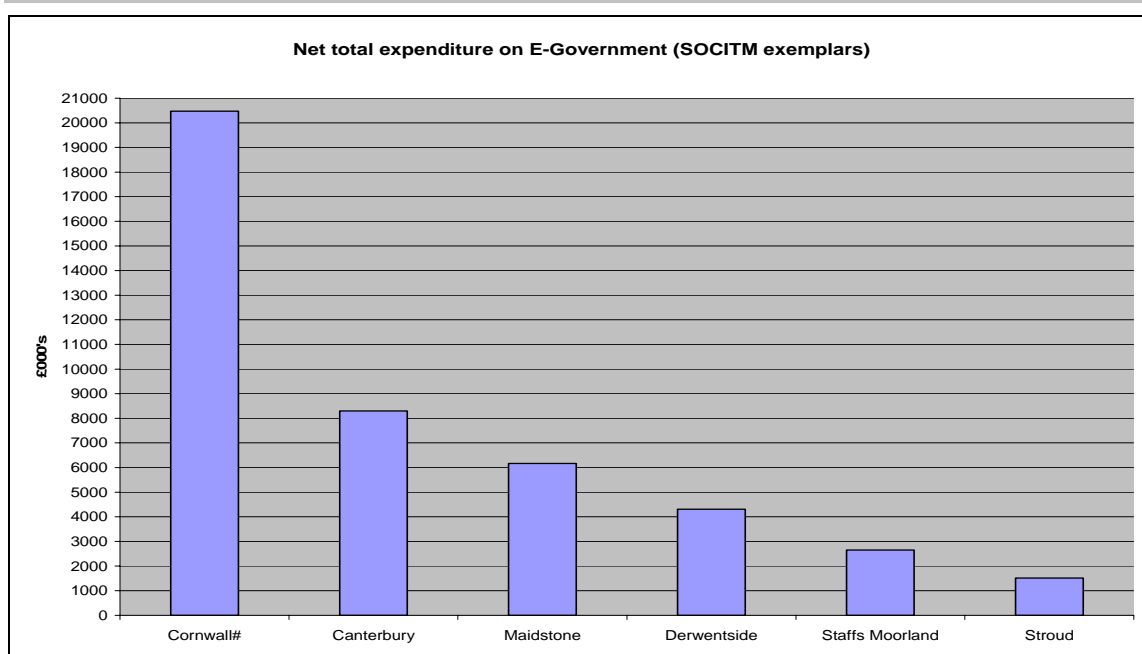
Source: IEG3 statements

NB. Cornwall's expenditure represents the joint expenditure for Cornwall County Council, five district councils and one borough council, including North Cornwall and Caradon, two of SOCITM's exemplars. This averages out at approx. £2.9m per council.

17. We have been unable to ascertain how accurate these figures are, and the vast range (from £1.5m to £8.2m, excluding Cornwall) suggests that these councils, too, may have varying interpretations of the reporting requirement in IEG3.

18. We recommend to all Lincolnshire councils that they try to ensure that the e-government expenditure reported to central government is as accurate as possible and that, at the very least, they take a co-ordinated approach locally.

19. Again, we have compared South Kesteven's expenditure to that of its Welland partners. The council's expenditure is the second-highest total in the partnership – see exhibit 6 below.

EXHIBIT 6: COMPARISON OF EXPENDITURE ON E-GOVERNMENT (WELLAND PARTNERSHIP)

Net total expenditure on E-Government 2002-06 Welland Partners
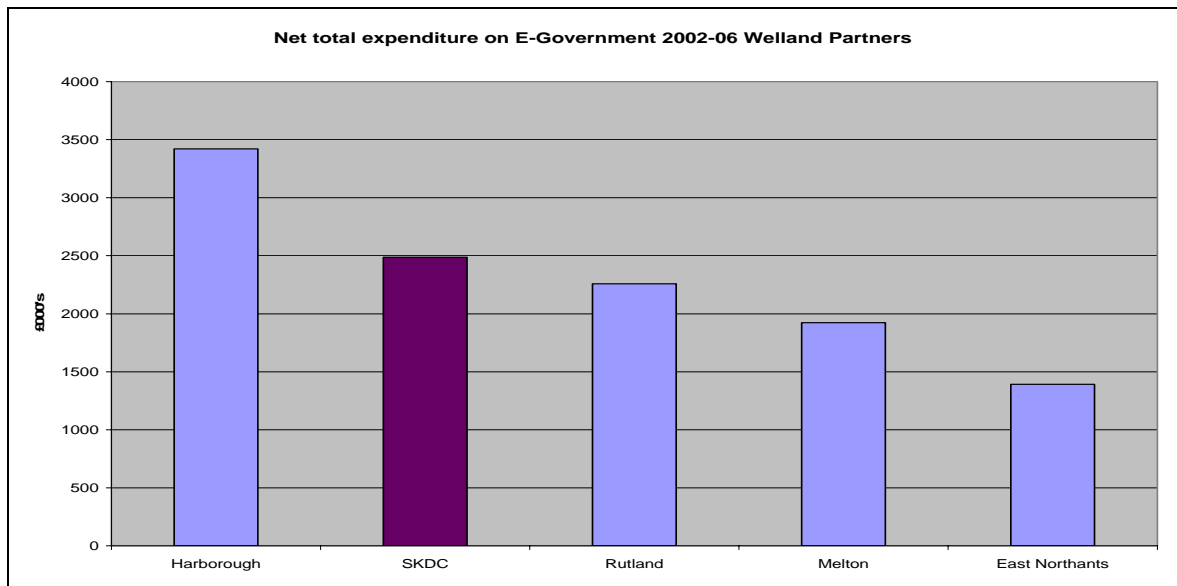
Source: IEG3 statements

Savings

20. At this stage South Kesteven District council has not been able to quantify any potential savings resulting form e-government.

21. Some of the Lincolnshire districts have felt able to quantify savings, as shown in exhibit 7 below.

EXHIBIT 7: COMPARISON OF SAVINGS FROM E-GOVERNMENT (LINCOLNSHIRE DISTRICTS)

Savings predicted to accrue from e-government (IEG3)
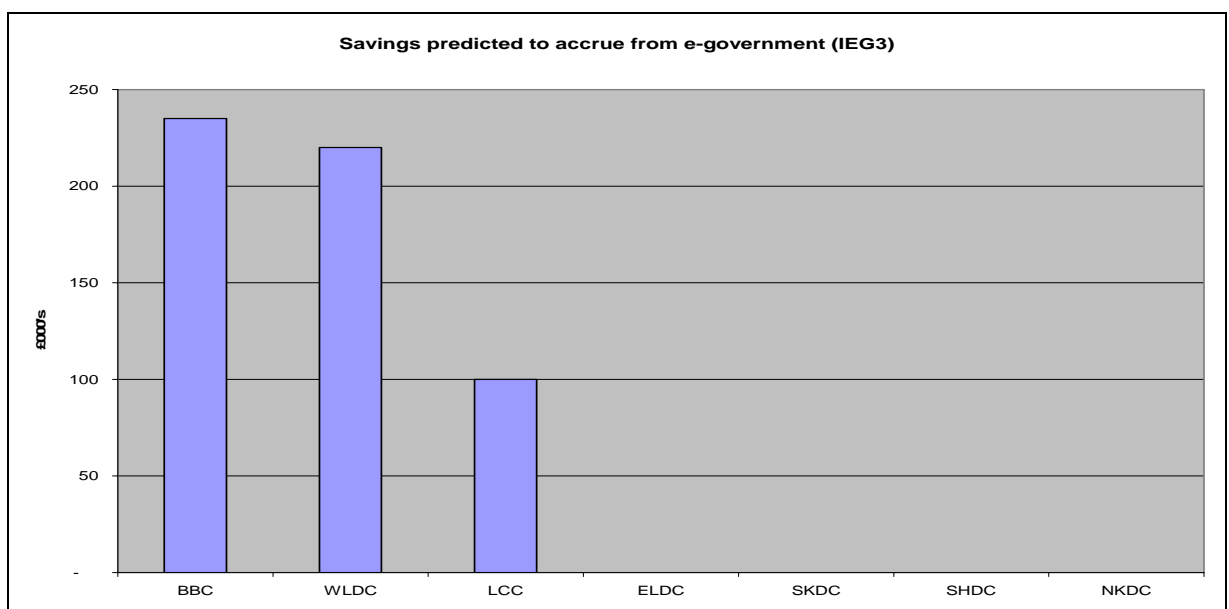
Source: IEG3 statements

22. Again, we have compared the savings quantified by the Welland partners. These are shown in exhibit 8 below.

EXHIBIT 8: COMPARISON OF SAVINGS FROM E-GOVERNMENT (WELLAND PARTNERS)

Savings forecast as a result of E-Gov't 2002-06 Welland Partners
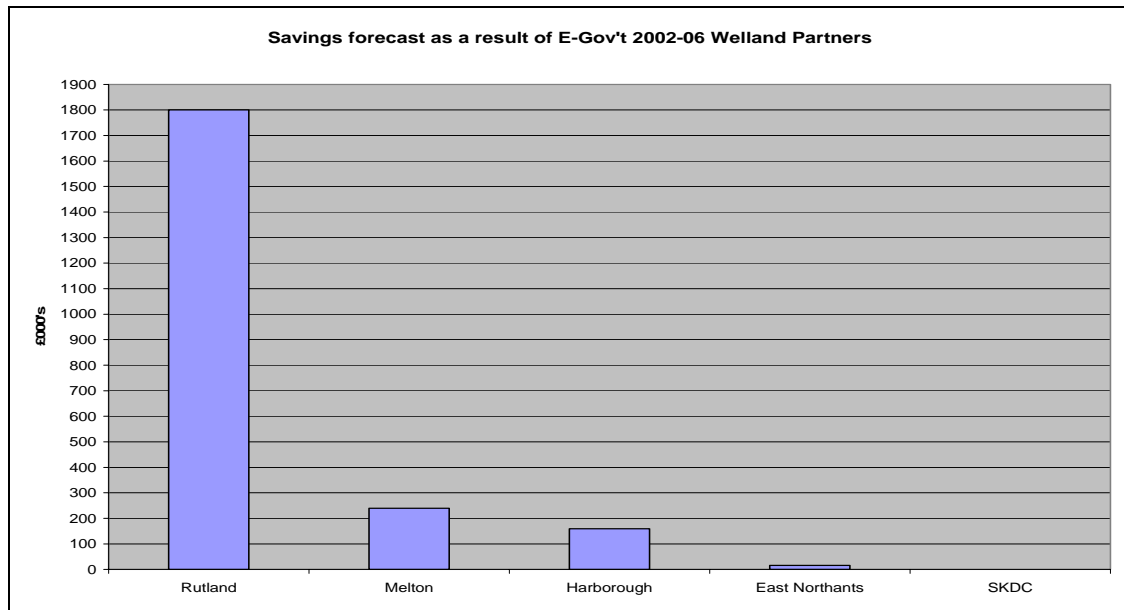
Source: IEG3 statements

23. It may well be true that Rutland County Council, with its responsibilities for expensive services such as Social Services and Education, may see the greatest 'savings' or efficiency improvements from e-government. The range amongst the Welland districts from a modest £16,000 to £240,000 again suggests that these figures are probably rather speculative at this stage.

24. To be able to track progress more accurately, the council should seek to work with partners, both in Lincolnshire and the Welland, to arrive at more consistent interpretations of the data required in government returns.

Recommendation
R3 Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.

IEG3 'Traffic Lights' assessment

IEG3 requires councils to report progress on key e-government drivers by way of a 'traffic lights' system where:

- *black = not part of current local e-government strategy or not applicable*

- *red = preparation and planning stage, including projects that are being planned or piloted*

- *amber = implementation stage: roll-out of approved projects*

- *green = fully implemented: projects completed and implemented*

We have compared the assessments given by each of the Lincolnshire district councils and translated these into bar charts in Appendix 3. Altogether, there are 46 separate sections/subsections where councils have to assess their progress.

Our review of South Kesteven's IEG3 shows that (compared to the other 6 Lincolnshire district councils) the council has made or is forecasting faster progress in 5 (out of 46) areas, and slower progress than others in 6 areas. We discuss these below. The council has given reasonable explanations in IEG3 for not progressing certain areas, usually because of lack of public demand, poor cost/benefit ratio, or where the council is awaiting the result of national projects.

25. Our review of South Kesteven's IEG3 shows that South Kesteven has assessed the following areas as the black stage by 2006 (i.e. part of current local e-government strategy or not applicable). Reasonable explanations have been given is each case.

- Establishment of interactive digital TV (chart 2.7).

- E-democracy – participation in electoral modernisation pilots for e-voting (chart 2.8).

- Use of smart cards to support service development and delivery (chart 4.1).

26. The council has made or is forecasting faster progress (compared to most of the other 6 Lincolnshire district councils) in the following areas.

- Use of government gateway for secure authenticated transactions (chart 3.1).

- Use of telemetric systems for remote monitoring and signalling e g helping older people stay in their own homes (chart 4.5).

- Upgrade of asset management systems to support e-government (chart 5.5).

- Incorporation of e-government into the community strategy (chart 6.3) [*but see paragraph 43 for our view*].

- Use of customer consultation/research to inform development of corporate e-government strategy (chart 6.7).

27. Our review also showed that the council has made or is forecasting less progress than others in the following areas:

- Use of mobile technology for home visits/supported access to services (chart 2.6).

- Engagement with intermediaries (e g CABx) for the delivery of e-government services (chart 2.10).

- Corporate ICT support and documented policy for home working (teleworking) by staff (chart 4.4).

- Use of systems to enable e-procurement (chart 5.1).

- Upgrade of financial information systems to support e-government (chart 5.2).

- Upgrade of office systems to support e-government e g web-enabling legacy systems (chart 5.3).

28. Some of these may not be a priority for reasons of cost-effectiveness. However, failure to implement home working policies could make South Kesteven a less attractive employer in future, compared to other local councils.

Recommendation
R4 Consider aspects where the council is making slower progress than other Lincolnshire district councils, such as the policy on home working.

Checklist for Members and Chief Executives

We have summarised progress in each of the 4 sub-sections.

Introduction

29. The checklist covers 4 main areas:

   - leadership;

   - transforming services;

   - renewing local democracy; and

   - promoting economic vitality.

30. We have summarised progress below under the four key sub-headings, and in more detail in Appendix 1.

31. Although South Kesteven has circulated the checklist, it has not done a self-assessment against it (only one of the Lincolnshire district councils had done). Our work will provide the council with an assessment.

32. The council is making steady progress, with 'economic vitality' standing out as an area where the council is doing more than most. We have summarised progress below under the four key sub-headings, and in more detail in Appendix 1.

Leadership

The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the original arrangements for e-government champion at officer and member level. Strategy to date has been expressed in the IEG statements and various project bids/plans. A formal e-government strategy is currently in development, which will strengthen the councils strategic approach. Capacity and leadership are crucial to the success or failure to achieve e-government targets by December 2005. This may well require looking at departmental structures to free up capacity for this important task.

33. The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the initial arrangements for e-government champion at officer and member level. Officer and member e-champions have been appointed, although these have changed recently. At South Kesteven responsibility is more widely spread than in many others, and despite apparent slow progress to date there is no doubt that staff are aware of and committed to e-government.

34. The council's e-government strategy has to date been expressed in its IEG statements and various project plans. However, a formal e-government strategy is currently under development. We support this initiative, which we consider will help to focus the council's strategic approach, and to asses its reliance on partnerships to deliver e-government. The council would benefit from designating a chief officer as e-champion, and to release capacity this may also need departmental structure review. Time is running out.

35. Progress to date has been monitored by the e-government working group and the e-government performance management group. Given the poor performance on BVPI-157 to date, we would question how effective this monitoring has been in practice. We aware, however, that action is now being taken, including formal scrutiny involving members.

36. The council's BVPP provides links between corporate aims and e-government. However, service plans are currently in the process of being developed and so the council has an

opportunity to make clear the service improvements being sought and achieved through e-government.

37. In IEG3 the council has assessed linkage with its community plan as 'green' (i e fully implemented: projects completed and implemented). We consider that although there are some references to e-government in the Community Plan, the linkages are limited and more could be done to show how improvement in the community are being achieved through e-government. This is similar to most other councils' community plans, and this aspect can be developed in future publications.

38. A training needs analysis has been undertaken and training is being provided to staff and members. This was piloted in the Revenues service.

Recommendations
R5 Strengthen capacity and leadership arrangements for e-government.
R6 Ensure that strong and effective monitoring measures are put into place.
R7 Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.

Transforming services

The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but a number of steps have been implemented or are planned. However some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. The CRM software is considered by government to be a key tool in transforming services and should help inform this approach. The overall approach is hindered by the lack to date of a formal e-government strategy and/or customer access strategy. This is now being addressed.

39. In 2000/01 the council undertook a customer survey to find out levels of customer access and preferred access channels. The council has subsequently used viewpoint consultations, but has not developed a formal e-government strategy or customer access strategy. We understand the council is now working on developing a formal e-government strategy, which we support.

40. The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but some steps that have been implemented or are planned include the following.

    • Four community portals have been established in the district, and a total of 11 have been developed in the Welland partnership area.

    • Planning online is 'live' and council tax will be implemented by the end of the financial year.

    • An in-house customer contact centre is to be developed.

    • A 'virtual' Welland contact centre is to be developed to enable each of the partners to handle queries from all residents in the partnership area by way of 'overspill' arrangements.

    • The council is investigating content management, customer relationship management and electronic records management software and will implement these systems in 2004.

    • The software changes will drive business process re-engineering.

    • The majority of members have been provided with laptops and printers for home computing (2 chose not to participate).

41. However, some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. Most councils are adopting a one stop shop approach, and CRM software is considered by central government to be a key tool for transforming services. This lends itself to one stop approaches.

42. The council is not currently planning any significant measures to up-skill residents. This may be an area that the council wishes to explore further, particularly given its string approach to economic development. Some other councils have found that the joint approach of attracting new businesses and developing local skills to service those businesses has provided tangible benefits to the locality and its communities.

43. In addition, the council is part of the Lincolnshire Networking Partnership, LincUp, which has secured funding to develop more integrated services for the whole county. The first manifestation of this will be the launch of a website in April 2004, which will link a number of public sector agencies for the first time: county council, district councils, health and police authorities.

44. Finally, our review has identified that there is no common form of e-mail and website address for the Lincolnshire councils. The councils should consider adopting a common format for website and e-mail addresses across the county.

Recommendation
R8   Firm up the approach to contact centres having regard to available software.

Renewing local democracy

The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term. The council's is using e-government to increase opportunities for people to contact the council, find out what it is doing, mainly through the corporate website. All members have been offered home computing facilities (and all but 2 have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government for their communities.

45. The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term.

46. The council's is using e-government to increase opportunities for people to contact the council and find out what it is doing, mainly through the corporate website. The website, contains a considerable amount of useful content.

47. The council could do more to identify specific groups of customers and their respective needs, and develop plans to address those needs more explicitly that it is doing at present. The e-government strategy presently being developed will probably help in this respect.

48. In relation to elected members, all members have been offered home computing facilities (and all but two have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government for their communities.

Recommendation
R9   Identify specific groups of customers and develop strategies to address their needs.

Promoting economic vitality

The council has done more than most to promote economic vitality on its current website: the district is presented as a vibrant place to do business, and the council emerges as a helpful resource for local businesses. South Kesteven has a considerable amount of information on its website. Prospective investors can look up possible commercial/industrial sites available and find size, rental, photographs, contact details, and potential sources of funding. The district is promoted well. E-procurement is not a current priority for the council, which is monitoring the national project for developments.

49. In the 4 UK online Annual Report 2003 the e-envoy heralded achievement of a key milestone: by the end of November 2003 the UK had 3 million broadband subscribers, with 80 per cent of the population covered. Nevertheless, nationally, only 28 per cent of businesses with 10+ employees have broadband access. Take-up increases with size: 78 per cent of 'large' businesses (1000+ employees) use broadband.

50. The national picture also shows that 70 per cent of British businesses now have a web presence, and 79 per cent have internet access. The value of business conducted on-line grew last year by 40 per cent. Some 32 per cent of businesses now sell on-line to customers, and 54 per cent of businesses buy on-line (up from 45 per cent in 2001). Clearly, e-commerce is a growing phenomenon.

51. We do not have up to date local figures for Lincolnshire, but the county is known to be one of the most poorly-serviced with broadband capability. BT has been slow in enabling telephone exchanges and the cabling companies have been reluctant to lay cable in remote areas.

52. Lincolnshire Development is spearheading an initiative with EMDA/Objective 2 funding to subsidise cable-laying in the county, and LincUp's Public Sector Working Group (PSWG) is promoting broadband. It is anticipated that the broadband initiative will make Lincolnshire as a whole more attractive to prospective businesses.

53. Promoting economic vitality is one of the council's relative strengths. The introductory section of the website makes the area sound like a developing 'up-and-coming' area. The economic profile of the area, with facts and figures, is given on-line. Economic development services are outlined (e g lists of property available, econ. dev. info and research, business development grants etc.). The site is not yet transactional i.e. prospective investors cannot apply on-line (e g for a business grant) but there are details and photographs of industrial land/units for sale and rent, with a contact e-mail and telephone/fax numbers. The council's website is better than most local websites in this respect.

54. The 4 community portals support business improvement and help to promote positive conditions for growth and employment. The portals provide a promotional platform for Welland Tourism, supplementing county tourism web-sites and increasing visitors to the area.

55. The portals provide:

- details of commercial property for sale or rent;
- a business directory;
- an accommodation finder; and
- information on pubs and restaurants.

56. SKDC is involved in the Working with Business national project (as phase 3 project lead on behalf of the Welland Partnership's contribution to the project); this will expected to assist small businesses in the district.

57. Employment opportunities are advertised on South Kesteven's website via Jobs Online, giving people access to Welland-wide vacancies. Job vacancies will also be advertised through LincUp, the Lincolnshire portal currently being developed. These two sites will provide customers with a job search facility covering the local region, which extend beyond county boundaries and covers two sub-strategic partnership regions.

58. The joint SOCITM/IDeA report *Local e-government now – sustaining the momentum* (May 2003) features four case-studies on promoting the economic vitality of local economies. In all four (one unitary, 2 boroughs and one city council), the local authority is reported to have taken a leading role not only in creating the environment for economic growth but in preparing people for new employment by out-reach learning programmes in IT.

59. Increasing ICT usage is also identified as a priority in a number of sub-regional and regional strategies including the Lincolnshire Enterprise Business Plan and the East Midlands Regional Economic Strategy ICT. Given this, The council may wish to address the need for increased ICT skills more specifically, for example, by integrating business-related ICT skills training initiatives with future economic development initiatives.

60. If the council does not wish to become a direct ICT training provider, it could work more pro-actively with existing ICT training providers to target the development of appropriate ICT skills in communities, in parallel with council-led economic development initiatives. It would be an incentive to potential new business to have a ready-made skilled workforce available immediately.

Recommendation
R10 Consider whether the district would benefit from a more strategic approach to the integration of economic development and ICT training.

Checklist for members and Chief Executives (from national Strategy for Local e-government)

Issue/Questions	Findings/Responses
Leadership	
1 Who leads e-government in your council?	The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the initial arrangements for e-government champion at officer and member level. This is strengthening leadership of e-government at the corporate level.
Have you appointed senior councillor and manager e-champions?	The council's office e-champion is Ian Yates, the director of performance management. The director of resources and director of regulatory services are also heavily involved in e-government at the corporate level, as is the customer services manager who undertakes much of work on key projects.
	The member e-champion is Paul Carpenter, a member of the Cabinet whose sole portfolio is technology.
	Progress has previously been overseen by an e-government working group, but this is likely to change as all working groups are currently under review. This includes both e-champions, 2 senior managers and a senior member of each political group and meets every 2 months.
	E-government is currently managed through the Performance Management Group (PMG) which is chaired by the director of resources and includes the director of regulatory services, the officer e-champion, a representative from each service area and the Welland e-service technical development manager (council's former IT-manager). This meets every 3 weeks.
	The council has had some staffing difficulties in IT, with the secondment of its IT Manager to the Welland Partnership, the sharing of his role by two members of staff, one of whom has been off ill on a long-term basis. Staffing resources in IT have now been supplemented.
Do you have a strategy to engage service managers and staff?	There is no formal strategy to engage or communicate with staff in general terms or specifically regarding e-government. However, there have been numerous staff briefings internally and by the Welland Partnership, and all officers are provided with standard desktop IT equipment suitable for electronic communication including email and internet.
2 Does your local e-government strategy support:	The council is currently working in the development of an e-government Strategy, separate to the IEG statement. To date, activities and priorities have been determined very much by the Welland partnership, which has been bid-led, rather than strategy-led.
• your community strategy?	E-government was not a key priority identified in the community strategy consultation. However, there is a brief mention of improving IT skills in the section 'A Creative and Learning Community'.
	Accessibility is discussed only in terms of transport and physical accessibility to the area, rather than accessibility to the services provided by public, private and voluntary sectors.

Issue/Questions	Findings/Responses
• your Best Value Performance Plan?	The BVPP 2003/04 reports on performance against the 100 per cent ESD target The social objective refers to the provision of a 24 hour 365-day helpline. The rural objective mentions a number of 'access to services' initiatives, including improved IT links in rural areas, but most are not e-governmentt related (they are e g transport).
• your Local Public Service Agreement?	The council supports the county council in its PSA, and specifically is contributing to target 12 'access points'.
• your service strategies?	The new chief executive has introduced a new format for business plans. No examples were available at the time of our review.
3 Do you regularly review progress against your local strategy?	Progress was previously reviewed by the e-government PMG and at a higher level by the e-government Working Group. In 2002 an internal council report identified the need for better co-ordination of the 3 key projects: • e-government (portal and website development); • Welland Contact Centre Initiative (WCCI) and new telephony project; and • one-stop shop – SKDC's internal project for office adaptations to set up a customer contact centre. The new CMT is in the process of collating all project plans to identify key dependencies and from this will probably emerge new arrangements for monitoring and reporting.
Transforming Services	
4 Do you have a customer access strategy?	There is no separate customer access strategy. The council undertook a public survey in 2000/01 to find out current levels of access and preferred access channels, and since then have used the results from viewpoint consultations.
Does it identify your customers?	Other than the original survey undertaken in 2000/01 the council has not formally documented its customer groups and their needs/expectations.
Does it set out how they will deal with the council now and in the future?	IEG3 reflects the anticipated changes in access channel take-up over time.
Does it set targets for the use of each main access channel?	There a no formal targets, but IEG3 records the council's forecasts.
5 How will you help and encourage people to use electronic services?	The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the community plan.
Are your services easy to use? How could they be made easier?	The council service pages give useful details to potential users of services e g council tax benefits page gives details of documents needed for the Verification framework to speed up applications. There are 4 community portals – with common online information and services e g planning.

Issue/Questions	Findings/Responses
Do they offer real advantages above traditional services?	The council views e-services as additional services and does not intend that they will replace existing services.
	Twenty-four/seven services will offer real advantages to certain groups of people e g full-time workers.
	Planning is already online. Payments to the council can be made 24 hours a day by telephone by keying in credit card details. Payments online will be possible by the end of March 2004.
Are they secure?	The council is working towards compliance on BS7799 (ISO 17799) and an information and security policy is currently being drafted.
	The council has e-mail and internet polices for staff and members.
	Some data protection arrangements are in place.
	There is no disclaimer on the website.
How are you building public confidence in them?	Few e-services are currently available. Planning online is 'live' and council tax will be implemented by the end of the financial year.
	The council's approach has been to focus on preparation to ensure that once implemented, the e-services are reliable. It considers that reliability will build confidence in the services.
	Other steps will be taken at the appropriate time e g to advertise e-services once they are available.
How are you helping your community gain access to technology and skills?	The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the community plan.
6 Are you building services around customers?	
How are you joining up council services?	The council is developing a customer contact centre within SKDC. The council already has a partial contact centre in the joint revenues and housing contact centre. General policy however, has suffered from a lack of clear direction and policy has changed from a 'one-stop shop' approach to several mini-contact centres. The final decision is likely to be made early in 2004.
	In addition, through the Welland Partnership it is developing a 'virtual' contact centre to allow calls to be handled anywhere in the partnership (Welland Contact Centre Initiative or WCCI).

Issue/Questions	Findings/Responses
How are you joining up with other public services and councils?	The council is involved in two key partnerships. The Lincolnshire Networking Partnership is developing a project to implement web-based information portal with other districts, Lincs County council, Primary Health Care Trust and Lincs Police. Has secured LGOL (Local government On Line) funding of £650k, with another £500k funding allocation in process. This is driving the LincUp website initiative. Involvement in LincUp Public Sector Working Group (PSWG) on a project to provide broadband access throughout the county.
	In addition, through the Welland Partnership it is developing a 'virtual' contact centre to allow calls to be handled anywhere in the partnership (Welland Contact Centre Initiative or WCCI).
	In April 2002 the council redeveloped and re-launched its Web Site www.skdc.com with links to other partners. The website also gives contact details and direct links where available to a wide range of community services – doctors, dentists, etc.
	The council also participates in schemes such as the police e-mobile van.
7 Are you re-designing administrative processes to make your employees' jobs easier, more productive and more effective?	The council will implement a new system of electronic records management (ERM) by march 2004; this will drive the business re-engineering process across all serviced in the council.
8 Are you planning to use Pathfinder and National Project products to help transform your services and achieve your e-government target?	The council is heavily dependant on pathfinder projects to meet the 100 per cent ESD target and Internal Audit identified this as a potential risk.
	Interface with national land information service will be achieved by April 2005.
	SEE IEG 3
Renewing local democracy	
9 Are you using e-government to increase opportunities for more people to:	
• contact your council?	Contact numbers are on the website, including a direct link to e-mail the Grantham HQ. No email links to the area offices yet.

Issue/Questions	Findings/Responses
• find out what it is doing?	Website includes a considerable amount of useful information, including: • Information on the council and all its services. • Contact names given with direct link to 'Outlook' e-mail. • Key documents are available in the 'publications' section (IEG2 and BVPP are available from a direct link on the front page). • Minutes and reports are available via a search facility. • A 'what's on' section, which provides links to 4 online portals (for the 4 area offices), and the Guildhall Arts Centre. These give (by month for 6 months) a wide range of events.
• express their views and make decisions on services and plans?	The council is awaiting the outcomes of national initiatives before investigating electronic voting or counting. On general issues, customers can e-mail to customer services. Contact information for council offices and area offices is available online. To date, the council has not undertaken any consultation via the website, although the best value team is currently looking at putting surveys on the website.
• access the information you hold about them?	There has been no demand for this generally.
• complain when things go wrong?	There is information on the website via the council services and customer services links, about making complaints but you cannot make a complaint on-line currently. Customers can and do use the general e-mail facility online to make complaints. Online complaints will be available in approximately 2004/05 with the implementation of content management'software.
• debate issues of local importance with each other?	Community forums are available on the community portals. These are in the form of discussion boards. They are not heavily used. This is not a priority for the council at the moment.
10 Do your councillors have access to:	
• e-mail?	All members (except 2, by choice) have been given a laptop and printer for home computing. The laptops allow both e-mail and intranet/internet access. Cabinet members' laptops have plug-in facilities so they can be used in council offices.
• the internet?	As above.
• information that is comprehensive and easy to use about your area and your council's performance – and how they compare to others?	Some information is available to members via the intranet but this will be improved in 2004 with the implementation of 'modern government' software, a system for reports, minutes, agendas etc. The project has been affected by the staffing difficulties in IT. Via the web, members have access to a wide range of information e g IDeA, AC, LGA etc.

Issue/Questions	Findings/Responses
11 Does your e-government strategy promote social inclusion?	There is no formal strategy at the present time; although the council's corporate aims (also to be revised shortly) do currently reflect a desire to deal with issues such as social and rural deprivation.
How are you making internet access and skills available to all who want them? i.e. public?	The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the Community Plan.
How are you using new channels to reach those who have been excluded from services in the past?	Although no formal work has been done to identify specific groups excluded from services, the council considers that 2 groups in particular will benefit from e-services: the young and full-time workers.
Do your electronic services improve access to services for people with disabilities?	Services available 24/7 will assist. The website is to be updated and improved, and will in future be DDA complaint.
Promoting local economic vitality	
12 How do you present your area as a place to do business?	Promoting economic vitality is one of the council's relative strengths. The community portals support business improvement and help to promote positive conditions for growth and employment. The portals provide a promotional platform for Welland tourism, supplementing county tourism web-sites and increasing visitors to the area. The portals provide: • details of commercial property for sale or rent; • a business directory; • an accommodation finder; and • information on pubs and restaurants. SKDC is involved in the Working with Business national project (as phase 3 project lead on behalf of the Welland Partnership's contribution to the project); this will expected to assist small businesses in the district. Employment opportunities are advertised by Jobs Online, giving people access to Welland-wide vacancies. Job vacancies will also be advertised through LincUp, the Lincolnshire portal currently being developed. These two sites will provide customers with a job search facility covering the local region, which extend beyond county boundaries and covers two sub-strategic partnership regions.

Issue/Questions	Findings/Responses
Does your website really sell your area?	The introductory section of the website makes the area sound like a developing up-and-coming area. The economic profile, of the area facts and figures are given on-line.
	There is a business directory and shoppers guide, one for each of the community portals; these are accessible on-line.
	Economic development services are outlined (e g lists of property available, econ. dev. info and research, business development grants etc.). you cannot apply on-line e g for a business grant, but there are details and photos of industrial land/units for sale and rent, with a contact e-mail and tel./fax numbers.
	The council's website is better than most local websites in this respect.
Can investors use it to do business with you?	Initial contact can be made, but at the present time investors are not able to transact online.
13 How do you do business with local businesses?	
Can you make orders and payments electronically?	Orders can be made and received via e-mail, and payments can be made and received via BACS. The council uses direct debit where possible as this is the most cost-effective method. there is a fear that existing d-d customers will move to paying on-line.
	Some officers are authorised to use the corporate credit card for purchases.
Are you using e-procurement to make it easier for local businesses to work with you?	The council is awaiting national initiatives on e-procurement. It is fair to say that e-procurement is not a top priority: core service delivery is the priority.
14 Do businesses in your area have access to a high-speed communications infrastructure?	BT has been slow in enabling telephone exchanges and cabling companies have been reluctant to lay cable in remote areas. Grantham is cabled up, but coverage in other areas of the district is patchy.
Are you working with your Regional Development Agency to promote widespread broadband availability?	Lincolnshire Development (part of the County Council) is spearheading an initiative with EMDA/Objective 2 funding to subsidise cable-laying in the county. This is targeted at Small and Medium Enterprises.
15 Do you have a plan to increase the ICT skills of your workforce and population?	The council carried out a corporate training needs analysis in early 2003. In addition, Internal Audit identified training needs in business analysis, project management and the web. A pilot training exercise was carried out in Revenues.
	The new CMT has recently identified the skills required by senior managers and as a result all senior managers will be given training in Microsoft Project.

Action plan

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
**Progress against the ESD target (BVPI-157)**
	R1 Take action to speed up BPI-157 percentage performance.	H	CMT	✓	Performance management arrangements around the delivery of BVPI-157 have now been introduced. Ownership of this is placed with the Corporate Management Team, with weekly meetings and reports on progress.	Immediate
	R2 Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government.	H	John Blair	✓	We agree to a cost/benefit analysis in respect of the Welland Partnership. This will be undertaken in conjunction with KPMG.	December 2004
**Resources**
	R3 Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.	L	Finance Officers	✓	We will look to work with our partners (Lincs districts and Welland) to share best practice, financial information and cost/benefit analyses. This is likely to be routed through the Finance Officers' groups.	On-going
**IEG3 'Traffic Lights' assessment**
	R4 Consider aspects where the Council is making slower progress than other Lincolnshire district councils, such as the policy on home working.	M	HR	✓	The Council has commenced addressing the issue of home-working and a draft Council policy is being produced by HR for future adoption. All e-government aspects need to be tracked and decisions made on priorities.	March 2004

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Checklist for Members and Chief Executives						
	R5 Strengthen capacity and leadership arrangements for e-government.	H	CMT	✓	CMT has taken up responsibility for the e-government agenda. In addition, corporate work tasks have been re-prioritised and resources freed up for work on the e-government agenda, mainly through support from Business Management Services. Best Value Reviews have been postponed to create the necessary capacity. A more team-based approach is being considered.	March 2004
	R6 Ensure that strong and effective monitoring measures are put into place.	H	CMT	✓	Agreed. The necessary performance management arrangements are being put in place, beginning with the weekly meeting of the Chief Executive and the 2 Corporate Managers who act as relevant officer champions (Ian Yates for e-government and Sally Marshall for customer services). There is a weekly report to CMT.	Immediate
	R7 Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.	M	Service Heads	✓	The Council is currently preparing service plans for the forthcoming year. We will highlight through this arrangement and e-government driven service improvements.	March 2004

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Transforming services						
	R8 Firm up the approach to contact centres having regard to available software.	H	CMT	✓	A high-level delivery action plan has been developed. This includes undertaking an evaluation of software and a cost/benefit analysis. We will then confirm our approach to customer services, including our web-site, self-service, contact centres and business processes.	March 2004
Renewing local democracy						
	R9 Identify specific groups of customers and develop strategies to address their needs.	L	CMT	✓	We will consider the level of research to be undertaken to establish the needs of service groups and prioritise in respect of resources available.	December 2004
Promoting economic vitality						
	R10 Consider integrating economic development initiatives and business-related ICT training in the community.	L	Economic Development Officer	✓	Consideration will be given through our Economic Development Officer (Inward Investment) and Community Economic Development Unit. However, many of our public partners do currently provide ICT training. Further research is necessary.	December 2004