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West Lindsey District Council

Guildhall Gainsborough
Lincolnshire DN21 2NA
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AGENDA

This meeting will be webcast live and the video archive published on our website

Governance and Audit Committee
Tuesday, 21st July, 2026 at 6.00 pm
Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA

Members: Councillor Mrs Mandy Snee (Chairman)
Councillor Mrs Angela Lawrence (Vice-Chairman)
Councillor John Barrett
Councillor Stephen Bunney
Councillor Christopher Darcel
Councillor David Dobbie
Councillor Paul Swift
Alison Adams
Alexio Chandiwana
Andrew Morriss

1. **Apologies for Absence**

2. **Public Participation Period**

   Up to 15 minutes are allowed for public participation. Participants are restricted to 3 minutes each.

3. **Minutes of Previous Meeting** (PAGES 3 - 7)

   To confirm and sign as a correct record the Minutes of the Meeting of the Governance and Audit Committee held on 21st April 2026.

4. **Members Declarations of Interest**

   Members may make any declarations of interest at this point but may also make them at any point during the meeting.

5. **Matters Arising Schedule** (PAGES 8 - 9)

   Matters Arising schedule setting out current position of previously agreed actions as at 13th July 2026.

6. **Public Reports for Consideration**

Paul Burkinshaw
Head of Paid Service
The Guildhall
Gainsborough

Monday, 13 July 2026

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 21 April 2026 commencing at 2.00 pm.

Present:	Councillor Stephen Bunney (Chairman)
	Councillor John Barrett
	Councillor Trevor Bridgwood
	Councillor Paul Key
	Councillor Paul Swift
	Alison Adams
	Andrew Morriss

In Attendance:

Peter Davy	Director Corporate Services (Section 151 Officer)
Lisa Langdon	Assistant Chief Executive - Governance (Monitoring Officer)
Debra Chamberlain	Director - KPMG
Aaron Macdonald	Client Manager RSM
Katy Allen	Corporate Governance Officer
Caroline Capon	Corporate Finance Team Leader
Katie Storr	Head of Democratic Services and Elections (Deputy Monitoring Officer)

Apologies:	Councillor Mrs Angela Lawrence
	Councillor Eve Bennett
	Councillor Christopher Darcel

Membership:	Councillor Paul Key attended as substitute for Councillor Christopher Darcel

68 PUBLIC PARTICIPATION PERIOD

There was no public participation.

69 MINUTES OF PREVIOUS MEETINGS

The minutes of the meetings held on 10 and 24 March 2026 were approved as a correct record.

70 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest at this juncture.

71 MATTERS ARISING SCHEDULE

The committee received a report outlining the Matters Arising identified at previous meetings.

With no further comments or questions, the Matters Arising Schedule, setting out the position of previously agreed actions was **NOTED**.

72 EXTERNAL AUDIT INDICATIVE PLAN 2025-2026

The committee considered a report presenting the 2026/2027 External Audit Strategy from the Councils External Auditors, KPMG.

It was explained that it was an indicative plan and was still going through the planning and risk assessment activities with a view to publishing the full audit plan, which would come to the next committee.

The content of the strategy was outlined including the planned materiality which had been raised and the proposed audit strategy. It was considered that there were no significant issues to be aware of but any concerns arising during the year would be reported to the committee. Any significant risks had been identified in the report and these were the same as previous years. A specific report on the value for money risk assessment would be presented at the next meeting.

A member referred to the possibility of the district council coming to an end as part of Local Government Reorganisation (LGR) and asked if this was a potential future risk. In addition the issue of pensions and investments was raised.

It was clarified that LGR did not impact on the current financial statements but would be considered as part of the value for money risk assessment. The issue would then be part of reports in future years and by then further guidance would be available.

In terms of pensions it was agreed that the issue would be taken away to get further information for members. It was noted that pensions were the responsibility of the County Council but any additional information would be useful.

A member asked if there were any areas where management should consider strengthening or providing more evidence ahead of the autumn report to help speed up the process. Confirmation was given that there had been liaison with the Management Team and any information needed was being provided quickly and there were no concerns.

RESOLVED:

That the External Audit Strategy Memorandum (Plan) for 2026/2027 be approved.

73 INTERNAL AUDIT PROGRESS REPORT

Consideration was given to a report presenting the Governance and Audit Committee with the Progress report for April 2026 from Internal Audit.

It was reported that all work for 2025/2026 was completed as planned. There was one final and two draft reports for consideration by members. All audits would be summarised in the Annual Report that would be presented at the next meeting. The programme for 2026/2027 was in place and preparations were underway for those audits.

The report of the Emergency Planning and Business Continuity Planning audit was outlined to members. Overall it was a positive outcome with a reasonable assurance opinion being provided. There were three medium and three low priority management actions agreed for areas of improvement or enhancement.

A member highlighted that training was a recurring issue in audits and asked if there was any record of training provided and how this could be reported. It was agreed that this could be added to the Matters Arising schedule and whilst it would not be able to give individual details a synopsis of training could be provided.

RESOLVED:

That the content of the report be agreed.

74 ACCOUNTS CLOSEDOWN 2025/26 ACCOUNTING MATTERS

The Committee considered a report seeking the review and approval of the accounting policies, actuary assumptions and materiality levels to be used for the preparation of the 2025 - 2026 accounts.

It was explained that the report set out the accounting policies to be used when preparing the 2025 -2026 accounts. The actual assumptions had been supplied by the pension actuary at Barnet Waddingham and then an outline of the materiality levels applied when compiling the accounts as discussed earlier with KPMG.

It was noted that authorities were required to publish their draft accounts by 30th June 2026 and audited accounts by the backstop date of 31st January 2027. It was hoped however that the audit of the accounts would be completed in the autumn and the timetable had been set to meet the deadlines.

A member referred to pensions and the fluctuation in the market and asked if there was any indication of the impact on the accounts. Initial indications were that liabilities had reduced but this would be clarified later in the process.

It was asked by a member about the costs of the audit and accounting process and staff overtime and use of consultants. In response it was confirmed that the team was fully staffed but there may be the need for some overtime at key pressure points in the financial year. It was clarified that deadlines had always been met and that would be the case this year.

In response to a query, it was explained that group accounts related to companies under the umbrella of the council and they would need separate group accounts if they reached a certain materiality. It was not anticipated that this would be required this year.

A member sought further clarification regarding company accounts and how these were audited and in response confirmation was given that they fell below the threshold for external audit. Discussion ensued regarding the governance of council owned companies and it was confirmed each one had its own board and Council directors were on those boards to represent the Councils interests. The business plans of each were presented to the relevant Council Policy Committee to ensure oversight of their operations.

It was explained that the Governance and Audit Committee received information as part of the statement of accounts and was shown in the related parties section where high level income expenditure tables for each of the companies was provided. In the event of group accounts being needed there would be more detailed information provided. Confirmation was given that due to the size of the companies there were no other significant risks to be aware of.

It was suggested that it may be beneficial for members to receive more details of the company accounts as well as the business plans. A member further asked about potential LGR changes and the impact on council owned bodies in the future. The concern was acknowledged and was an issue that would need consideration and a report could be bought to members in due course.

A member asked about the merits of using external agencies and whether it would be cheaper to bring this ‘in house’. In response the process was explained and it was suggested that a session on the operation and governance of the companies would be beneficial.

RESOLVED:

1) To approve the proposed Accounting Policies, included at Appendix 1 to the report;
2) To note the pension assumptions, as included at Appendix 2 to the report;
3) To note the risk assessment, attached at Appendix 3 to the report;
4) To approve the proposed materiality levels as included at section 5 of the report;
5) To note the key closedown dates as shown at Section 7 of the report; and
6) To accept the main accounting changes for 2025/26 and onwards as shown at section 2 of the report

75 REVIEW OF FINANCIAL PROCEDURE RULES

Consideration was given to a report presenting the draft revised Financial Procedure Rules for approval.

It was noted that as part of the review of the Council's constitution it was an opportunity to review the financial procedure rules. Most of the proposed changes related to job title changes and other administrative matters. Changes in legislation and government guidance had been reflected in the changes.
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RESOLVED:

1) That the revised Financial Procedure rules be approved and to note that they will be presented to Council for noting on 11th May 2026; and

2) To delegate authority to the Monitoring Officer and Section 151 to make any changes required to other parts of the Constitution to effect the

changes set out in this report.

76 REVIEW OF CONTRACT AND PROCUREMENT PROCEDURE RULES

A report presenting the draft revised Contract and Procurement Procedure Rules for approval was received.

The report formed part of the wider review of the council's constitution and related to the council's contract and procedure procurement rules.

Members noted that many of the changes were for job titles, the name of boards and plans and other administrative items. There were also changes for updates in legislation from the Government.

RESOLVED

1) That the revised Contract and Procurement Procedure rules be approved and to note that they will presented to Council for noting on the 11th May 2026; and

2) To delegate authority to the Monitoring Officer and Section 151 to make any changes required to other parts of the Constitution to effect the changes set out in this report.

77 ANNUAL REVIEW OF THE CONSTITUTION

The Committee considered a report outlining the contents of the Annual Review of the Constitution – Position Update and Ongoing Work report, attached at Appendix A to the report, prior to its submission to Annual Council.

The report updated on work that had already been undertaken and was ongoing. The appendix to the report advised members of the information that would be taken to full council regarding this issue. The council was required to have a constitution explaining procedures how decisions were made. Ongoing work included revisions to the officer scheme of delegations, potential changes to the planning committee delegations,

RESOLVED

That the Annual Review of the Constitution – Position Update and Ongoing Work Report, attached at Appendix A to the report, be noted and recommended to Council for approval.

The meeting concluded at 2.46 pm.

Chairman

Governance & Audit Committee Matters Arising Schedule

Purpose:
To consider progress on the matters arising from previous Governance & Audit Committee meetings.

Recommendation: That Members note progress on the matters arising and request corrective action if necessary.

Meeting	Governance and Audit				
Status	**Title**	**Action Required**	**Comments**	**Due Date**	**Allocated To**
Green	Development of Delivery Programme	Newly developed Delivery Programme to be shared with Members in due course, with verbal updates to be provided, in relation to both the Council's strategic priorities and Local Government Reorganisation (LGR).	G&A 250422: It was agreed that verbal progress updates would be provided through the Matters Arising item on the Committee agenda, until the Delivery Programme had been fully developed. • Since the statutory invitation from Government in Feb 2025 and the announcement of Local Government Reorganisation the following actions have been undertaken: • LGR has been included and monitored corporately through a risk on the Councils Strategic Risk Register • The corporate plan and the deliverables have been reviewed in the context of LGR • The council has engaged actively through the Government's defined process, which cumulated in the submission of a formal response to the statutory consultation prior to governments final decision expected prior to summer recess • Following good practice set out by Government separately the Council have started to look at preparatory activities for LGR in coordination with other Greater	Ongoing	Rachael Hughes

			Lincolnshire organisations, this programme of work will continue to evolve as the LGR timeline progresses with decision points going back to the relevant committee		
Green	Partnership information regarding Lincolnshire Local Plan	Officers to present information to G&A Members regarding the costs involved with the Lincolnshire Local Plan partnership working	G&A 10.03.26: Members requested that additional information be provided regarding costs involved with the Lincolnshire Local plan (partnership working) • The Central Lincolnshire Local Plan team and activity is overseen by the Central Lincolnshire Joint Strategic Planning Committee which has 3 member representatives from each of the partner authorities • The operating budget and annual review is set at the annual meeting in June every year • At the annual meeting in July 2024 a budget paper was approved which provided details of the proposed partner contributions for the CLLP Team from 2025/26 – 2029/30 • In reignition that the development and adoption is a cyclical process, a budget profile was created to reflect the peaks and troughs of work and was tracked against the latest timetable for review and evidence required • At the end of each financial year a review of spend and costs is undertaken and agreed by each of the partner authorities s151 officers		Rachael Hughes

Governance and Audit Committee	
21 July 2026	

Subject: Internal Audit Follow up Report

Report by:	Assistant Chief Executive - Governance
Contact Officer:	Katy Allen katy.allen@west-lindsey.gov.uk

Executive Summary:

To present Governance and Audit Committee with the follow up report for actions due for completion by 28 February 2026 from Internal Audit.

Appendices to Report

- Follow up Internal Audit Report

RECOMMENDATION(S):

(a) That Governance and Audit Committee review the progress to date;

(b) That Governance and Audit Committee agree the content of the report.

1. Introduction

1.1 Internal Audit for West Lindsey District Council is undertaken by RSM UK Risk Assurance Services LLP. All progress reports and final internal audit reports are reported to Governance and Audit Committee.

2. Current Position

2.1 The follow up report from Internal Audit outlines the findings of the review on progress against previously agreed management actions which are outstanding at 28 February 2026. These actions are from the following audits:

- IT Operations
- Staff Appraisal Process
- Project and Programme Management
- Procurement
- Fraud Risk Assessment Follow up
- Members Onboarding and Training
- Grant Funding and Management.

2.2 The follow up report outlines:

- Section 1 - the summary of progress on all actions
- Section 2 - the findings and actions against any action which has not been completed
- Section 3 – appendices including definitions, actions completed or superseded and original scope of the review.

2.3 During this time period, out of the 18 actions agreed for completion, 8 have been fully completed, a further 5 have implementation ongoing and 1 has been superseded. Only 4 actions are yet to have implementation started.

2.4 Out of the 4 actions yet to have implementation started, 3 will be complete by the 31 August 2026 and the fourth is due for 28 February 2027. This deadline is due to being linked to the all out elections in May 2027.

2.5 The follow up report is attached as Appendix One.

ASSOCIATED IMPLICATIONS

Legal: Contents outlines progress made against legal contract with Internal Audit provider.

Financial: FIN/31/27/GA/SL No financial implications arising from this report.

Staffing: None arising from this report.

LGR implications: None arising from this report.

Equality and Diversity including Human Rights: None arising from this report.

Data Protection Implications: None arising from this report.

Climate Related Risks and Opportunities: None arising from this report.

Section 17 Crime and Disorder Considerations: None arising from this report.

Health Implications: None arising from this report.

Risk Assessment: None

Title and Location of any Background Papers used in the preparation of this report:

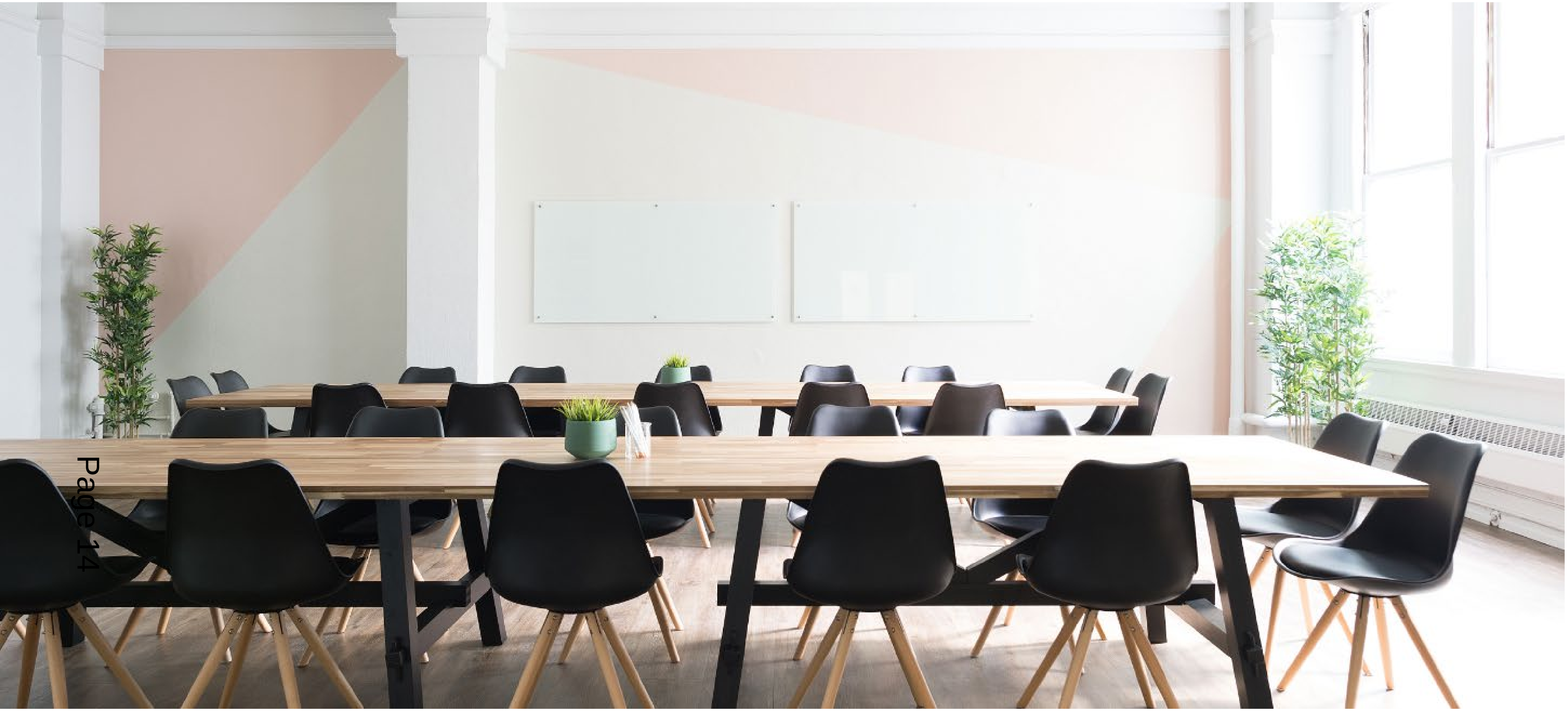
Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes		**No**	**x**

Key Decision:

Yes		**No**	**x**



WEST LINDSEY DISTRICT COUNCIL

Follow Up 2

Final Internal Audit Report: 13.25/26

11 May 2026

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

OUTCOME OVERVIEW

Background:

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits that were due for completion by 28 February 2026:

- IT Operations (1.24/25)
- Staff Appraisal Process (3.24/25)
- Project and Programme Management (7.24/25)
- Procurement (8.24/25)
- Fraud Risk Assessment Follow up (1.25/26)
- Members Onboarding and Training (4.25/26)
- Grant Funding and Management (5.25/26)

The focus of this review was to provide assurance over the progress made against previously agreed management actions. We have considered a total of 18 actions, consisting of 12 low priority actions and six medium priority actions. These actions were all originally due for implementation at the time of the audit.

Headline findings:

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the Council has demonstrated **little progress** in implementing agreed management actions. Of the actions considered, testing found that nine actions had been implemented or superseded, five actions were partially implemented, and the remaining four actions were not implemented.

Progress on Actions

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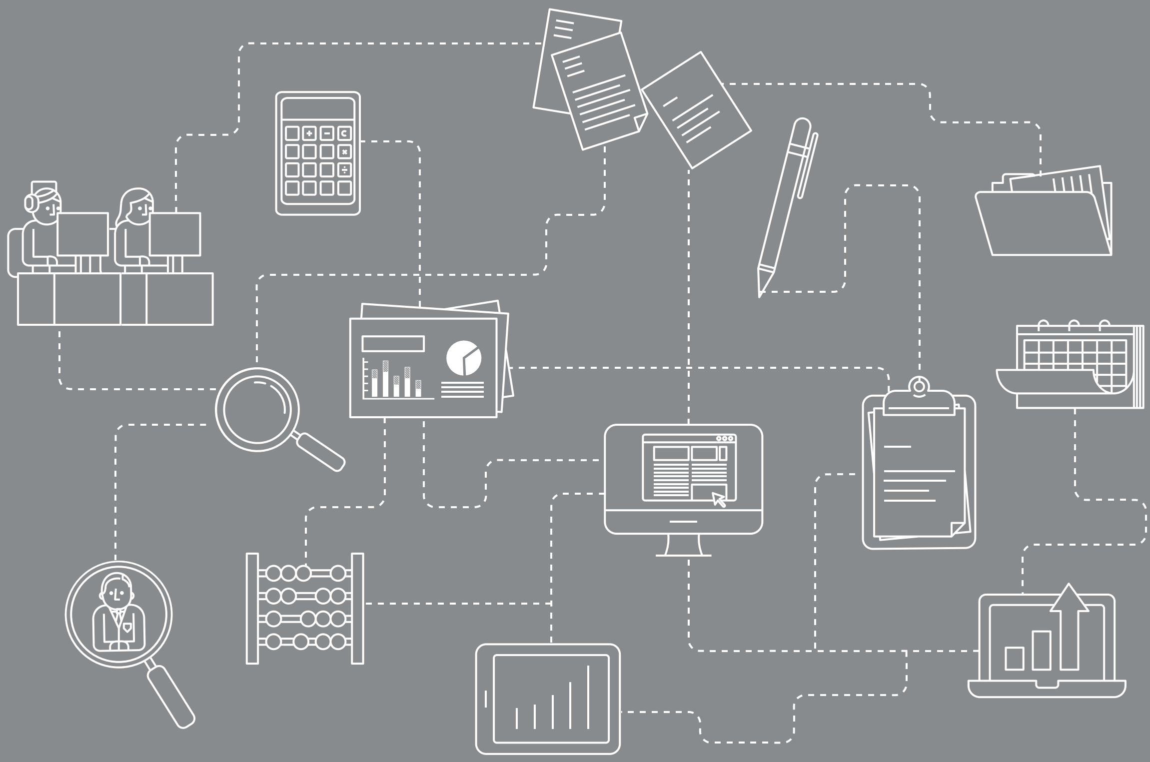

SUMMARY OF PROGRESS ON ACTIONS

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
IT Operations (1.24/25)	3	3	0	0	0	3
Staff Appraisal Process (3.24/25)	3	2	1	0	0	2
Project and Programme Management (7.24/25)	3	0	3	0	0	0
Procurement (8.24/25)	2	0	0	2	0	0
Fraud Risk Assessment Follow up (1.25/26)	4	2	0	1	1	3
Members Onboarding and Training (4.25/26)	2	1	0	1	0	1
Grant Funding and Management (5.25/26)	1	0	1	0	0	0
Total	**18**	**8 (44%)**	**5 (28%)**	**4 (22%)**	**(6%)**	**9 (50%)**

Findings and Actions

02

FINDINGS AND ACTIONS

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded.
5	The action is no longer applicable.

Assignment: Staff Appraisal Process (3.24/25)				
Original management action / priority	Management will consider whether it is beneficial to implement a process of moderation of appraisals. Management will analyse staff performance data to identify if there is any trend or key areas for staff future improvement. Priority: **Low**			
Findings Summary	Following discussion with the People Services Manager, we confirmed that the council is progressing with the introduction of a new HR and payroll software called People First. The system includes a dedicated space for managers and employees to support management check ins. Review of the Workforce Plan and Development training slides confirmed that the material references the introduction of the People First system and the content of the slides include a section highlighted relating to scheduling check-ins in relation to appraisals. We also confirmed that all managers who were required to attend this training have completed it. The Workforce Development Plan also sets out a Framework for Managers and this recommends that managers meet with employees every six weeks. It states that dates, details and key discussion points should be recorded within People First. However, the system has not yet been fully launched across the workforce and the current aim is to launch it by the end of March 2026. In order for management to analyse performance data and identify trends, the People First system needs to be fully implemented. **2: The action has been partly though not yet fully implemented.**			
Management Action 1	Management will analyse staff performance data to identify if there is any trend or key areas for staff future improvement.	**Responsible Owner:** People Services Manager	**Date:** 31 August 2026	**Priority:** **Low**

Assignment: Project and Programme (7.24/25)				
Original management action / priority	The PMO/QA Team will introduce spot checks on a sample or projects to confirm that they have followed each stage of the Project Management Framework and that the project objectives and milestones are being achieved in line with the targets set. Priority: **Low**			
Findings Summary	On correspondence with the Change, Programme and Performance Manager, we were advised that the council are currently carrying out a review of all contracts and projects in place prior to the local government reorganisation. It was further advised that the PMO and QA teams intend to implement regular spot checks on samples of projects after they have confirmed which projects they intend to proceed with. **2: The action has been partly though not yet fully implemented.**			
Management Action 2	The PMO/QA Team will introduce spot checks on a sample or projects to confirm that they have followed each stage of the Project Management Framework and that the project objectives and milestones are being achieved in line with the targets set.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment: Project and Programme (7.24/25)				
Original management action / priority	A high level update will be provided to the Council on at least a quarterly basis detailing the progress being made against the larger projects. Priority: **Medium**			
Findings Summary	Work is ongoing to implement the new delivery panels which will deliver a high level update on a quarterly basis to the relevant committee. Thematic business plan reporting templates have been drafted and the Quarter One 2026/27 key deliverables progress update has been produced outlining project progress. **2: The action has been partly though not yet fully implemented.**			
Management Action 3	A high level update will be provided to the Council on at least a quarterly basis detailing the progress being made against the larger projects.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment:	Project and Programme (7.24/25)			
Original management action / priority	The purpose of the fortnightly QA update report detailing the progress made against each project will be revisited and consideration given to changing the frequency of reporting as well as reporting on progress of projects in line with their assesses banding. Priority: **Low**			
Findings Summary	Work is ongoing to implement the new delivery panels which will deliver a high level update on a quarterly basis to the relevant committee. Thematic business plan reporting templates have been drafted and the Quarter One 2026/27 key deliverables progress update has been produced outlining project progress. **2: The action has been partly though not yet fully implemented.**			
Management Action 4	The purpose of the fortnightly QA update report detailing the progress made against each project will be revisited and consideration given to changing the frequency of reporting as well as reporting on progress of projects in line with their assesses banding.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment:	Procurement (8.24/25)			
Original management action / priority	Management will review the spend analysis from PL to identify whether there are any exceptions or incidents where the correct procurement route has not been followed. Priority: **Medium**			
Findings Summary	The council is about to enter its financial year-end close-down, with final accounts due in May. As a result, the review is not expected to be available until later in the summer, with completion anticipated by the end of August. PL had originally planned to undertake an interim analysis during the year; however, this was not completed due to staffing changes within the team. Instead, PL will now provide a full year's spend analysis for the Council. From 2024/25 onwards, the analysis will move to a six-monthly cycle to ensure more regular oversight. **3: The action has not been implemented.**			
Management Action 5	Management will review the spend analysis from PL to identify whether there are any exceptions or incidents where the correct procurement route has not been followed.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Medium**

Assignment:	Procurement (8.24/25)			
Original management action / priority	Management will conduct a spend analysis in year to identify where spend may be heading towards non-compliance. Priority: **Low**			
Findings Summary	The council is about to enter its financial year-end close-down, with final accounts due in May. As a result, the review is not expected to be available until later in the summer, with completion anticipated by the end of August. PL had originally planned to undertake an interim analysis during the year; however, this was not completed due to staffing changes within the team. Instead, PL will now provide a full year's spend analysis for the Council. From 2024/25 onwards, the analysis will move to a six-monthly cycle to ensure more regular oversight. **3: The action has not been implemented.**			
Management Action 6	Management will conduct a spend analysis in year to identify where spend may be heading towards non-compliance.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Low**

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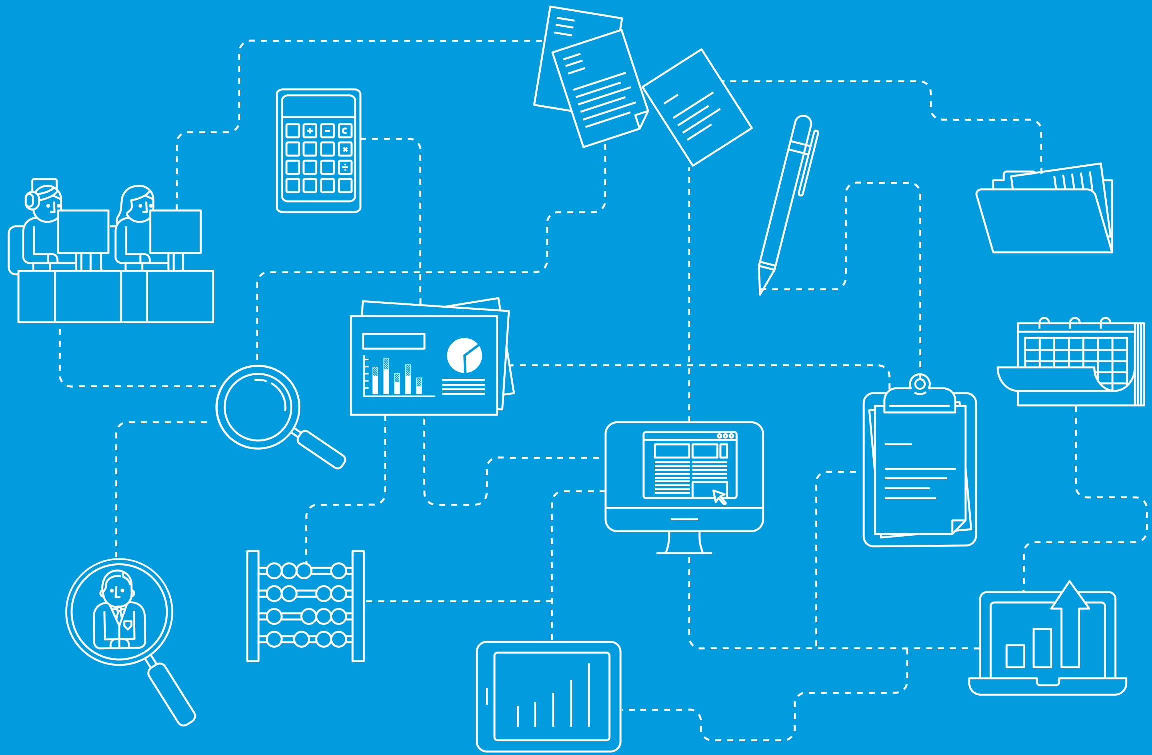
Assignment:	Fraud Risk Assessment Follow up (1.25/26)			
Original management action / priority	Management to ensure the actions continue to be regularly reported against back to the Committee and to report on the progress made against those on a quarterly basis. Priority: **Low**			
Findings Summary	The Section 151 Officer confirmed that this action remains not implemented with quarterly progress not being provided. **3: The action has not been implemented.**			
Management Action 7	Management to ensure the actions continue to be regularly reported against back to the Committee and to report on the progress made against those on a quarterly basis.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Low**

Assignment: Members Onboarding and Training (4.25/26)				
Original management action / priority	Management will document clear guidance for wider staff to follow regarding the member onboarding and member training processes. This will include the relevant steps that non-democratic team members need to be aware of, defined timescales, and clarification of their roles and responsibilities within the process. Priority: **Low**			
Findings Summary	Management confirmed that this action will take place during preparation for all out elections, which are 18 months away. This process will be followed by the all-Councillor induction period, which is the point at which staff need to be involved and aware of their roles and responsibilities. **3: The action has not been implemented.**			
Management Action 8	Management will document clear guidance for wider staff to follow regarding the member onboarding and member training processes. This will include the relevant steps that non-democratic team members need to be aware of, defined timescales, and clarification of their roles and responsibilities within the process.	**Responsible Owner:** Democratic Elections Team Manager	**Date:** 28 February 2027	**Priority:** **Low**

Assignment: Grant Funding and Management (5.25/26)				
Original management action / priority	Management will ensure that the most recent guidance documents are uploaded to the webpage and clearly indicate their effective date, ensuring applicants can rely on accurate and up-to-date information when applying for the fund. In addition a periodic review of the guidance documents for grants should be performed to ensure that the latest set of guidance surrounding grants is made available to applicants. Priority: **Low**			
Findings Summary	Management have updated the Guidance Notes for the Councillor Initiative Fund to correct the typo on the review date. The new version is now used as a PDF document and sent to organisations applying to this grant fund. The version on the website is due to be removed shortly as part of a wider re-design of the Councillor Initiative Fund webpage. Instead of having Guidance Notes as a PDF this page will move to having the guidance notes just fully listed on the webpage itself. This change avoids any future issues of document version control. The website is still not updated and the Council is intending for the webpage to be updated by the end of March. **2: The action has been partly though not yet fully implemented.**			
Management Action 9	The updated guidance documents for the Councillor Initiative Fund will be added to the Council website.	**Responsible Owner:** Communities Manager	**Date:** 30 April 2026	**Priority:** **Low**

Appendices

03



APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented or superseded.

Assignment title	Management actions
Assignment: IT Operations (1.24/25)	**Implemented (Medium)** The backup management section of the ICT Disaster Recovery Policy will be updated to include provisions for: • Encrypting all backups to ensure data security; • Implementing periodic testing of backups to verify data integrity and functionality; and • Establishing a process for regular review of backup logs with documented evidence of these reviews. Moreover, backup data restore testing will be conducted on a scheduled and/or rotational basis to validate that data will be recoverable in the case of a disaster.
	Implemented (Low) The West Lindsey/North Kesteven Network Topology Diagram will be updated to accurately reflect the high availability pair firewalls and all current network configurations.
	Implemented (Low) The hardened standard baseline build for servers will be formally, documented and approved.
Assignment: Staff Appraisal Process (3.24/25)	**Implemented (Low)** Management will review and update the Performance and Development Appraisal Policy where necessary, to ensure it reflects the current practices. The policy will be reviewed and approved by the Management Team.
	Implemented (Low) Management will review and ensure that the role descriptors reflect the most current job position and duties of the staff members.
Assignment: Fraud Risk Assessment Follow up (1.25/26)	**Superseded (Medium)** Superseded to remove duplicate action To develop and monitor an action tracker for all the management actions that are outstanding, which includes dates to be completed by and action owners.
	Implemented (Medium) Assign action owners and dates following this audit for any areas still requiring completion.

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Assignment title	Management actions
	Implemented (Medium) Ensure the Fraud Risk Assessment Action Plan is regularly updated and reported on, with a live version being available for all action owners to be able to access.
Assignment: Members Onboarding and Training (4.25/26)	**Implemented (Low)** Management will ensure that the Member Development Group is formally reconvened following the recruitment of the new Member Development Officer. Regular meetings will be scheduled to provide ongoing oversight of Councillor training and development activities, helping to ensure that training needs are being proactively identified

APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The internal audit assignment has been scoped to provide assurance on how West Lindsey District Council, manages the following area:

Objective of the area under review
To meet internal auditing standards and to provide management with on-going assurance regarding implementation of management actions / recommendations.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

- This review will examine the extent to which agreed management actions have been implemented. Testing will be conducted on all management actions due for implementation by 28 February 2026.
- Testing will be performed as appropriate to confirm the implementation of agreed actions to manage risks identified as part of the initial fieldwork.
- Focus will be given to those management actions categorised as medium priority.
- Management assurances will be obtained for those management actions classified as low priority.

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Limitations to the scope of the audit assignment:

- The review only covers the management actions stated and will not review the whole control framework. We are not providing assurance on the entire risk and control framework of the individual areas.
- We will provide assurance as to the implementation of recommendations arising from the assignments listed and any outstanding actions from prior years.
- Conclusions will be based on our assessments made through discussions with managers responsible for the implementation of management actions and where necessary evidence which demonstrates implementation.
- The level of implementation may be informed by sample testing.
- Further management actions may be raised based on sample testing. Where samples are required, records will be selected by the auditor from the time period.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held	24 March 2026	**Internal audit Contacts**	Rob Barnett, Head of Internal Audit Aaron Macdonald, Managing Consultant Carlton Klompaker, Consultant
Draft report issued	24 March 2026	**Client sponsor**	Katy Allen, Corporate Governance Officer Lisa Langdon, Assistant Director People and Democratic Services
Responses received	11 May 2026	**Distribution**	Katy Allen, Corporate Governance Officer Lisa Langdon, Assistant Director People and Democratic Services
Final report issued	11 May 2026		

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Aaron Macdonald, Managing Consultant

Email: Aaron.Macdonald@rsmuk.com

Agenda Item 6b

Governance and Audit Committee	
21 July 2026	

Subject: Annual Internal Audit Report 2025.26

Report by:	Assistant Chief Executive - Governance (Monitoring Officer)
Contact Officer:	Lisa Langdon Lisa.langdon@west-lindsey.gov.uk

Executive Summary:

To present the Annual Internal Audit report for the 12 months ending 31 March 2026 by RMS UK Risk Assurance Services LLP.

Appendices to Report

- Annual Internal Audit report for the 12 months ending 31 March 2026

RECOMMENDATION(S):

(a) That Governance and Audit Committee receive the Annual Report 2025/25 and note its content.

1. Introduction

1.1 Internal Audit for West Lindsey District Council is undertaken by RSM UK Risk Assurance Services LLP. All progress reports and final internal audit reports are reported to Leadership Team and Governance and Audit Committee.

2. Current Position

2.1 The annual report from Internal Audit for the 12 month period ending 31 March 2026. This report outlines the annual internal audit opinion as being adequate and effective framework for risk management, governance and internal control.

2.2 Eight internal audit review were undertaken with 2025/26. Out of these eight, six reviews concluded a substantial assurance and two concluded a reasonable assurance. A further two advisory reviews were also undertaken for Environment and Sustainability Strategy Review and HR System Readiness Review.

2.3 The annual report is attached as Appendix One.

ASSOCIATED IMPLICATIONS

Legal:

Contents outlines outcome against legal contract with Internal Audit provider.

Financial: FIN/50/27/GA/SL

No financial implications arising from this report

Staffing:

None arising from this report

LGR implications:

None arising from this report

Equality and Diversity including Human Rights:

None arising from this report

Data Protection Implications:

None arising from this report

Climate Related Risks and Opportunities:

None arising from this report

Section 17 Crime and Disorder Considerations:

None arising from this report

Health Implications:

None arising from this report

Risk Assessment:
None arising from this report

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes		**No**	**x**

Key Decision:

Yes		**No**	**x**

WEST LINDSEY DISTRICT COUNCIL

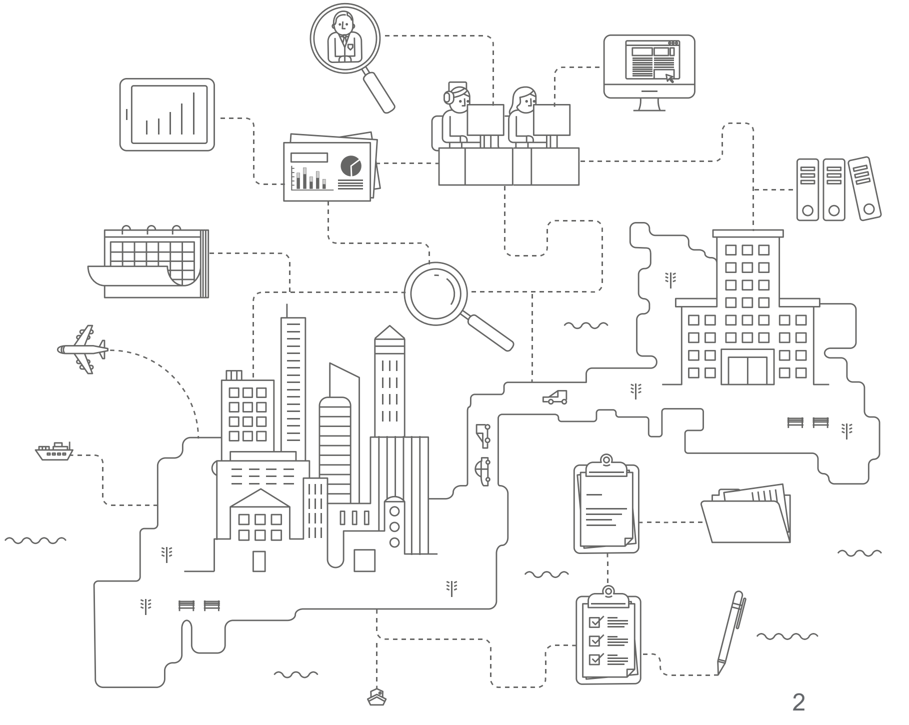
Annual internal audit report for the 12 months ending 31 March 2026

12 June 2026

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

CONTENTS



THE ANNUAL INTERNAL AUDIT OPINION

The annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the Council's risk management, control and governance processes. For the 12 months ending 31 March 2026 the Head of Internal Audit opinion for West Lindsey District Council is:

Annual opinion

The organisation does not have an adequate framework of governance, risk management or internal control.

There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The organisation has an adequate and effective framework for risk management, governance and internal control.

\- +

Factors influencing our opinion

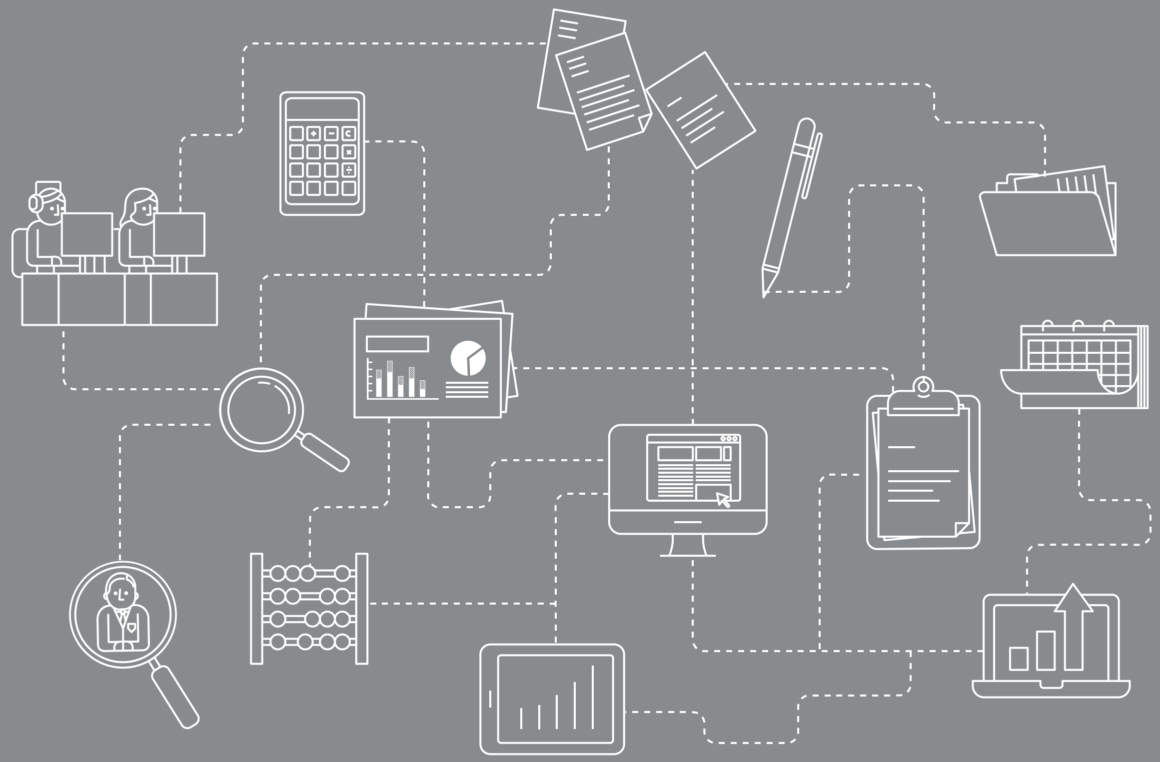
The factors which are considered when influencing our opinion are:

- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weaknesses identified;
- the level of risk exposure; and
- the response to management actions and timeliness of actions taken.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control, governance, and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

Scope and Limitations

01



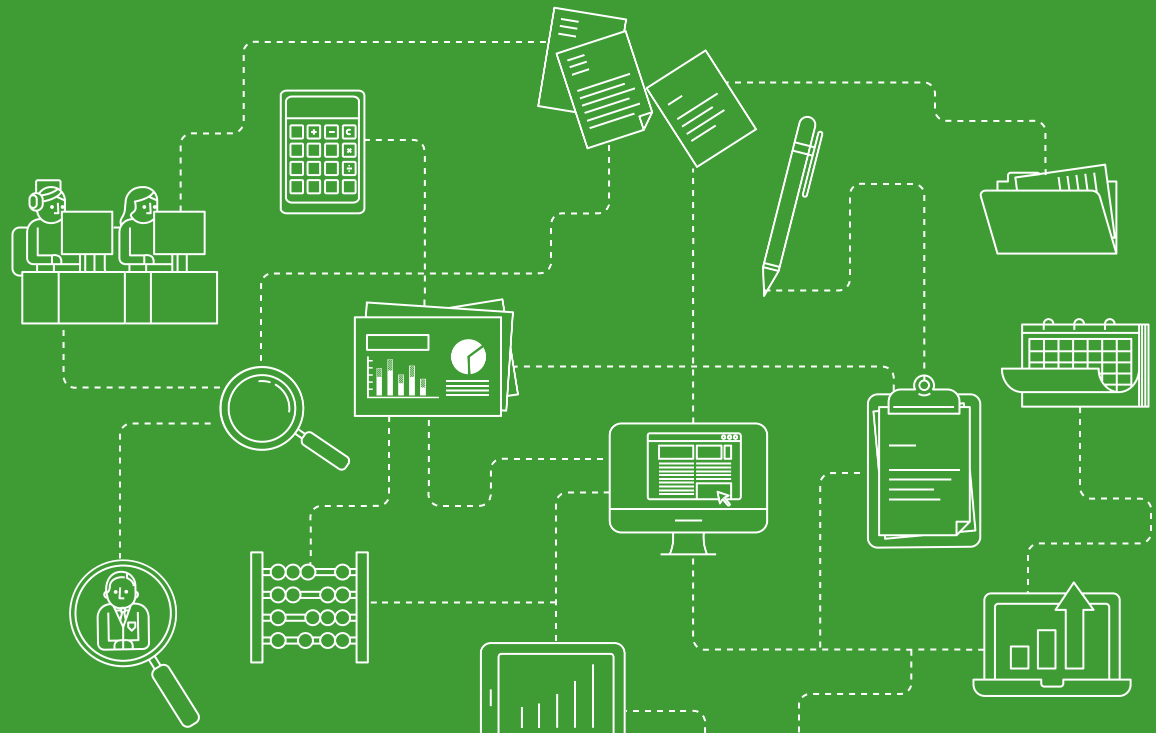
1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Governance and Audit Committee, our opinion is subject to inherent limitations, as detailed below.

- Internal audit has not reviewed all risks and assurances relating to the Council.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS).
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with management.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the Governance and Audit Committee, and the Management Team of West Lindsey District Council.

Informing Our Opinion

02



2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Governance

We have taken into consideration the governance and oversight related elements of each of the reviews undertaken as part of the 2025/26 internal audit plan.

There is a governance framework in place, and we observed that the Governance and Audit Committee was effective in monitoring and challenging management and holding them to account.

As part of the 2025/26 internal audit plan, we undertook an agreed upon procedures review of the Council's controls and processes with regard to the Local Code of Governance. For the Code of Governance review, we agreed five 'low' priority and two 'medium' priority actions. We also agreed one suggestion.

Risk

Risk management is reviewed at the Governance and Audit Committees. We have attended all Governance and Audit Committee meetings throughout the year and confirmed the Council's risk management arrangements continued to operate effectively in this forum and were adequately reported to and scrutinised by committee members; with regular updates provided and the risk register shared and reviewed, with appropriate oversight and challenge.

Our risk management opinion is also informed by our observation of risk management systems and processes throughout the course of all audits within the internal audit plan. Specific audits linked to the Council's risks (all three of which concluded with substantial assurance) included:

- Financial Resilience and Scrutiny – *Risk: Inability to set a sustainable balanced budget.*
- Members Onboarding and Training – *Risk: Inability for the Council's governance to support quality decision making.*
- Cyber Security Operations – *Risk: ICT Security and Information Governance arrangements are ineffective.*

Control

We undertook eight internal audit reviews in 2025/26 which resulted in an assurance opinion. From six reviews (75%) we concluded that substantial assurance could be taken and two reviews (25%) reasonable assurance could be taken in relation to the design and application of the control frameworks in place.

During the year we agreed a total of 38 management actions across assurance and follow up reviews. Of the actions agreed: zero (0%) were 'high' priority, nine (24%) were 'medium' priority, 27 (71%) were 'low' priority, and two (5%) were 'advisory' priority.

We also undertook two advisory reviews. For the Environment and Sustainability Strategy Review, we agreed 15 recommendations. For the HR System Readiness review, we agreed two advisory suggestions.

Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinion on control. We have performed two follow-up reviews during the year, one of which concluded in a positive opinion (reasonable progress), and another in a negative opinion (little progress).

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2025/26.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the Governance and Audit Committee, with the validation of the action status confirmed by internal audit during two specific follow up reviews.

<u>Follow Up 1</u>

Our follow up of the actions agreed to address previous years' internal audit findings shows that the Council had made **reasonable progress** in implementing the agreed actions. Testing found that eight actions had been implemented, and four actions had not been implemented.

<u>Follow Up 2</u>

Our follow up of the actions agreed to address previous years' internal audit findings shows that the Council had made **little progress** in implementing the agreed actions. Testing found that nine actions had been implemented or superseded, five actions were partially implemented, and the remaining four actions were not implemented.

Working with other assurance providers

In forming our opinion, we have not placed any direct reliance on other assurance providers.

Topics judged relevant for consideration as part of the annual governance statement

Based on the work we have undertaken on the Council's system of internal control, the Council can use our annual opinion to inform the Annual Governance Statement (AGS).

Emerging Local Government Reorganisation presents a future risk with potential implications for governance structures, accountability arrangements and partnership working. Whilst this does not directly affect the 2025/26 head of internal audit opinion, it will require proactive oversight and clear transition planning to manage governance complexity and maintain effective controls as reorganisation progresses.

Our Performance

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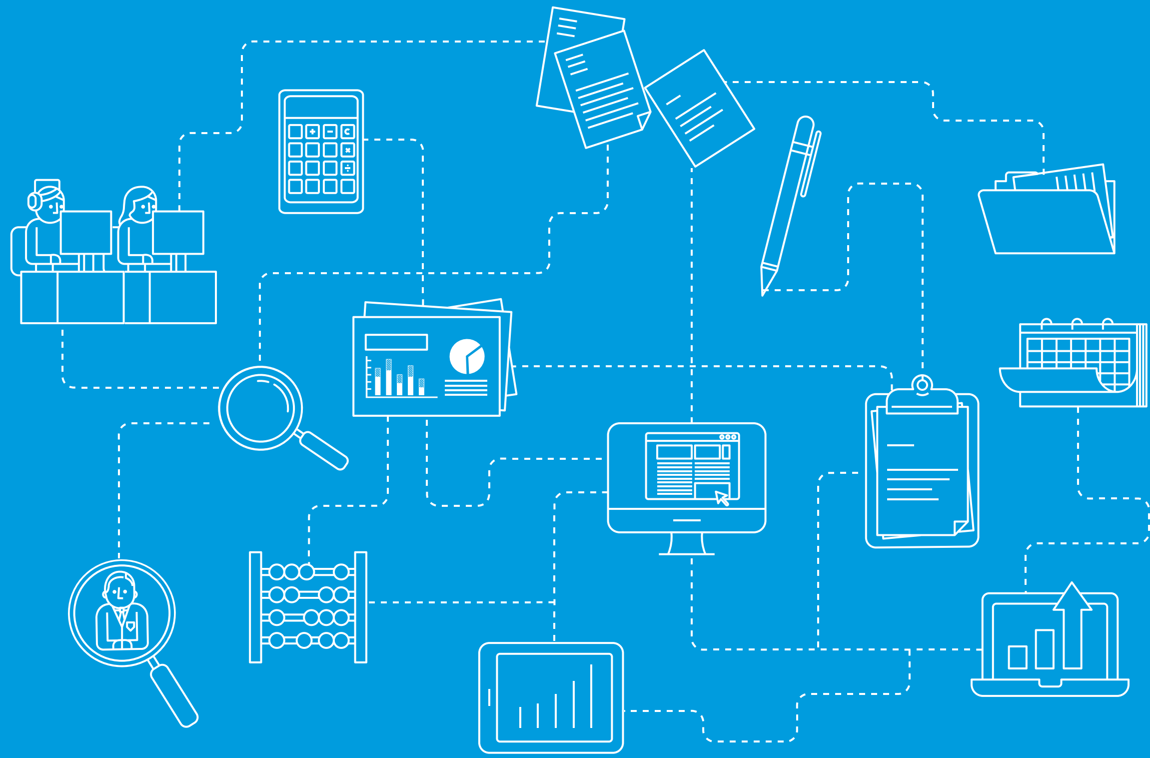


3.1 Wider value adding delivery

Wider value adding delivery:

Area of work	How has this added value?
International Fraud Awareness Week	We issued invites to a number of free webinars that RSM were hosting for International Fraud Awareness Week.
Emerging Risk Radar – Spring 2025, Autumn 2025 and Spring 2026	We issued our latest Emerging Risk Radars throughout the year which is a summary of survey responses from board members across all industries and sectors. The document outlines the key risks emerging and steps for the organisation to follow to react to emerging risks.
Publications, articles, and reports	We have issued a number of publications in year, shared with management including: • Driving Value from Artificial Intelligence • Quality Assurance and Improvement Programme
Best Practice	Throughout our work, where appropriate, we have shared best practice across the sector in our recommendations of improvements to control.
Use of Specialists	To support the delivery of the internal audit plan, we have used our Technology Risk Assurance Specialists to conduct the Cyber Security Operations internal audit review and our ESG Specialists to complete the Environment and Sustainability Strategy Review.
1:1 meetings / discussions	Throughout the year we have continued to liaise with management and held operational meetings where required to obtain an update on the council's developments. We have attended all Governance and Audit Committee meetings.
Flexible annual planning approach	We have remained flexible with our annual planning approach. This enables us to react to changes in priority and risk, to ensure internal audit is focused in the right areas at the right time, to be the best source of assurance where needed in specific areas of risk or control.

3.2 Conflicts of interest

RSM were commissioned to deliver Risk Training Workshops to the council in 2025/26. These were conducted under a separate letter of engagement and by a separate team to the core internal audit team. As such, we do not perceive this to be a conflict of interest.

Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2025/26.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards in the UK Public Sector. Our next external quality assessment (EQA) will take place in 2026.

Under the Standards, internal audit services are required to have an EQA every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

The external review concluded that RSM 'generally conforms* to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

3.4 Quality assurance and continual improvement

To ensure that RSM remains compliant with the Global Internal Audit Standards in the UK Public Sector we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2025/26. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

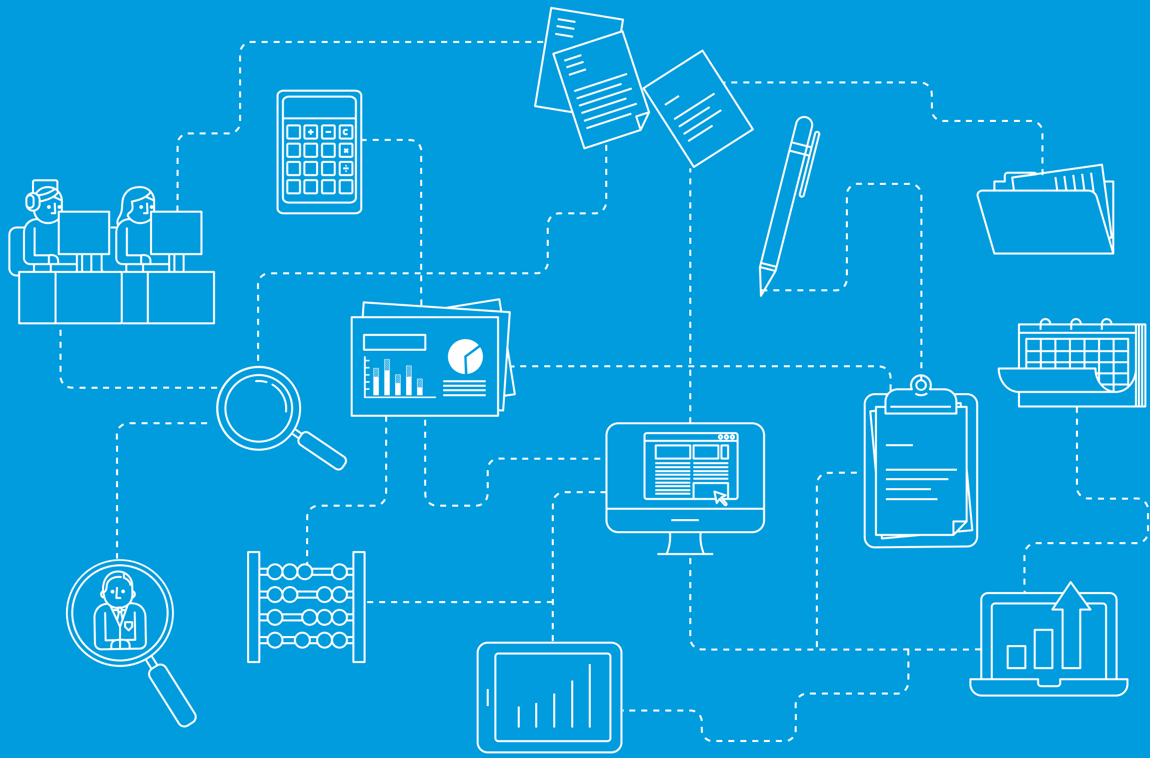
3.6 Performance indicators

Delivery	Target	Actual	Quality	Target	Actual
Audits commenced in line with original timescales*	Yes	Yes	Conformance with IIA Standards	Yes	Yes
Draft reports issued within 10 working days of debrief meeting	10 working days	6 working days (average)	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes
Management responses received within 10 working days of draft report	10 working days	22 working days[1] (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
Final report issued within 3 working days of management response	3 working days	2 working days (average)	Response for emergencies and potential fraud	1 working day	N/A

[1] The Environment and Sustainability Strategy Review was responded to after 99 working days. As such this increases the average for the year. Without this outlier, the average response times to reports was 15 working days.

Appendices

04



APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided below should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Status / Opinion issued	Actions agreed			
			A	L	M	H
Fraud Risk Assessment - Follow Up and Testing	Director of Finance and Assets and 151 Officer	Reasonable Assurance	0	1	3	0
Follow Up 1	Assistant Director, People and Democratic Services	Reasonable Progress	0	3	1	0
Cyber Security Operations	Director, Change Management, ICT and Regulatory Services	Substantial Assurance	0	1	1	0
Members Onboarding and Training	Assistant Director, People and Democratic Services	Substantial Assurance	0	2	0	0
Grant Funding and Grant Management	Director, Planning, Regeneration and Communities	Substantial Assurance	0	3	0	0
Financial Resilience and Scrutiny	Director of Finance and Assets and 151 Officer	Substantial Assurance	0	1	0	0
Procurement	Director of Finance and Assets and 151 Officer	Substantial Assurance	0	2	0	0
Code of Governance	Assistant Director, People and Democratic Services	Agreed Upon Procedures	1	5	2	0
Environment and Sustainability Strategy Review	Head of Policy and Strategy	No opinion / Advisory	15 recommendations			
Planning Enforcement	Director, Planning, Regeneration and Communities	Substantial Assurance	2	3	0	0
HR System Readiness	Assistant Director, People and Democratic Services	No opinion / Advisory	2	0	0	0
Emergency Planning / BCP	Housing and Environmental Enforcement Manager	Reasonable Assurance	0	3	3	0
Follow Up 2	Assistant Director, People and Democratic Services	Little Progress	0	8	1	0

APPENDIX B: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:

Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).

Reasonable Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

Partial Assurance

Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).

Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Aaron Macdonald, Managing Consultant

Email: Aaron.Macdonald@rsmuk.com

Governance and Audit Committee	
21 July 2026	

Subject: Internal Audit Progress Report

Report by:	Assistant Chief Executive - Governance (Monitoring Officer)
Contact Officer:	Lisa Langdon Lisa.langdon@west-lindsey.gov.uk

Executive Summary:

To present the Internal Audit progress report for July 2026 from RSM UK Consulting.

Appendices to Report

- Internal Audit Progress Report for West Lindsey District Council July 2026

RECOMMENDATION:

(a) That Governance and Audit Committee are asked to review the progress to date and note the content of the report.

1. Introduction

1.1 Internal Audit for West Lindsey District Council is undertaken by RSM UK Risk Assurance Services LLP. All progress reports and final internal audit reports are reported to Leadership Team and Governance and Audit Committee.

2. Current Position

2.1 The progress report from Internal Audit for July 2026 outlines the key messages which includes:

- progress against the internal audit plan for 2025/26
- update on key performance indicators

The progress report is attached as Appendix One.

ASSOCIATED IMPLICATIONS

Legal: Contents outlines progress made against legal contract with Internal Audit provider.

Financial: FIN/39/27/GA/SL No financial implications arising from this report

Staffing: None arising from this report

LGR implications: None arising from this report

Equality and Diversity including Human Rights: None arising from this report

Data Protection Implications: None arising from this report

Climate Related Risks and Opportunities: None arising from this report

Section 17 Crime and Disorder Considerations: None arising from this report

Health Implications: None arising from this report

Risk Assessment:
None arising from this report

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes		**No**	**x**

Key Decision:

Yes		**No**	**x**

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WEST LINDSEY DISTRICT COUNCIL

Internal Audit Progress Report

21 July 2026

THE POWER OF BEING UNDERSTOOD
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RSM

CONTENTS

KEY MESSAGES

The internal audit plan for 2025/26 was approved by the Governance and Audit Committee at the 11 March 2025 meeting. This report provides an update on progress against the plan and summarises the results of our work to date. In addition, the internal audit plan for 2026/27 was approved by the Governance and Audit Committee at the 10 March 2026 meeting and this report provides an update on progress against the plan and summarises the results of our work to date.

We have issued two reports as final as part of the internal audit plan since the last Governance and Audit Committee meeting. These are the Environment and Sustainability Strategy Review (9.25.26) and Follow Up 2 (13.25/26). **[To note]**

- Details of the progress made against the internal audit plan are included at Appendix A for 2025/26 and Appendix B for 2026/27. **[To note]**
- All fieldwork has been completed for the 2025/26 Internal Audit Plan, and the Head of Internal Audit Opinion is brought to this meeting as a separate agenda item. **[To note]**
- Fieldwork dates have been agreed with management for all of the internal audits scheduled for 2026/27 to ensure that all fieldwork will be completed by the end of the year, and our Head of Internal Audit Opinion can be provided at the first meeting of the 2027/28 financial year. Details are included in Appendix B. **[To note]**

Appendices

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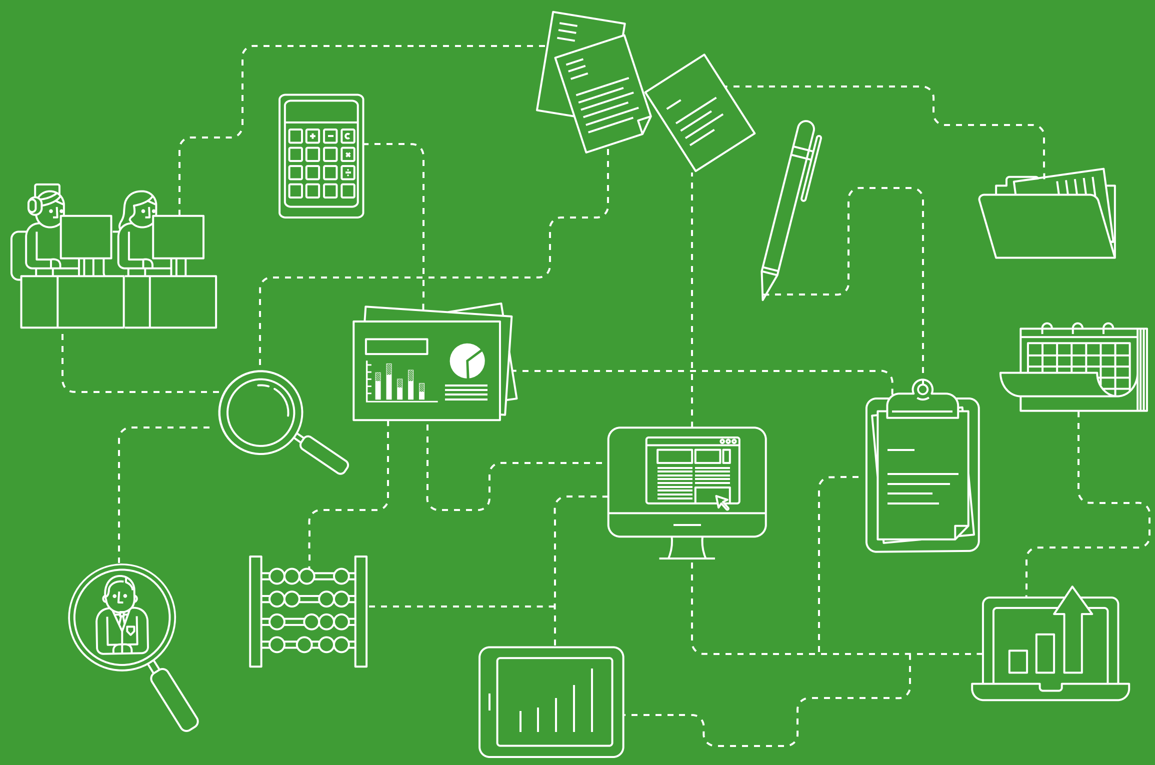

APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
Fraud Risk Assessment - Follow Up	Final Report Issued / Reasonable Assurance	0	1	3	0	July 2025	July 2025
Follow Up 1	Final Report Issued / Reasonable Progress	0	3	1	0	September 2025	September 2025
Cyber Security Operations	Final Report Issued / Substantial Assurance	0	1	1	0	November 2025	November 2025
Members Onboarding and Training	Final Report Issued / Substantial Assurance	0	2	0	0	November 2025	January 2026
Grant Funding and Grant Management	Final Report Issued / Substantial Assurance	0	3	0	0	January 2026	March 2026
Financial Resilience and Scrutiny	Final Report Issued / Substantial Assurance	0	1	0	0	January 2026	January 2026
Procurement	Final Report Issued / Substantial Assurance	0	2	0	0	January 2026	March 2026
HR System Readiness	Final Report Issued / Advisory Review	2	0	0	0	January 2026	March 2026
Code of Governance	Final Report Issued / Advisory Review	1	5	2	0	January 2026	March 2026
Planning Enforcement	Final Report Issued / Substantial Assurance	2	3	0	0	March 2026	March 2026
Emergency Planning / BCP	Final Report Issued / Reasonable Assurance	0	3	3	0	April 2026	April 2026
Climate Change Strategy	Final Report Issued / Advisory Review	15 Recommendations				April 2026	July 2026
Follow Up 2	Final Report Issued / Little Progress	0	8	1	0	April 2026	July 2026

APPENDIX B: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2026/27

Assignment	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
Governance and Audit Committee Effectiveness	Fieldwork due to commence w/c 15 June 2026					September 2026	
IT Audit	Fieldwork due to commence w/c 22 June 2026					September 2026	
Treasury Management	Fieldwork due to commence w/c 20 July 2026					September 2026	
Health and Safety	Fieldwork due to commence w/c 3 August 2026					November 2026	
Follow Up 1	Fieldwork due to commence w/c 24 August 2026					November 2026	
Building Control	Fieldwork due to commence w/c 21 September 2026					November 2026	
Lincolnshire Resilience Forum (LRF) Activity	Fieldwork due to commence w/c 12 October 2026					November 2026	
Freedom of Information Requests (FOI)	Fieldwork due to commence w/c 19 October 2026					January 2027	
Contract Management	Fieldwork due to commence w/c 9 November 2026					January 2027	
Waste Management Services	Fieldwork due to commence w/c 7 December 2026					January 2027	
Payroll	Fieldwork due to commence w/c 11 January 2027					April 2027	
Delivery of Strategic Priorities	Fieldwork due to commence w/c 8 February 2027					April 2027	
Safeguarding	Fieldwork due to commence w/c 22 February 2027					April 2027	
Follow Up 2	Fieldwork due to commence w/c 1 March 2027					April 2027	

APPENDIX C: OTHER MATTERS

Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue.

APPENDIX D: KEY PERFORMANCE INDICATORS

Delivery				Quality			
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 working days	*6 working days (average)*		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 working days	*22 working days (average)*	[1]	Response time for all general enquiries for assistance	2 working days	*2 working days*	
Final report issued within 3 days of management response	3 working days	*2 working day (average)*		Response for emergencies and potential fraud	1 working day	*N/A*	

Notes
This takes into account changes agreed by management and the Governance and Audit Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

[1] The Environment and Sustainability Strategy Review was responded to after 99 working days. As such this increases the average for the year. Without this outlier, the average response times to reports was 15 working days.

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Aaron Macdonald, Managing Consultant

Email: Aaron.Macdonald@rsmuk.com

Definitions of Terms – Environment and Sustainability Strategy Review

The following definitions apply throughout this document unless the context requires otherwise:

Term	Definition
LGR	Local Government Reorganisation: The process of restructuring local government in England to replace the two-tier system (county and district councils) with single-tier into unitary authorities.
Net zero	Achieving an overall balance between greenhouse gases produced and those taken out of the atmosphere. This should be achieved through a rapid reduction in carbon emissions, but where zero carbon is not possible, offsetting through carbon credits or sequestration through technological or nature-based solutions needs to be utilised.
CEAP	A detailed plan adopted by Council C to respond to declared climate emergencies. It sets out specific actions, targets and timelines to reduce emissions and adapt to climate risks.
CEAPP	A governance body responsible for overseeing the implementation and progress of the CEAP.
MWG	Member Working Group is The Council's cross-party group of elected members overseeing the Environment and Sustainability Strategy and Action Plan.
PCC	Prosperous Communities Committee is The Council's committee with overall responsibility for the Strategy and scrutiny of performance.
SELCAN	Council A's Climate Action Network which is a collaborative shared arrangement framework for climate action across multiple councils.
Carbon reduction baseline	A starting point for measuring progress, for example, emissions levels before reduction actions have been implemented.
Co-benefits	Additional benefits beyond carbon reduction. These can include improved health, reduced fuel poverty and economic gains.
GHG	Greenhouse Gas Emissions are emissions contributing to climate change, including CO_2, CH_4 and N_2O.
BNG	Biodiversity Net Gain is an approach to development and land management which aims to leave biodiversity in a measurably better state than before development took place. BNG is now a legal requirement in England, mandating a minimum of 10% net gain.
LAD	The Local Authority Delivery scheme is a UK government-funded programme designed to help local authorities deliver energy efficiency improvements to low-income households.

Term	Definition
HUG	Home Upgrade Grant is a government-funded initiative aimed at supporting energy efficiency upgrades in homes that are off the gas grid and occupied by low-income households.

1. Executive Summary

Introduction

West Lindsey District Council ("the Council") has established a strong foundation for taking sustainability and climate action and addressing the impacts of climate change on the Council, its internal and external stakeholders, and the broader district.

The Council has developed its Environment and Sustainability Strategy ("the Strategy") and associated Action Plan 2025 ("the Action Plan"), which set out an overarching target to be a net zero Council by 2050, including interim milestones and additional climate and sustainability-related actions under 10 key themes.

Users of this report should note that this review was advisory in nature, sitting within an Internal Audit plan. This work did not constitute an audit, and no audit opinion was signed as a result of this review. Therefore, the Council is not obliged to implement any of the recommendations if it does not see fit. The review aimed to provide recommendations and considerations for improvement, rather than an opinion on the Council's current state of sustainability and climate action.

It should also be noted that this report was issued to the Council in January 2026. In June 2026, the Council provided feedback on the report to RSM. Therefore, subsequent amendments to the report have been made to incorporate the Council's feedback.

Scope and Approach

The purpose of this review was to assess the Council's implementation of the Strategy and its approach to the delivery of the accompanying Action Plan. The review focused on how the Council can continue to deliver on ambitions and targets in the short term, effectively monitor and report on progress, and plan for continual delivery of sustainable actions among future uncertainty brought about by the Local Government Reorganisation (LGR). The focus of this report is therefore on reviewing the Council's reporting and ensuring the Action Plan will continue to deliver on sustainable initiatives both now and into the future post-LGR.

The UK, through the LGR, is in the process of a significant reorganisation of local government. The aim is to replace the existing two-tier system, in which services and functions are split across county and district councils, with new single-tier, unitary councils. The intended outcome of the LGR is to simplify local government arrangements, resulting in improved efficiency in decision making and delivery, streamlined public services, reduction in duplication of efforts, and improved clarity on responsibilities and accountabilities.

The review draws on the Council's Environment and Sustainability Strategy and Action Plan 2025, supporting internal documentation, and interviews conducted with three stakeholders involved in delivery and progress monitoring of the Strategy and Action Plan, and energy efficiency projects within the Council.

Additionally, peer benchmarking was undertaken against five other councils selected in consultation with the Council. In light of the LGR and the potential for a future amalgamation of the Lincolnshire districts, the review focused on councils within Greater Lincolnshire. This report will be publicly available via the Council's Governance and Audit Committee Papers on the Council's webpage. To ensure confidentiality and the integrity of the review process, the peer councils have been anonymised.

- Council A (shared management arrangement);
- Council B (individual council within Council A);
- Council C (individual council);
- Council D (individual council); and
- Council E (individual council).

These peers were selected in consultation with the Council, based on their relevance to the LGR and ability to provide insights into both shared management arrangements and individual council strategies and operations. A review of Council A enabled an additional understanding as to how a unitary council may function post-LGR and how district-level climate priorities are integrated within a shared management arrangement.

In considering the peer benchmarking exercise, RSM considered and acknowledged the unique positions of each council benchmarked. Some councils were considerably more advanced in their climate action journeys, with greater internal resource capacities and capabilities. Therefore, whilst the peer benchmarking was used to inform improvement opportunities for the Council, the recommendations in this report are advisory in nature. As such, they should be reviewed by the Council and adapted based on internal capacity to help achieve cross-county success alongside their peers as a unitary authority.

Findings and Recommendations

Through the review, we found that the Council provides a comprehensive approach to reporting and delivering on carbon reduction initiatives across the Council's operations and the district.

The Council has a strong foundation of project delivery, with well-established linkages between the Strategy and Action Plan, clear overall governance, and a track record for sourcing and delivering energy efficiency initiatives. A clear narrative is supported by actionable strategies for decarbonisation, measurable outcomes, and a thematic structure to the overall Strategy and Action Plan. Across all themes, short term ambitions are consistent with the overarching commitment to decarbonisation and net zero by 2050.

The Council's opportunity now is to enhance ownership and accountability for specific actions, progress monitoring and KPIs, climate adaptation and resilience planning and overall considerations for LGR developments. These enhancements will align the Council with neighbouring Council practices, improve overall progress monitoring and delivery, and position the Council for emerging LGR requirements.

Further details on the findings can be found in section *3. Findings*, along with the full peer benchmarking in *Appendix C. Council Benchmarking*.

Drawing on these findings, peer benchmarking, and the Council's own strategies, plans and progress update reports, we have identified areas where progress reporting and delivery mechanisms are strong, aligning with high-performing peers. Additionally, we have identified key areas for improvements where the Council has the highest potential to enhance their reporting and delivery mechanisms.

A total of 15 key recommendations were subsequently developed and have been outlined across the five key focus areas which are provided in section *4. Recommendations*. These recommendations are considerations rather than an opinion on the Council's current state. Any recommendations are therefore advisory in nature, and the Council should adopt and adapt these to ensure they are fit-for-purpose.

The following provides a summary of the main strengths and areas for improvement we drew from our findings:

Strengths

The Council demonstrates notable strengths in the following areas:

- **Linkage between the Strategy and Action plan:** The Council has demonstrated overall success at linking the key thematic areas of concern between the Strategy and the Action Plan. This provides a level of coherence which promotes a streamlined and focused approach to delivering on district-wide and Council-specific climate-related considerations.
- **Dedicated Project Delivery Team:** The Council demonstrates overall effective governance surrounding the Strategy and Action Plan. The Environment and Sustainability Member Working Group (MWG) acts as a cross-party group of elected members meeting regularly (every 4-6 weeks), responsible for developing, implementing, monitoring and reviewing the Action Plan. The Prosperous Communities Committee (PCC) also holds overall responsibility for the Strategy and scrutiny over any performance concerns.
- **Programme Delivery and Energy Efficiency Initiatives**: The Council exhibits overall successful service delivery for identifying and bidding for new funding opportunities and a strong track record of delivering multiple government-funded energy efficiency schemes (Local Authority Delivery Scheme, Home Upgrade Grant, Sustainable Warmth). Dedicated project officers significantly improved delivery capacity with key reporting and KPIs on specific projects and collaboration with delivery partners (AEON, Yorkshire Energy Services) which have supported successful implementation of energy efficiency initiatives.
- **Strategic Partnerships and Community Engagement**: The Council has demonstrated success with initiatives for engaging the community and sharing climate-related and sustainability initiatives across the district. Additionally, energy efficiency work provides co-benefits, addressing fuel poverty alongside council strategies and themes.
- **Demonstrable Progress on Climate Action**: The Council underwent an internal audit over its climate change commitments in 2022, conducted by KPMG. This current review in 2026 has found that the Council has continued to develop its Strategy and Action Plan based on the recommendations provided by KPMG. In particular, the Council's updated Action Plan demonstrates clearer actions, outcomes, and measures for each activity alongside process improvements, including the use of the CESIA tool to assess climate impacts in decision-making.
- **Foundational Efforts towards LGR Preparedness:** The Council has performed a cross-county review of Lincolnshire councils' action plans through the Sustainability Officers Group. This review covered areas of commonality, demonstrating a considered approach to LGR preparation which considers cross-county collaboration.

Areas for Development

To remain aligned with best practice, enhance overall progress reporting and delivery, and prepare for LGR, the Council should focus on the following:

1. **Additional Planning for LGR:** There is limited consideration and integration of LGR within the Council's Strategy and Action Plan which reflects a broader gap in long term strategic planning. This approach risks future strategic misalignment with neighbouring councils, limiting the Council's ability to influence post-reorganisation priorities.
2. **Action Ownership and Accountability**: There are gaps regarding action ownership which may affect progress of delivery. Although overall responsibility lies with the MWG and the PCC, reporting could be enhanced by providing ownership for implementing specific actions and clear accountability for progress.
3. **Progress Monitoring, Reporting and KPIs:** There is inconsistency with the nature of tracking and reporting on progress. The Action Plan includes metrics which at times are unclear and lack clear KPIs. Key mechanisms at times provide limited detail on measurable progress updates leaving room for greater specificity and clarity to reporting and monitoring.
4. **Project Prioritisation:** Currently the Council's prioritisation of their climate actions lacks clear and considered planning. The Council's Carbon Management Plan identifies costs, but the Action Plan does not provide a structured approach to costing and prioritising projects over the next 18 months.

5. **Climate Adaptation and Resilience Plan:** Whilst there is no standalone climate adaptation and resilience strategy at the district level, the Council relies on Lincolnshire County Council's (LCC) adaptation and resilience strategy. This provides a foundation for the Council; however, the Council has not yet identified and adopted the district-level priorities into their existing Strategy and Action Plan.

2. Methodology

Review and Gap Assessment

The Council’s current Strategy and Action Plan were assessed through a review of key documentation provided by the Council including internal policy review reports, strategies and project progress updates, alongside additional publicly available documents (see Appendix A for a full list of documents reviewed). The objective was to evaluate the implementation of the Council’s Strategy, approach to delivery of the Action Plan, and to identify opportunities for continuing to build on positive delivery of targets, both now and in preparation for LGR and beyond.

Key documents were provided by the Council and reviewed, including the Environment and Sustainability Strategy and the Action Plan.

Additionally, three interviews were conducted with key stakeholders across the Council (see Appendix B for a full list of interviewees). These interviews provided insight into climate strategy delivery, project delivery and prioritisation, key governance structures including roles and responsibilities and how climate change considerations are integrated into operational activities.

The Council’s Strategy and Action Plan were assessed with a particular focus around governance and oversight, project delivery and progress reporting mechanisms. The Strategy and Action Plan were first adopted in 2021 as a specific strategy to tackle the impact of climate change on the Council and the broader district. The Strategy has been continually developed to include significant updates in response to the impacts of climate change.

The Strategy and Action Plan outline ambitions and targets across 10 key themes, ensuring that climate considerations are fully integrated into decision-making processes and are aligned with the Council’s 2050 net zero target. Within the Strategy each theme is supported by strategic aims, objectives and key outcomes. The Action Plan also provides key progress measurements and expected timeframes for achieving the associated action.

Peer Review

In addition to the review of the Strategy, Action Plan, and relevant internal documentation, a peer benchmarking exercise was undertaken to assess environment, sustainability and climate change strategies across five Greater Lincolnshire Councils. The following Councils were chosen through consultation with key stakeholders within the Council, supported by a strategy review and benchmarking exercise carried out as part of their work on the Lincolnshire Sustainability Officers Group.

- Council A (shared management arrangement);
- Council B (individual council within Council A);
- Council C (individual council);
- Council D (individual council); and
- Council E (individual council).

The benchmarking against Council A, which is already operating as a shared management arrangement, assessed how it leverages strategies, initiatives and efforts from the individual councils under its management arrangement. Our review of this shared management arrangement provided insights into how a unitary council could integrate district-level climate priorities into strategic planning and gave an understanding of how this may function post-LGR.

Council B was benchmarked as an individual council already operating under the amalgamated approach to provide insights on how it continues to deliver on and be responsible for climate action. Council C, Council D and Council E were benchmarked as individual councils within Greater Lincolnshire for general insights on environmental and sustainability strategies, actions, monitoring mechanisms, and progress reporting.

Publicly available strategies and climate action plans were reviewed and assessed against relevant themes which were considered in the document review. The peer review provided examples of reporting good practice including detailed action ownership disclosures, approaches to shared management arrangements and quantified metrics on targeted progress.

The findings have informed our recommendations and highlight areas where the Council could further develop its Strategy and Action Plan by incorporating practical examples of best practice from neighbouring Councils. It also highlighted how peer councils which may be amalgamated with the Council in the process of LGR, have comparable and recognisable targets which can be leveraged to provide combined progress towards net zero and other actionable goals in the long term.

The peer benchmarking recognised that councils demonstrated varying levels of maturity in relation to climate action, with differing levels of internal resources and capabilities. Accordingly, the benchmarking insights have been used to highlight potential areas for improvement for the Council, some of which are based on councils with greater resource availability and are therefore more aspirational, rather than prescribe fixed actions. The recommendations are therefore indicative and should be adapted internally by the Council to align with resource capacity.

Details of the peer benchmarking can be found in *Appendix C. Detailed Findings*.

3. Findings

Overview of Current Progress

The Council has made progress in embedding decarbonisation and climate considerations into governance and decision-making across its operations. The Strategy and Action Plan outline an overarching commitment to net zero 2050 with key interim targets and a focus on short term ambitions for decarbonising the Council and the district. These actions are underpinned by supplementary strategies such as the Carbon Management Plan and the Fleet Decarbonisation Strategy and structured annual progress reporting documentation.

The Council's approach to environmental and sustainability reporting is strong, with commitments on net zero, a clearly structured strategy built around key themes, and actions and outcomes with progress measured through their forward-looking Action Plan. These actions are implemented by the Council's programme delivery teams including the MWG, PCC and the Healthy and Accessible Homes Team which supports on energy efficiency initiatives.

Alongside these strengths, this review identified a number of areas where progress reporting could be strengthened to improve consistency, ownership and accountability, and demonstrable and measurable progress over time. Although actions are supported by outcomes and some progress monitoring measures, reporting often lacked key metrics, quantified KPIs, and action ownership to demonstrate progress and effectiveness.

The opportunity now is to integrate more detailed and specific reporting and monitoring metrics into the Action Plan to enhance consistency and measurability and ensure targets and ambitions are effectively monitored in the short term and into the longer-term post-LGR.

Summary of Findings: Areas for Improvement

The Council's Strategy and Action Plan were reviewed and assessed with consideration given to insights from the Council benchmarking process, general climate reporting best practice, and RSM experience and expertise. Detailed findings and peer benchmarking process can be found in *Appendix C.* A summary of the key areas for improvement are outlined below.

1. Additional Planning for LGR

Whilst the Council's current response to the LGR highlights foundational efforts towards solidifying cross-county collaboration, there is still an area for overall improvement with strategic planning and long-term policy integration. Currently, LGR is not referenced within the Strategy and Action Plan and consultation with key stakeholders indicates that the prospect of LGR has reduced appetite for updating the Action Plan or implementing long term capital projects.

Although this caution is understandable with the uncertainty surrounding timing and the final structure of the LGR, this approach may present material risks. There is a particular risk that uncommitted or unspent fiscal reserves may be reallocated or absorbed during the reorganisation.

Moreover, failure to integrate LGR considerations into strategic planning and long-term policy may result in misalignment with neighbouring Councils, limiting the Council's ability to influence post-reorganisation priorities. This could undermine continuity and long-term progress on key climate-related issues, including district-wide decarbonisation and coordinated emissions reduction initiatives.

2. Action Ownership and Accountability

The Council has outlined various actions across ten key thematic areas to support their commitment to becoming a net zero Council by 2050. While these themes cover a range of distinct operational and policy areas, including land use, energy and the Council's buildings and assets, the associated actions do not clearly outline responsible stakeholders or assigned ownership. The absence of named leads and accountability mechanisms limits transparency and weakens the Council's ability to effectively monitor and report progress against its stated objectives.

Without clear ownership, there is an increased risk that delivery of actions may be delayed or deprioritised, ultimately constraining the Council's capacity to demonstrate measurable progress towards its short-term ambitions and ultimately against their net zero target.

3. Progress Monitoring, Reporting and KPIs:

The Council's Action Plan sets out a series of measures to support the monitoring and reporting of progress, with each measure receiving an associated progress update which has been evidenced in the Annual Progress Report (2025). While these measures provide a broad framework for tracking delivery, there is inconsistency in the approach to progress monitoring and reporting across actions. In several instances, reporting mechanisms offer limited detail on measurable outcomes, reducing clarity and robustness of progress updates and limiting the ability to assess performance over time. For example, several actions rely on reporting defined only as "Narrative" or "Numbers" which do not outline clearly defined metrics or performance indicators.

Additionally, there is an absence of quantified KPIs and no clear reference to baseline outlined in the Carbon Management Plan for measuring progress on decarbonisation efforts. This approach limits the Council's ability to set actionable and measurable targets, weakens the effectiveness of reporting and undercuts progress against stated objectives.

4. Project Prioritisation:

The Council's current approach to project prioritisation is inconsistent across implementation strategies and plans. Evidence gathered through interviews with key internal stakeholders responsible for the development and oversight of the Council's net zero strategy indicates that project prioritisation processes are underdeveloped. While high-level cost considerations are reflected within other relevant strategy documents such as the Carbon Management Plan, the wider Action Plan is not fully costed or prioritised. Furthermore, there is no evidence of a structured or systematic framework in place to guide costing and prioritisation of projects over the next 18 months.

The absence of a clearly defined prioritisation and costing methodology constrains the Council's ability to focus resources on the most impactful and deliverable actions in the short term. This presents a risk to the effective delivery of near-term ambitions, reducing clarity around timelines, and funding requirements.

5. Climate Resilience and Adaptation Plan

The Council does not at present have an individual climate resilience or adaptation plan, relying on the LCC strategy. This provides a county-wide view of climate resilience goals and actions; however, the Council has failed to leverage the district-level actions within their Action Plan. This presents a material risk for the Council if they do not incorporate the geographical, socio-economic, and operational vulnerabilities of the district, as well as district-specific opportunities.

Failure to incorporate district-level actions from the LCC resilience and adaptation plan constrains the Council's development of targeted actions linked to their existing Strategy and Action Plan. This may reduce the effectiveness of progress monitoring and hinder the integration of resilience considerations into strategic planning and clearly defined local adaptation priorities.

4. Recommendations

Following on from our review of the Strategy and Action Plan, supported by neighbouring Council benchmarking and stakeholder engagement, we have developed 15 key recommendations aligned to the relevant areas for improvement discussed throughout the report.

These recommendations are designed to strengthen reporting mechanisms and support implementation of the Strategy and Action Plan with a focus on action accountability, progress monitoring and reporting, project prioritisation, climate resilience and adaptation and consideration of the LGR.

Each recommendation is based on:

- Review of key documentation including but not limited to the Strategy and the Action Plan, Carbon Management Plan, Fleet Decarbonisation Strategy, associated progress update reports;
- Council benchmarking insights, drawing on examples of good practice from individual Councils and shared management arrangements, to highlight practical improvements for reporting and monitoring delivery on climate-related actions, as well as opportunities to prepare for LGR whilst considering the varying internal resource capacity and viability of actionable improvements;
- Stakeholder feedback, ensuring recommendations reflect Council priorities and operational realities, including the LGR and the uncertainty this brings. Engagement with the Policy and Strategy Officer for Environment and Sustainability provided insight into how the Strategy and Action Plan are overseen and monitored by key governing bodies whilst also informing recommendations on improving project prioritisation, strengthening progress monitoring and reporting and updating the Action Plan by leveraging district-level actions in the existing county-wide adaptation and resilience plan; and
- RSM expertise and understanding of local Council climate strategy and the broader ESG reporting landscape.

Given the LGR and the Council's focus on delivering shorter term priorities in line with their Strategy and Action Plan, the recommendations have been developed with a short term view to strengthen governance, reporting and resilience in the immediate term while supporting continuity into the medium and long term. However, specific timeframes have not been assigned to each recommendation, as the Council is prioritising short term delivery considering the emerging requirements for LGR integration, and therefore timelines for implementation can be agreed upon internally within the Council that will enable the Council to work and align with peers going into the future.

To continue to build upon the efforts currently in place, the recommendations have been categorised as 'Foundational' or 'Ambition'. This approach has been taken so that recommendations are not prescriptive in nature and may instead guide the Council's internal prioritisation. 'Foundational' efforts may be more easily achieved in the shorter term, depending on resource constraints, while 'Ambition' recommendations provide opportunities for the Council to further align itself with leading peers and best practice.

Ref	Recommendation	Peer Analysis	Categorisation
1. Planning for LGR			
1.1	Create a scenario plan mapping actions that are West Lindsey specific and transferable to a unitary model. Specific consideration should be place on addressing planning around joint funding for climate actions.	▪ SELCAN demonstrates how shared management arrangements can coordinate climate actions across authorities.	**Foundational**
1.2	Establish shared frameworks by initiating discussions with neighbouring councils on joint climate initiatives.	▪ Council B embeds its Carbon Reduction Plan with SELCAN partnership, aligning targets and reporting formats for consistency across councils.	**Foundational**
1.3	Set aligned targets with Greater Lincolnshire peers with comparable baselines to measure progress.	▪ Council E progress reporting against baselines could be adapted to align with other Greater Lincolnshire Councils.	**Ambition**
2. Action Ownership and Accountability			
2.1	Assign named leads for each action in the Action Plan. This would demonstrate improved accountability for specific actions, therefore providing a point of ownership for progress.	▪ Council C assigned a theme champion and a lead officer for each action, providing progress updates to support council-wide progress monitoring.	**Foundational**
2.2	Develop a formalised escalation pathway to ensure off-track and slow-to-progress actions trigger escalation to senior leadership (MWG/PCC).	▪ Council C has a Climate Emergency Action Plan Panel (CEAPP) who oversee the delivery of each of their Action Plans. If an action owner is off track, then the relevant theme champion will be notified through the CEAPP. ▪ SELCAN has defined subgroups for progress against overall strategy, the eight sub-groups have joint meetings with others working towards similar aims, every six weeks throughout the year.	**Foundational**

Ref	Recommendation	Peer Analysis	Categorisation
2.3	Continually review the purpose of the MWG and consider how to most effectively use the group to support the delivery of actions.	▪ Council C's CEAPP conducts a bi-monthly forum for senior leadership and member engagement. ▪ SELCAN reviews progress alongside secretariat provided by other local councils.	**Foundational**
3. Progress Monitoring, Reporting and KPIs			
3.1	Provide further detail on progress reporting mechanisms within the Action Plan, moving away from unclear and non-specific measurements, utilising quantified KPIs per action aligned with key timeframes to enhance progress reporting.	▪ Council C uses SMART objectives and detailed progress metrics for each action including percentage completion and co-benefits. ▪ Council C has quantified targets with an action costing scale for each action which are reported to the Corporate Management Team and Executive Board each quarter.	**Foundational**
3.2	Integrate progress reporting measurements such as Red Amber Green (RAG) within the Action Plan to provide updated visibility on areas of development and necessary areas for enhancement.	▪ Council C includes an RAG system used to indicate the status of each action. ▪ Council E uses a Red Amber Green Blue (RAGB) rating to track progress on targets, informed by measurable progress.	**Ambition**
3.3	Include a baseline within the Strategy and Action Plan to measure progress particularly on carbon reduction across the Council and the district.	▪ Council E outlines key measurements for reporting on progress including CO2 emissions with a measurable % for reduction against a baseline.	**Ambition**
4. Project Prioritisation			
4.1	Create an 18–month pipeline (timeline based on discussions with the Council) with estimated costs linked to budget cycles and proportionate to existing Council planning processes. Ensure short term actions are strategically aligned with Council resource capacity.	▪ Council C includes cost estimates within Action Plan alongside weighted quarterly progress.	**Foundational**
4.2	Review project pipeline quarterly to update prioritisation based on funding changes, LGR developments and emerging risks.	▪ Council C conducts quarterly reviews of its CEAP adjusting priorities based on quantifiable targets, workload and funding availability. Weighted progress targets allow flexibility for resource changes.	**Foundational**

RSM

Ref	Recommendation	Peer Analysis	Categorisation
4.3	Implement a prioritisation framework and scoring matrix, assigning weighted scores for each criterion to rank projects objectively. Consider: • Impact on carbon reduction; • Cost and funding availability; and • Deliverability.	▪ Council B's Carbon Reduction Plan includes clear timeframes, lead officers and estimated costs for each action, enabling structured prioritisation.	**Ambition**
5. Climate Resilience and Adaptation Plan			
5.1	Adopt relevant district-level actions from the Lincolnshire Climate Change Adaptation Plan (2024-2030) into the Action Plan and monitor delivery through existing governance structures.	▪ Council C aims to work in partnership with Lincolnshire County Council to support the development of a county-wide adaptation plan, incorporating Council C's interests in this work.	**Foundational**
5.2	Build upon existing district-wide climate projections in the LCC Technical Report to create a climate vulnerability assessment considering socio-economic and geographic vulnerabilities.	▪ Council C has embedded climate adaptation into their Action Plan with a Climate Change Manager overseeing the incorporation of adaptation efforts across the district.	**Foundational**
5.3	Embed adaptation KPIs within the Climate Adaptation and Resilience Plan by defining measurable indicators within the district.	▪ Council E integrates biodiversity and water efficiency KPIs into its climate strategy, linking resilience measures to measurable outcomes.	**Ambition**

Appendix A. Documents Reviewed

The following documents have been reviewed:

- 10 Themes of the Climate Change Strategy Summary
- Agenda Document for Prosperous Communities
- Appendix 1 WLDC EST Review
- Biodiversity Duty Officer group Meeting minutes
- CESIA 1 Year Assessment
- CESIA IN Project Methodology
- Climate Action Scorecards
- Climate Change KPMG Evidence Summary
- Climate Environment Sustainability Tool User Guidance
- Draft Carbon Offsetting Scheme Report (Draft)
- East Lindsey Overview Committee Climate Benchmarking
- Energy reduction for WLDC assets project documentation
- Environment and Sustainability Action Plan Annual Progress Report
- Fleet Investment (June 2023)
- Green Thread Portfolio Presentation
- Guidance for completing Climate Change and Sustainability Implications
- Lincolnshire Sustainability Officer Group Minutes
- Public Reports Pack Environment and Sustainability Working Group (2021-2024)
- Vehicle Decarbonisation Strategy
- Waste Contract Bid (Sept 2023)
- West Lindsey District Council Carbon Management Plan 2021-2026
- West Lindsey District Council Environment and Sustainability Strategy
- West Lindsey Environment and Sustainability Action Plan 2025
- WLDC Economic Recovery
- WLDC Final audit report Climate Change

Appendix B. Interviews Conducted

Interview Number	Stakeholder Name	Stakeholder Role	Interview Date
1	Steve Leary	Policy and Strategy Officer – Environment and Sustainability	12th December 2025
2	Veronica Edwards	Healthy and Accessible Homes Team Leader	17th December 2025
3	Matthew Lill	Energy Efficiency Project Officer	17th December 2025

Appendix C. Council Benchmarking

Through consultation with the Council, our benchmarking process included Council A to understand how shared management arrangement integrate district-level climate priorities and how this can provide insights post-LGR. Other individual Councils which provided insights on individual strategies, governance and reporting practices. The review highlighted best practices such as clear action ownership, structured monitoring and quantified progress metrics. These insights helped to inform recommendations for WLDC to strengthen its Strategy and Action Plan, align with peers and support joint progress with a consideration of future LGR collaboration.

Our benchmarking process reviewed publicly available documents from each other Councils including climate Strategies, Action Plans and Carbon Reduction Plans. Our results have been organised thematically into the below table focusing on governance, progress mechanisms, targets and commitments and community engagement. This helped to gain an overview of reporting maturity across these Councils and helped to consider gaps for improvement and areas which would inform recommendations for The Council’s existing Strategy and Action Plan.

Benchmarking – Detailed on following page

	Council A	Council B	Council C	Council D	Council E
Overview	▪ Council A has developed their strategy as a sub-regional, collaborative framework rather than a replacement for individual council strategies. ▪ Council A has utilised its Climate Action Network (SELCAN) to promote organised and structured community engagement and delivery of strategy across its associated councils. ▪ It provides demonstrable evidence of governance mechanisms within the SELCAN and its delineation of subgroup monitoring. To enhance this further, the council could include progress reporting mechanisms within its strategy to highlight how progress is monitored and achieved within the timeframes provided.	▪ As part of the SELCAN, Council B is involved in the collaborative framework on climate action. However, the council is still responsible for its own climate-related targets, e.g. reaching emissions reduction across the district. ▪ The Carbon Reduction Plan outlines emissions reduction targets (45% reduction by 2027) against a 2019 baseline with projects identified to reduce ELDC emissions.	▪ The council is focused on tracking progress within its Action Plan and climate strategy. Progress on these is reported for each individual action, with additional metrics for measurement incorporated within each risk theme. ▪ This is essential for accurate and adaptive reporting. Additionally, as the council reports on themes on a quarterly basis, there is potential for interim tracking of progress. ▪ Escalation pathways and goal ownership are well established and the Climate Emergency Action Plan Panel (CEAPP) acts as an oversight body to ensure continual development on each goal.	▪ The council provides an overview of its action strategy which outlines 8 key themes. The overall progress is mapped in relation to longer term strategies on carbon reduction and metrics on short term achievements are limited.	▪ The council provides an overview of its key decarbonisation strategies. ▪ The reporting is relatively mature in terms of progress mechanisms, and the council is able to outline and track progress with key metrics, and key owners.

	Council A	Council B	Council C	Council D	Council E
Governance Structure	▪ The SELCAN drives strategic thinking and decision-making across the 3 Councils, overseeing performance and stakeholder engagement. The SELCAN owns and reviews progress against the strategy and has defined subgroups for ensuring progress against the overall strategy. ▪ The council reviews progress alongside secretariat provided by other local councils.	▪ The Carbon Reduction Plan is embedded as a corporate priority, integrated within the SELC partnership. ▪ Executive Board approved the plan and annual footprint reports are also routed through this group.	**Climate Change Strategy:** ▪ The Climate Change Strategy and its review are overseen by the Assistant Director of Planning and Climate Change, with Executive Board holding accountability. ▪ Executive Board conducts a quarterly review. ▪ CEAPP conducts a bi-monthly forum for senior leadership and member engagement. **Climate Action Plan:** ▪ There is a Lead Officer for each action is responsible for providing progress updates to support the council-wide progress monitoring process. ▪ There is oversight from the CEAPP to climate action owners to assist with progress. ▪ Each action includes an action lead within progress tables.	▪ The Climate Action Strategy is formally approved through the council's ModernGov process and includes an Executive Summary outlining leadership roles and decision oversight.	▪ The Climate Change Vision Group, composed of representatives from all service areas and directories, is used to monitor council emissions and identify and implement opportunities for net zero by 2030. ▪ The Decarbonisation Plan was reviewed by the Policy Scrutiny Committee and final approval was awarded by Executive Committee. ▪ A Climate Change Manager develops and coordinates climate policies and strategies.

Progress Mechanisms	▪ The SELCAN core steering group meets quarterly. The 8 subgroups have joint meetings with others working towards similar aims, every 6 weeks throughout the year. ▪ SELCAN's Marketing, Education and Community Engagement subgroup prioritised the creation of a website, social media channels and a Communications Plan, which sets out a framework for engagement. ▪ Each subgroup has its own priority proposal to take forward over the coming 12-18 months including transport, business, and nature-based solutions. ▪ The Environment Policy outlines 4 themes for SELC to focus on to protect and recover the natural environment of the combined district councils.	**Carbon Reduction Action Plan:** ▪ Outlines actions with clear quarterly delivery timeframes and completion deadlines. The Plan includes an associated lead officer and any estimated costs associated with the action.	**Climate Change Strategy:** ▪ Annual reporting on GHG emissions. ▪ The Climate Emergency Action Plan (CEAP) undergoes quarterly review by the council's Executive Board and separately every 2 months by the CEAP Panel, which includes senior management and councillors. ▪ Newsletter updates are provided quarterly or periodically to report on progress. **Climate Action Plan:** ▪ Quarterly reporting is carried out to monitor all live actions within the Action Plan. ▪ These updates are presented to the Corporate Management Team and Executive Board as part of the council's Quarterly Performance Reporting. ▪ End of year progress is reported and shared with full Council. ▪ Quarterly progress targets are set for each action. These include SMART objectives. In most cases, the progress is evenly split across each quarter, but some actions will have weighted progress targets to reflect the nature of the action or to accommodate other known workloads. ▪ If an action owner is off track, the relevant theme	▪ Emissions changes are reported annually. ▪ Outlines key completed or ongoing initiatives.	▪ Targets and timescales are stipulated for the actions towards the objectives. ▪ There is a designated responsible service area for the associated goals, which includes the specific responsible party and the working group. ▪ Includes RAGB rating to track progress. ▪ Includes metrics used to measure the progress on targets, e.g. CO2e emissions. ▪ The reporting document must be reviewed and updated annually to incorporate new insights in line with the targeted metrics.

	Council A	Council B	Council C	Council D	Council E
			champion will be notified through the CEAPP. ▪ There are action owners who report and provide progress updates on their actions. There is a Red-Amber-Green (RAG) rating system used to indicate the status of each action. ▪ Each action has narrative on progress and future steps integrated within reporting. ▪ Reporting is highly mature with percentages of progress against targets for each quarter, action leads, cost estimates and co-benefits of each goal.		
Targets and Commitments	▪ Committed to a thematic review of climate-related concerns across the councils. These include transport, built environment, energy and renewables, business, agriculture, food, water resources, nature-based solutions, and visitor economy. ▪ Includes a Strategic Action Plan, which outlines the 'Action', 'Outcome' and 'Timeframe'. ▪ There is an additional communications and engagement strategic plan which includes both monitoring measures and timeframes.	**Carbon Reduction Plan:** ▪ Net zero by 2040 and 45% reduction in GHG emissions by 2027. This target covers a range of emissions sources that are under both direct and indirect control of the council. ▪ Outlines areas of key emissions reduction potential. ▪ Details a plan for key stakeholder engagement, however, this is likely to have been superseded by the SELCAN.	▪ Commitment to a 95% reduction in GHG emissions by 2030 from a 2008/9 baseline. ▪ Commitment to a 95% reduction by 2030 on wider community GHG emissions. ▪ Considers co-benefits within its target setting. ▪ Carbon emissions reductions are monitored via the council's emissions reporting webpage.	**2030 Targets:** ▪ Reduce organisational carbon footprint by 30% by 2030 and reach net zero by 2050. ▪ Energy efficiency and renewable energy generation. ▪ Low carbon economy. ▪ Wildlife habitats are valued and maintained. ▪ Reduce transport emissions. ▪ Utilise waste in the circular economy.	▪ Has specified targets for different themes all within the decarbonisation plan, for example, transport, but also incorporates non carbon issues such as nature based solutions and biodiversity water efficiency measures.

	Council A	Council B	Council C	Council D	Council E
Community Engagement	▪ Successful collaboration with student volunteers from Lincoln University. ▪ Questionnaire provided to businesses and residents to gauge favoured approaches for upcoming projects. ▪ Provides media campaigns and workshops to track awareness and participation.	▪ Committed to establishing a forum for residents and businesses to engage in supporting district-wide carbon actions.	▪ Newsletters help to engage with the community on climate actions. ▪ Community climate case studies include 'TravelLight' to promote active travel and the Heckington Show promoting energy saving actions.	▪ The strategy sets out the council's approach for engaging with residents, businesses and community groups.	▪ The strategy sets out the council's approach for engaging with residents, with a particular focus on community engagement for Biodiversity Net Gain (BNG). ▪ In 2023, the council joined forces with Local Motion and the University of Lincoln to hold a series of public engagement events and climate assembly sessions to enable the community to be involved in climate decision making.
Comparative Maturity Rating	**Medium**	**Medium**	**High**	**Low**	**Low**
Limitations	▪ The strategy table lacks measurement methods to clearly demonstrate implementation of desired actions and outcomes. It does not include specific quantified KPIs to monitor progress against a measurable baseline. This also contradicts the layout of the communications and engagement strategy which outlines both monitoring methods and timeframes.	▪ There is absence of project level metrics and reporting measures beyond carbon reduction measures.	▪ Although they include a version control table, when progress is reported incrementally on the live webpage, this could create challenges for assurance as there is no publicly available live audit trail.	▪ There is limited evidence of a targeted and structured approach to goal setting beyond narrative. ▪ Performance tracking metrics are not outlined.	▪ Unspecified accountability channels. Although actions span multiple service areas and roles, there is no clear assignment of lead officers/service level responsibilities. ▪ There is limited frequency of formal reviews, as this is currently only annual.

	Council A	Council B	Council C	Council D	Council E
Comparison to The Council District Council	**Comparisons:** ▪ Categorisation of thematic actions with timeframes and progress reporting frameworks. **Areas for enhancement for The Council:** ▪ Categorise sub-groups for goal ownership and progress reporting. ▪ Quarterly meetings to evaluate progress on goals set out in Action Plan. ▪ Collaborative nature of the partnership allows for shared ownership of risks. ▪ There are some issues with collaborative reporting on GHG emissions and would require further scrutiny/shared framework for reporting.	**Areas for enhancement for The Council:** ▪ Could improve on the specificity of target ownership and reporting metrics for carbon reduction. Would be good to integrate within project level targets to enhance upon Council B's carbon reduction plan. ▪ Embed within a wider district plan similar to SELCAN.	**Comparisons:** ▪ Categorisation of thematic actions with timeframes and progress reporting frameworks. **Areas for enhancement for The Council:** ▪ Could improve progress reporting in a similar manner to Council C - include measurable quarterly updates around targets and goals. ▪ Assign target owners to each action. ▪ Enhance escalation pathways around goals - the action lead is expected to meet deadlines on targets and will be monitored by the CEAPP to ensure progress development.	**Comparisons:** ▪ The Council has a more well-established and detailed progress mechanism in place for targets and goal tracking.	**Areas for enhancement for The Council:** ▪ Could improve progress reporting in a similar manner to Council E- include measurable updates around targets and goals. ▪ Assign target owners to each action.

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OUTCOME OVERVIEW – FOLLOW UP 2

Background:

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits that were due for completion by 28 February 2026:

- IT Operations (1.24/25)
- Staff Appraisal Process (3.24/25)
- Project and Programme Management (7.24/25)
- Procurement (8.24/25)
- Fraud Risk Assessment Follow up (1.25/26)
- Members Onboarding and Training (4.25/26)
- Grant Funding and Management (5.25/26)

The focus of this review was to provide assurance over the progress made against previously agreed management actions. We have considered a total of 18 actions, consisting of 12 low priority actions and six medium priority actions. These actions were all originally due for implementation at the time of the audit.

Headline findings:

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the Council has demonstrated **little progress** in implementing agreed management actions. Of the actions considered, testing found that nine actions had been implemented or superseded, five actions were partially implemented, and the remaining four actions were not implemented.

SUMMARY OF PROGRESS ON ACTIONS

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
IT Operations (1.24/25)	3	3	0	0	0	3
Staff Appraisal Process (3.24/25)	3	2	1	0	0	2
Project and Programme Management (7.24/25)	3	0	3	0	0	0
Procurement (8.24/25)	2	0	0	2	0	0
Fraud Risk Assessment Follow up (1.25/26)	4	2	0	1	1	3
Members Onboarding and Training (4.25/26)	2	1	0	1	0	1
Grant Funding and Management (5.25/26)	1	0	1	0	0	0
Total	**18**	**8 (44%)**	**5 (28%)**	**4 (22%)**	**(6%)**	**9 (50%)**

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented or superseded.

Assignment title	Management actions
Assignment: IT Operations (1.24/25)	**Implemented (Medium)** The backup management section of the ICT Disaster Recovery Policy will be updated to include provisions for: • Encrypting all backups to ensure data security; • Implementing periodic testing of backups to verify data integrity and functionality; and • Establishing a process for regular review of backup logs with documented evidence of these reviews. Moreover, backup data restore testing will be conducted on a scheduled and/or rotational basis to validate that data will be recoverable in the case of a disaster.
	Implemented (Low) The West Lindsey/North Kesteven Network Topology Diagram will be updated to accurately reflect the high availability pair firewalls and all current network configurations.
	Implemented (Low) The hardened standard baseline build for servers will be formally, documented and approved.
Assignment: Staff Appraisal Process (3.24/25)	**Implemented (Low)** Management will review and update the Performance and Development Appraisal Policy where necessary, to ensure it reflects the current practices. The policy will be reviewed and approved by the Management Team.
	Implemented (Low) Management will review and ensure that the role descriptors reflect the most current job position and duties of the staff members.
Assignment: Fraud Risk Assessment Follow up (1.25/26)	**Superseded (Medium)** Superseded to remove duplicate action To develop and monitor an action tracker for all the management actions that are outstanding, which includes dates to be completed by and action owners.
	Implemented (Medium) Assign action owners and dates following this audit for any areas still requiring completion.

Assignment title	Management actions
	Implemented (Medium) Ensure the Fraud Risk Assessment Action Plan is regularly updated and reported on, with a live version being available for all action owners to be able to access.
Assignment: Members Onboarding and Training (4.25/26)	**Implemented (Low)** Management will ensure that the Member Development Group is formally reconvened following the recruitment of the new Member Development Officer. Regular meetings will be scheduled to provide ongoing oversight of Councillor training and development activities, helping to ensure that training needs are being proactively identified

Governance and Audit Committee
21 July 2026

Subject: Strategic Risk Report

Report by:	Assistant Chief Executive - Governance
Contact Officer:	Katy Allen katy.allen@west-lindsey.gov.uk

Executive Summary:

To present to Governance and Audit Committee the refreshed Strategic Risk Register for 2026/27.

Appendices to Report

- New Strategic Risk Register

RECOMMENDATION(S):

(a) That Governance and Audit Committee review and acknowledge the process for reporting Strategic Risks.

1. Introduction

1.1 Strategic risks are considered as being those faced by the Council that, if materialised, would adversely impact the delivery of corporate priorities.

1.2 This approach reflects the guidance provided by the Association of Local Authority Risk Managers (ALARM). This body advocates that strategic risks should focus on the long-term objectives of the organisation, which can be affected by areas such as financial concerns, political risks, legal and regulatory changes and changes in the physical environment.

2. Monitoring Arrangements

2.1 The strategic risks have been reviewed to align with the Council's refreshed Corporate Plan, and the internal Strategic Delivery Panels.

2.2 Ongoing monitoring and updating of these risks will be undertaken through the thematic performance reports alongside the deliverables and performance indicators. Reports will be produced for the relevant policy committee on a quarterly basis. Reporting of the Strategic Risks will also continue to be reported to the Governance and Audit Committee on a six-monthly basis.

2.3 The full list of revised strategic risks is presented at Appendix One. The first reporting of these risks to the Governance and Audit Committee after consideration by the Strategic Delivery Panels will take place in November 2026.

3. Risk Updating

3.1 To ensure that these risks are updated consistently across the three areas, a matrix and guidance are used.

3.2 The matrix is used to assess the severity of potential risks, the Council uses the following matrix based on the relationship between the likelihood and impact of risks arising.

Impact	**Critical 1**	**4**	**8**	**12**	**16**
	Major 2	**3**	**6**	**9**	**12**
	Minor 3	**2**	**4**	**6**	**8**
	Negligible 4	**1**	**2**	**3**	**4**
		Hardly Ever 1	**Possible 2**	**Probable 3**	**Almost Certain 1**
		Likelihood			

3.3 The following guidance is used to determine which classification is applied:

Likelihood	**1**	Hardly ever – less than 5% chance of happening
	2	Possible – between 5 and 35% chance of happening
	3	Probably – between 35 and 75% chance of happening
	4	Almost certain – more than 75% chance of happening
Impact	**1**	**Negligible Impact:** • Minor service disruption • Minor Injury • Financial loss < £250k • Isolated complaints
	2	**Minor Impact** • Service disruption • Loss time injury • Financial loss >£250k - £500k • Adverse local media coverage • Failure to achieve a service plan objective
	3	**Major Impact** • Significant service disruption • Major/disabling injury • Financial loss >£500k - £1m • Adverse national media coverage • Failure to achieve Corporate Plan objective
	4	**Critical** • Total service loss for a significant period • Fatality to employee, service user or other • Financial loss >£1m • Ministerial intervention in running service

3.4 This methodology enables each risk to be categorised as either low, medium or high in nature and prioritisation as regards mitigations can be applied.

3.5 Using the methodology, the Council's Risk Management Strategy (2025-2029) sets out the requirement for risk owners to score the current (residual) risk and the target risk once mitigations have been applied.

ASSOCIATED IMPLICATIONS

Legal: None arising from this report.

Financial: FIN/33/27/TMN

None arising from this report.

Staffing: None arising from this report.

LGR implications: The Strategic Risk register records, monitors and mitigates the risks of the Council not achieving its Corporate Plan and statutory objectives. LGR related risks will be considered through the Strategic Delivery Panels and the Strategic Risk Register updated as required.

Equality and Diversity including Human Rights: Any changes to projects/services/policies would require individual Equality Impact Assessments to be carried out.

Data Protection Implications: None arising from this report.

Climate Related Risks and Opportunities: The Strategic Risk register records, monitors and mitigates the risks of the Council not achieving its Corporate Plan and statutory objectives. Climate related risks are included within this report.

Section 17 Crime and Disorder Considerations: None arising from this report.

Health Implications: The Strategic Risk register records, monitors and mitigates the risks of the Council not achieving its Corporate Plan and statutory objectives. Health related risks are included within this report.

Risk Assessment: This report is developed in line with the Risk Management Strategy 2025-29.

https://www.west-lindsey.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/risk-management/

Title and Location of any Background Papers used in the preparation of this report:

https://www.west-lindsey.gov.uk/my-council/how-the-council-works/key-plans-policies-and-strategies/risk-management/

Risk Management Strategy 2025-2029

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes [ ] **No** [x]

Key Decision:

Yes [ ] **No** [x]

Strategic Risk Register

Date: July 2026

Strategic risks are considered as being those faced by the Council that, if materialised, would adversely impact the delivery of corporate priorities.

Key

Controls and Mitigation	What is in place to minimise the impact and/or likelihood
Inherent Score	The score if no controls or mitigations were in place
L	Likelihood score
I	Impact score
R	Residual score – The current score
DoT	Direction of Travel – Improving ↑, Deteriorating ↓, Stay the same =
Response	Tolerate, Treat, Terminate or Transfer
Planned Actions	What actions are still to be implemented
Target Score	What the score would be if all the actions were in place.
Risk Owner	Who is the overall owner for the risk

Impact	**Critical 1**	4	8	12	16
	Major 2	3	6	9	12
	Minor 3	2	4	6	8
	Negligible 4	1	2	3	4
		Hardly Ever 1	**Possible 2**	**Probable 3**	**Almost Certain 1**
		Likelihood			

Strategic Delivery Panel: Thriving Council (Director of Corporate Services)

Risk Ref:	Risk	Controls and Mitigations	Inherent Score	Scores L	I	R	DoT	Response	Planned Actions	Target Score	Risk Owner
Thriving Council COU - R01	The threat is that the Council does not have enough money due to cuts in government funding resulting in the inability to deliver services	• Medium Term Financial Plan • Commercial trading and investment programme • Annual business planning • Regular budget monitoring • Regular review of balances of reserves • Identification and use of grant-funding opportunities • Value for Money approach • Lobbying • Regular review of the commercial property portfolio • Volatility and risk reserves maintained • Resilience indicators developed and monitored • Working Balance set at a range between £2.0m and £2.5m • Commercial risk indicators • Working jointly across Lincolnshire to mitigate inflationary pressures • Council Tax collection recovery plan • Adopted Local Plan	8	2	4	8	=	Treat	The MTFP is prepared on an annual basis, presented to Leadership Team (LT) and Committee before final approval by Council February 26 (for the MTFS 27/28 to 31/32). Performance against the approved budgets is monitored throughout the year with regular meetings between Budget Managers and their Finance Business Partner. The forecast outturn position for both revenue and capital is reported quarterly to LT and Committee to identify significant variances, and any mitigating action.	4	Head of Finance
Commentary: The financial settlement received in February 2026 covered the 3 year period 2026/2027 to 2028/2029 which provided an element of certainty around funding for the MTFP over that period however it is not clear whether these funding streams will continue after 2028/2029. Officers will begin to draft service budgets for 2027/2028 throughout the summer and autumn and look at potential budget pressures and savings, as well as reviewing fees and charges and the use of reserves											
Thriving Council COU-R02	The threat is that the council is prevented from meeting realistic customer expectations due to insufficient resources resulting in reputational damage, potential financial loss and risk of harm to vulnerable customers.	Controls: • Demand and capacity planning in place • Performance monitoring framework established • Published customer service standards • Workforce planning and recruitment strategy • Process improvement programme • Procedure to receive customer feedback, including complaints • Customer Experience Strategy Mitigations: • Proactive customer communications • Complaints management and escalation procedures • Financial monitoring and contingency planning • Reputation management and stakeholder engagement • Regular governance and risk review	6	2	3	6	=	Treat	• Regular Performance reviews, including tracking satisfaction NK – Monthly • Monitor Workforce Capacity LHT – Monthly • Set & Monitor Early Warning Triggers LM/NK – Monthly • Track Improvement Actions LM/NK/JN – Monthly • Periodic Checks and Control Testing JN - Monthly	4	Head of Customer Services
Commentary: Monitoring Plan to be created											

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Thriving Council COU-R03	The threat that the council is underprepared for the impact of extreme weather due to a change in environmental conditions resulting in a lack of support for residents and businesses	• Emergency Plan • Business Continuity Plans • Service level extreme weather plans • Out of hours strategic and operational call out service • Staff Facebook group to ask for additional support • Members of Lincolnshire Resilience Forum • Internal EP and BC meeting • Member emergency planning training • Ongoing Officer training at strategic and tactical level • Member of LRF Warn and Inform group • Potential to identify reserve budget for impact of severe weather • Relationship building and engagement with partners such as IDB / EA to problem solve, understand issues and support communications in times of need • Team of experienced officers and systems in place (process/comms etc.) to deliver government support grants • Work to further clarify roles and responsibilities underway • 15 Trained Forward Liaison Officers to deal with incident	12	2	3	6	=	Tolerate	• Under review	4	Head of Environmental Services
Commentary: The Council is a fully engaged partner within the Lincolnshire Resilience Forum and is prepared for any emergencies that may present themselves. Over the last 6 months efforts have been made to increase the resilience in this work area by training and developing more staff to understand and be able to respond to major incidents.											
Thriving Council COU-R04	The threat is that the council's governance arrangements are unable to support quality decision making due to an ineffective governance framework resulting in poor Internal Audit assessments, poorly made decisions and/or legal challenges	• Member and Staff training and development programmes in place. • Member/Officer protocols established. • Annual review of the Council's Constitution. • Member's Code of Conduct and Officer Code of Conduct in place. • Robust corporate governance framework. • Annual schedule of audits and internal/external audit oversight. • Corporate Plan 2026-30 approved. • Strategic Delivery Panels operating to oversee project development • Regular Chief Executive/Leader discussions. • Regular meetings with the administration group • Values and behaviours work ongoing in line with the corporate plan refresh	6	2	3	6	=	Treat	Ensure completion of the annual Internal Audit Plan and reporting of associated reports during 2026.27. Audits to start June 2026 and reporting to follow. Ensure updating and reporting of the Strategic Risk Register is undertaken as part of the new delivery panels and to G&A six monthly. Reporting to start for July delivery panels as part of new process.	3	Assistant Chief Executive Governance
Commentary: The Council has Member and Staff training and development programmes in place, has a refreshed member/officer protocol with political awareness training arranged, conducts an annual constitution review and considers issues as they arise within the year, has a clear internal governance structure which includes lead member attendance. The Leadership											

team meet fortnightly to consider various issues, and the statutory officers meet regularly, both meetings have formalised agendas. Internal and external audit frameworks are in place providing oversight, and findings are reported through the committee process. A Corporate Governance Group has been arranged for the year 26/27 where governance issues, the Annual Governance Statement, and the Local Code of Governance will be considered.											
Thriving Council COU-R05	The threat is that our ICT Security and Information Governance arrangements are ineffective due to data extortion attack, state-aligned actors, significant data breach or cyber loss of data, targeted malicious attack to gain access to devices and data or cyber enabled fraud resulting in a significant adverse impact on service delivery, reputation or financial damage and/or loss of personal and business related data	• Robust ICT security system • Cyber Assessment Framework assurance • Up to date infrastructure and back-up arrangements (using the national 321 model) • Business continuity arrangements • All ICT Policies reviewed, updated and approved including those covering ICT usage and information security • Data Protection Officer, Certified Information Systems Security Professional, Certified Information Security Manager and Senior Information Risk Owner roles • On-going training and awareness for staff; reinforced due to ongoing hybrid agile working arrangements • Process for the reporting and investigation of data breaches and learning loop applied • PCI-DSS compliance • Rolling programme of audits completed High Assurance rating for ICT Patch Management, Substantial Assurance for Cloud Hosted Services, ICT Helpdesk, ICT Disaster Recovery, Adequate Assurance for Cyber Security Audit and Substantial Assurance for Antivirus and controls • Ensuring standard contractual clauses are in place with data processors/controllers who hold data outside of UK • Insurance to cover costs of recovery from ICT failure/cyber attack • The ICT Team have the capability and certification to undertake organisational cyber assessments (Cyber Essentials +) and hold the following cyber accreditation's: Certified Information Systems Security Professional (CISSP) Certified Cloud Security Professional (CCSP) Certified Information Security Manager (CISM) Microsoft Certified: Azure AI Fundamentals	12	3	4	12	↓	Treat	• Deploy security operations centre, Chris Richards, by 30/06/26	12	Head of Digital, data and Technology

		• Monthly member message - provides cyber updates, advice and alerts • Fast time communication is used to mitigate threats • ICT Assurance Map review completed • PSN compliance • Get Cyber Assessment Framework Ready • Security Operations Centre working 24/7/365									
Commentary: Overall risk made up of a number of vector risks: Failure to maintain effective digital, data and technology security and information governance could expose the organisation to data extortion or compromise by sophisticated threat actors, resulting in service disruption, regulatory breach, financial loss, and loss of public trust. Weaknesses in digital, data and technology security controls could result in a significant data breach or loss of data, leading to operational disruption, information loss, regulatory action, and increased recovery costs. Weaknesses in digital, data and technology security and information governance controls could enable a targeted malicious attack to gain unauthorised access to devices and data, resulting in service disruption, data compromise, and incident response activity. Failure of digital, data and technology security controls could result in cyber incidents, including cyber-enabled fraud or data loss, leading to service disruption, financial loss, and non-compliance with legal and regulatory requirements.											
Thriving Council COU-R06	The threat is that we are unable to maintain service delivery due to the amount of change initiatives resulting in the inability to delivery critical/key services, reputation or financial loss and increased risk of harm to vulnerable customers	• Robust project management and engagement with service experts • Continuous improvement workstream to check implementation and ongoing change • Robust governance through Programme board and Portfolio Board • Audits planned for the service areas testing process and policy delivery • Performance and Delivery quarterly reports to track any negative service impact and performance improvement plans with full measure set • Full annual review and refresh of the Project Management documentation including; - Project management Framework - Risks and Issues Management - Stakeholder Management - Benefits Management • Quality Assurance	8	2	4	8	=	Treat	• To be set after review of risks following LGR decision.	6	Head of PMO and Performance
Commentary: The risk reflects a period in time pre-LGR momentum. The risk will be reviewed post LGR decision to accurately reflect the on-going risk											
Thriving Council COU-R07	The threat is that we fail to comply with legislation due to a breach or non-compliance of policies and procedures resulting in a legal challenge, financial or reputational damage or injury to employee,	• Corporate H&S Officer • H&S Champions across the Council • General H&S training. Service specific H&S training and safe working procedures including lone working • H&S incident reporting arrangements • Service level H&S risk assessments and regular H&S walks to identify hazards • Reporting to Mgt Team/JSCC on H&S incidents	8	2	4	8	=	Tolerate	• To continue regular client liaison meetings with Lincolnshire Legal Service. • To monitor external legal resource requirement for LGR work and procure as necessary.	8	Assistant Chief Executive Governance

	member of public or contractor	• Regular H&S and stress mgt training for all staff • Council subscription to Employee Assistance Programme for staff • Regular inspections of property, including car parks. Pro-active maintenance programme • Early resolution of reported defects • Public Liability and Employers Liability insurance • Legislative implications included on all reports • Membership and use of Legal Services Lincolnshire • Subscription to Lawyers in Local Government Resource • Full implementation of responsible managers and persons across the estate in place • Fraud audit completed							• To raise awareness of sector related legal issues through email, Minerva, and wider management team as appropriate		
Commentary: Legal implications of decisions are considered in all Council reports, the Council has an arrangement with Lincolnshire County Council's legal service to ensure officers have access to lawyers with an expertise in the area of local government, external legal advice is sought as required on specific issues. The Monitoring Officer is a member of the Lawyers in Local Government framework and receives regular updates on changes to local government legislation and legal issues which affect the sector more generally. Any major changes will be reported through Leadership team meetings, wider management team meetings, and staff updates. The Council has a corporate health and safety officer to ensure its requirements under health and safety legislation are adhered to.											
Thriving Council COU-R08	The threat is that we fail to deliver the councils strategic priorities (the Corporate Plan) due to lack of approved, clearly defined delivery programme or lack of capacity to deliver resulting in the need to revise the Medium Term Financial Plan, reputational damage and inability to deliver and implement existing strategies	• The new Corporate Plan was adopted by Full Council in March 2026. • Three new Thematic Business Plans have also been adopted by Full Council - these contain the key deliverables linked to each Corporate Plan theme. • MTFP in place, which is fully aligned to the Corporate Plan. • Strategic Delivery Panels have been established, including attendance of the Policy Committee Chairs and Vice-Chairs. The Panels meet regularly to progress delivery and oversight of key deliverables within each Thematic Business Plan. • Thematic Business Plans are presented to the appropriate Policy Committee each quarter, allowing regular scrutiny of Corporate Plan delivery based on KPIs, key deliverable progress updates, and strategic risk.	9	2	3	6	↑	Treat	• Ensure the requirements of LGR are considered in the delivery of the Corporate Plan - Ellen King, ongoing	6	Head of Policy
Commentary:											
Thriving Council COU-R09	The threat is that we are unable to maintain critical services due to an emergency event resulting in the inability	• Robust infrastructure and back-up arrangements • Package of information security incident policies and procedures • IT Disaster Recovery Plan	8	2	3	6	=	Treat	• Under review	6	Head of Environmental Services

	to deliver critical or key services and leading to possible increased risk of harm to vulnerable customers or financial or reputational damage	• Robust emergency planning • Regular review of business continuity arrangements • Membership of LRF Partnership • Regular training for Strategic and Tactical Commanders + Members • Plans tested regularly • Training for out of hours officers and those attending SCG and TCG • Member training around their role in emergencies • Effective internal EP Group • EP area at Caenby Corner depot • Scheduled audits of emergency planning • SLA for support from LCC EP Officer • Work with partners on Humber 2100 Strategy • Countrywide low-level emergency response procedure									
Commentary: Work has been undertaken internally to enhance the Council's understanding of and response to business continuity over the last 12 months. All HoS have undertaken a mass BC exercise in order to tests and refresh their plans. Exercises have also been carried out on a smaller scale with front facing teams.											
Thriving Council COU-R10	The threat is that we are unable to deliver the Environment and Sustainability action plan due to lack of supporting systems and processes resulting in the failure to meet the duties and obligations under the Environment Act 2021	• Climate Strategy and Action Plan • Earmarked reserves Climate initiatives • Member and Officer working group (format and purpose to be reviewed) • County wide Partnership working • Central Lincolnshire Local Plan	4	2	4	8	↓	Treat	• Review the Member Working Group Terms of Reference - Ellen King, September 2026	4	Head of Policy
Commentary: The announcement on LGR has led to a recent review of the Environment and Sustainability Action Plan, resulting in a new project plan that is focused on targeted delivery of specific projects in the period leading up to April 2028.											
Thriving Council COU-R11	The threat is that due to the timing and outcome of the decision made by government, the Council us underprepared for the transition required by Local Government Reorganisation resulting in the inability to effectively support staff, members and residents through the transition process to a new authority	Internally, the Council has established an LGR Delivery Group, which meets monthly to co-ordinate the strategic work required at each stage of the LGR timeline. Weekly component leads meetings also take place to ensure work across each LGR workstream remains on track. The Council's project management principles are applied to ensure good governance, consistent with the Council's usual approach. Externally, there are regular Chief Executive and Leader meetings, with each Chief Executive assigned co-leadership of an LGR workstream (Paul Burkinshaw co-leads the PMO workstream, and the Contracts and Procurement workstream). Each workstream meets	New	2	4	8	↑	Treat	• To be reviewed once the decision is received	6	Assistant Chief Executive – Policy and Delivery

		regularly, and the Policy Leads and Communication Leads continue to meet weekly.									
Commentary: A decision on which, if any, LGR proposal is to be taken forward for Greater Lincolnshire is expected in July before Parliamentary recess. The strategic risks related to LGR will be reviewed again at this point to evaluate the impact of the government's decision.											

Strategic Delivery Panel: Thriving People (Assistant Chief Executive – Policy and Delivery)

Risk Ref:	Risk	Controls and Mitigations	Inherent Score	Scores L	I	R	DoT	Response	Planned Actions	Target Score	Risk Owner
Thriving People PPL-R01	The threat is that we are unable to boost employment and skills due to limited opportunities within the labour market and low aspirations within our communities.	• West Lindsey Employment & Skills Partnership operating in line with approved strategy and delivery plan • Supporting work experience for young people • Part of the Enterprise Adviser network, supporting careers advice and provision amongst all secondary and special schools • Engage with UKAEA and skills providers across Lincolnshire and Nottinghamshire to develop skills provision for STEP Fusion plant • Work with Lincolnshire County Council on aspiration raising programme in primary schools • WLDC Economic Growth Strategy 25-30 Action Plan and identified activities	9	3	3	9	=	Treat	• Refresh the Employment and Skills Strategy and action plan • Development of projects to identify and address specific skills shortages (technical and vocational) within key employers/sectors, with a focus on key growth sectors including Agri Tech, Care, Manufacturing, Defence, Alternative Energy and the Visitor Economy. • Hold annual jobs and careers fair in partnership with DWP (as part of network of Job Centres delivery model) • Fully participate in UKAEA Skills Collaboration to ensure final tender submitted as provider collaboration for early skills delivery • Members and Officers of WLDC to engage in the Greater Lincolnshire Combined Authority Employment and Skills Board, including strategic development work wherever possible. Develop appropriate internal governance to ensure timely feed	9	Head of Localities and Community Services

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									into and out of CCA activity. • Secure further funding in partnership with LCC for the Youth Aspiration Programme which provides mentoring opportunities, supports the development of young people and facilitates activities between schools and local employers		
Commentary:											
Thriving People PPL-R02	The threat is that we are unable to provide adequate support for vulnerable groups and communities due to lack of funding and capacity to deliver resulting in a widening of health inequalities and further demand on services and resources	• Maintain up to date safeguarding policies and procedures • Focused support for residents in communities at risk • Maintain and implement enforcement policies • Effective multi-agency partnership working • Communities at Risk Strategy • WLDC Economic Growth Strategy 25-30 Action Plan and identified activities • Support the delivery of the Armed Forces Community Covenant	9	3	3	9	=	Treat	• Refresh the Communities at Risk Strategy and deliver the action plans • Develop and deliver a Sport and Physical Activity Strategy • Develop and deliver the council's response to the Renters Rights Act 2025	6	Head of Localities and Community Services
Commentary:											
Thriving People PPL-R03	The threat is that the health and wellbeing of our residents does not improve due to a failure to meet wellbeing, housing and leisure demand resulting in an increased burden on services and budgets and reduction in life expectancy and health for residents	• Leisure Contract monitoring • Everyone Active Community Wellbeing Plan • Clear understanding of housing need and demand • Wellbeing service promoted with clear objectives • WLDC Wellbeing Lincs Management Board representation • West Lindsey representation on Housing, Health and Ageing Well delivery group • Representation on Health Inequalities Programme Board • District Health and Wellbeing Strategy	9	3	3	9	=	Treat	• Refresh engagement with ICB post merger with Notts/Derbyshire and changes to Chief Exec • Continue strategic and political engagement with partners to secure review of funding mechanism for DFGs • Produce annual update on Health and Wellbeing Strategy • Supported Housing Strategy in place by March 2027 • Robust data and evidence of housing need and demand in	6	Head of Housing, Health and Well-being

									all areas to ensure needs are met. • Continuation of Good Homes Alliance to assist people with housing related issues. • Health centre feasibility study • Development and delivery of Sports and Physical Activity Strategy		
Commentary: Lincolnshire Health & Wellbeing Strategy monitoring in place to understand District role in Health. Feasibility work on the future of West Lindsey Leisure Centre underway. Disabled Facilities Grant funding and the allocation mechanism which is currently curtailing delivery. Warm Home Local Grant for Energy Efficiency measures now in delivery phase with monitoring in place for energy improvements. New temporary accommodation contract in place with increase in provision slowly being implemented.											

Strategic Delivery Panel: Place (Director of Planning, Regeneration and Communities)

Risk Ref:	Risk	Controls and Mitigations	Inherent Score	Scores L	I	R	DoT	Response	Planned Actions	Target Score	Risk Owner
Thriving Place PLA-R01	The threat is that the local housing market and our housing related services do not meet demand due to lack of suitable homes to meet local needs or a deterioration in condition of existing housing stock resulting in increased pressure on housing services	• Monitoring of Central Lincolnshire Local Plan • Greater Lincolnshire Housing Strategy • Targeted enforcement project is being delivered and will be reviewed • Housing & environmental health enforcement action • Viable housing solution monitoring and expansion • Homelessness Action Plan implementation • Project underway to deliver additional temporary accommodation • Delivery of Healthy Homes project (damp and mould) in the private rented sector • Renters Rights Act additional capacity to ensure enactment of legislation can be implemented in West Lindsey • Warm Homes project delivery	9	3	3	9	=	Treat	• Completion of Housing Stock Condition Survey to inform approach to Private Sector Housing action • Delivery of additional temporary accommodation across the district to meet growing demands • Continuation of S106 funding to deliver additional affordable housing • Delivery of specialist accommodation to meet identified needs • Review of Central Lincolnshire Local Plan • Deliver energy efficiency interventions	6	Head of Housing, Health and Well-being
Commentary: New approach to delivery of Homelessness Services adopted for the next two years with homelessness action plan in development. Tenant Liaison Officer role being recruited to manage and understand the impact of the renters Rights Act. BRE stock condition survey underway to support further housing strategy development. Gainsborough Hosing Delivery Plan underway with funding received from Homes England to begin to understand how we unlock barriers to development on Brownfield Land.											
Thriving Place PLA-R02	The threat is that the local economy does not grow sufficiently due to lack of inward investment or loss of employers resulting in reduced job creation, lower economic resilience, reduced income to the council and greater pressure on Council services and resource	• NNDR Policy • Sustainable Local Plan for Central Lincolnshire • Close working relationship with GLCCA, Team Lincolnshire, Business Lincolnshire and LCC Inward Investment to ensure investment and growth queries are well supported • Develop West Lindsey's input into key economic growth strategies such as the Local Growth Plan (GLCCA), SDSs, refreshed Strategic Infrastructure Delivery Plan, skills plans and emerging infrastructure strategies • Ongoing marketing and promotion of district wide success across growth and development	9	3	3	9	=	Treat	• Delivery of the Economic Growth Strategy 25/30 Action Plan. JMS CD: 2030 %C: Ongoing • Ensure profile and reputation of WLDC as place to invest and do business remains strong through networking and promotion of success. SGS CD: Ongoing %C: Ongoing • Revisit economic evidence base in support of next	6	Head of Economic Growth and Regeneration

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		• Effective working relationships with key funders to keep cost increases under review • Implement Pride in Place and evaluate Levelling Up programme • Implementation of UKSPF Investment Plan 25/26 • Delivery of the Economic Growth Strategy 25-30 Action Plan							phase of Local Plan review aligned with development of economic growth / development strategy. SGS CD: 2027 %C: Ongoing • Ongoing work to acquire and subsequently deliver the development agreement for the investment and regeneration of Scampton. SGS CD: 2027/Ongoing %C: Ongoing • Submission of funding bids to organisations to support ongoing ED: SGS/JMS CD: Ongoing %C: Ongoing • Development and ongoing delivery of Pride in Place: SGS CD: 2036 %C: Ongoing • Engagement with Greater Lincolnshire Combined County Authority to ensure Local Growth Plan and supporting work aligns with and represents the economic growth opportunities for the district. • Secure further funding for town centres heritage interventions		
Commentary: Delivery of Economic Growth Strategy 25-30 Action Plan commenced. Review to be shared of 1st year progress with members via info-graphic during Q4 2026. UKSPF 25/26 programme in delivery and meeting/exceeding output/outcome forecasts (delivery concludes Sep 26). Consultancy procured to support evolution of growth sectors/corridors. Collaborative work to maximise the economic impact of the STEP programme and the broader supercluster underway. Partnership working with LIAT (University of Lincoln) to delivery the LINCAM/Ceres Agri Tech project in West Lindsey. Development of Invest West Lindsey website underway (delivery Q3 2026). Continued engagement with strategic partners such as GLCCA, UoL, UKFE, GLRDSC etc. to develop the growth sector development narrative (as well as local triple helix and funded interventions) ensuring a strong strategic position for the growth of the district. Ongoing work to safeguard the investment and regeneration planned at the former RAF Scampton. Work commenced to ensure strategic congruence via Local Growth Plans etc. Approach to Place Leadership being embedded throughout LGR preparations and strategy delivery.											
Thriving Place	The threat is that we are unable to create a	• Award winning Waste Collection and Street Cleaning Service	8	2	4	8	=	Treat	• Continue to work with the Lincolnshire	4	Head of Waste and Street Cleansing

PLA-R03	cleaner and safer district due to lack of capacity to respond to service demand or the ability to implement new legislation resulting in a lack of feeling safe, reputational damage or adverse effect on natural wildlife habitats and biodiversity	• Trade Waste service provided • Domestic Big Bin Hire • Enforcement policies operating to oversee all relevant areas • CCTV operations in place 24/7 • Press/media coverage of successful prosecutions and enforcement cases • Adequate officer capacity deployed to cover enforcement matters with 1 additional fixed term officer approved for additional coverage until February 27 • Educating school children in recycling and sustainability • Monthly tactical meetings with the Police and Environment Agency • Any resource pressures are identified in advance and discussed at MT or relevant Committee • LRF Sat phone and fax machine tested quarterly • Attendance at Parish and Town Council meetings to understand concerns and provide reassurance on services we provide.							Waste Partnership (LWP). Ongoing. Rob Gilliot • Ensure continual review of the Municipal Waste Strategy. Ongoing. Rob Gilliot • Determine level of enforcement resources needed in advance of Fixed Term contract ending - Andy Gray		
Commentary: Continue to work with the Lincolnshire Waste Partnership (LWP), as well as the Strategic Officers Working Group to be able to deliver new legislation across the district in a manner that promotes education and simpler recycling ethos. As part of the LWP ensure input is given from WLDC so the Municipal Waste Strategy is continually looked at and updated.											
Thriving Place PLA-R04	The threat is that the review of the Central Lincolnshire Local Plan does not go ahead against the current time table, resulting in a challenging supply of land and an inability to meet the needs of our residents, businesses and communities.	• Joint CLLP Team with good experience in delivering a Local Plan review in Central Lincolnshire • Good Governance & positive partnership working (CLSG/HoPs) • Time table for review agreed by CLJSPC • Initial work on plan review preparation and evidence base started, with planned formal commencement of review late winter/early spring 2027 still on track • CLLP vision and objectives reflect the Corporate Plan, Objectives and Vision • Corporate Policy & Strategy Team ensure corporate priorities are reflected in service policy & strategy • Five Year Land Supply report published annually to monitor delivery	6	2	3	6	=	Treat	• Review timetable agreed - formal review planned Feb/Mar 2027 - CLJSPC signed off with oversight at their quarterly meetings • Preparatory work underway - HoPs leading & updates reported to CLSG monthly • WLDC officer and member engagement in review of Central Lincolnshire Local Plan	6	Assistant Chief Executive - Policy and Delivery
Commentary: Risk may change depending on the outcome of LGR and political response to Gov. decision. Continued close working with CEXs through CLSG to mitigate/manage likely impact. Updated risk review to mid-Oct when decision & implications may be better understood & CLJSPC will have met for the first time post decision (12/10)											

Governance and Audit Committee
21 July 2026

Subject: (DRAFT) Annual Governance Statement 2025 - 2026

Report by:	Assistant Chief Executive Governance Monitoring Officer
Contact Officer:	Lisa Langdon Lisa.langdon@west-lindsey.gov.uk

Executive Summary:

To present to the Governance and Audit Committee a copy of the DRAFT Annual Governance Statement for 2025-26 for review and comments

Appendices to Report

- Appendix 1- DRAFT Annual Governance Statement

RECOMMENDATION(S):

(a) **That members review the DRAFT Annual Governance Statement for 2025-26 and provide any comments**

1. Introduction

1.1 The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement (AGS).

1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that the Council is compliant with legislation and directives, that officers and Members demonstrate good behaviours, and the Council makes sound and compliant decisions.

1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are doing the right things, in the right way, in an open, honest, inclusive and timely manner.

1.4 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2 Developing the Annual Governance Statement 2025-26

2.1 This Draft version will be considered, and various sources of information will be used to develop it, which include: -

- The Combined Assurance Report 2024-25
- Internal Audit reports
- The management of Strategic and Service risks
- External Audit Annual Audit Letter
- Review of Comments, Compliments and Complaints
- Consultation results
- Ombudsman investigations
- Review of Whistleblowing
- Annual review of fraud
- Comments made by the external Auditors.

2.2 Members of the Committee are encouraged to provide comments during and after the meeting if needed, by correspondence to the Monitoring Officer or the Section 151 Officer. The Council's Leadership Team will also consider updated versions of the document prior to the final version being published.

2.3 The final version of the Annual Governance Statement will be brought back to this Committee for consideration in the Autumn, prior to final publication.

2.4 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (updated version May 2025) and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.

2.5 Officers have established an internal Corporate Governance Group which will consider the AGS and monitor the actions contained within it.

Alternative Options

	Option	**Rational for not recommending**
1	To not consider a draft AGS	This would not align with good governance principles, as the Council must publish a final AGS and Committee members must have the opportunity to review and contribute to its development.

ASSOCIATED IMPLICATIONS

Legal:

The Annual Governance Statement complies with the Accounts and Audit (England) Regulations 2015. The draft annual governance statement must be published with the statement of accounts as part of the period of Audit and Inspection,

Financial:

There are no financial implications arising from this report.

Staffing:

There are no staffing implications arising from this report.

Local Government Reorganisation implications:

There are no direct LGR implications arising from this report.

Equality and Diversity including Human Rights:

None directly arising from this report.

Data Protection Implications:

None directly arising from this report.

Climate Related Risks and Opportunities:

None directly arising from this report.

Section 17 Crime and Disorder Considerations:

None directly arising from this report.

Health Implications:

None directly arising from this report.

Risk Assessment:

N/A

Title and Location of any Background Papers used in the preparation of this report:

N/A

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**x**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**		**No**	**x**

(DRAFT AGS to be published with statement of accounts at the end of June as required by external auditors. Final AGS to be agreed/approved and considered by G and A in the Autumn.)

Annual Governance Statement 2025/26

Executive Summary:

Governance is about how local government bodies ensure that they are doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This includes complying with legislation, making evidence-based decisions within a clear framework, displaying a healthy culture, behaviour and values, whilst ensuring transparency, equity and accountability, engaging with and where appropriate, leading their communities.

The Annual Governance Statement (AGS) is a public report by the Council on the extent to which it complies with its governance code, legislation, directives and regulations and its performance and effectiveness of its governance arrangements during the year, and any planned changes in the coming period following assessment by external bodies including auditors, other regulators and peers.

The Council expects all members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the Officer and Member Code of Conduct, Constitution, Corporate Vision and Values, and Corporate Priorities as well as applicable statutory requirements.

This document provides an overview of our governance arrangements which are set out in more detail in the Council's Local Code of Governance and our assessment of their effectiveness. This document is drawn from a number of assurance mechanisms which includes external audits of accounts and funding arrangements, our overall governance and decision-making framework, the Scrutiny function, the work of advisors and regulators, the Governance and Audit Committee and the Internal Audit Function.

The External Audit function is undertaken by KPMG LLP, this provides an opinion of the Financial Statements and the Value for Money Opinion. Any weaknesses identified by the external auditor are highlighted in the Auditors Annual Report. The Council received an unqualified audit opinion on its 2025/26 accounts and Value for Money opinion and no significant recommendations.

1. Scope of Responsibility

West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, incorporating the system of internal control. This includes arrangements for the management of risk.

The Council has a Local Code of Governance which details these arrangements and is structured around the seven CIPFA/Solace Principles of Good Governance, which are as follows:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement. Further, we have followed the CIPFA (Chartered Institute of Public Finance and Accountancy)/ SOLACE guidance entitled: Delivering Good Governance in Local Government Framework (updated 2025), in producing this AGS. A review of compliance against these seven principles is provided at section 4 of this Statement.

2. The Governance Framework and Annual Review of Effectiveness

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also comprises the activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services that represent value for money.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievements of the Council's policies, priorities, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control, reenforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner
- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;
- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The Financial Management Code identifies risks to financial sustainability and introduced a framework of assurance. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework and including the system of internal control. The review is informed by:

1. The Combined Assurance report – made up from:
    a. Feedback from senior managers within the authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas.
    b. The findings from the Annual Internal Audit work plan
    c. Third Party assessment e.g., peer review, external consultancy
2. The Annual Review of Comments, Compliments and Complaints
3. The Annual Monitoring Officer Report and Review of the Constitution
4. The Annual Review of the Effectiveness of Internal Audit
5. Reviews of Whistleblowing
6. Independent Fraud Risk Assessment.
7. The Head of Internal Audit's Annual Report
8. Review of Strategic Risks
9. Comments made by external auditors and other review agencies.

3. Review of compliance against the principles detailed within the Council's Local Code of Governance

The governance framework is consistent with the principles provided by the CIPFA/SOLACE framework for good governance, and these principles are detailed and considered within the Council's Local Code of Governance. Each principle is considered below and our assessment against compliance with a RAG rating provided::

Principle A: **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law**

Compliance with this principle is deemed green

The Council is compliant with this principle having strong financial regulations in place and making the relevant changes to its Contract procedure rules to comply with new legislation, including providing training to staff regarding procurement requirements. Legal implications are considered in all reports and clear terms of reference are provided online for Committees. The Council has access to legal advice through a shared service arrangement with Lincolnshire County Council and seeks external legal advice as required. The Council has approved an updated, refreshed member/officer protocol with political awareness training planned for officers and members into the 2026 year.
The Council is currently conducting a overall health check exercise of its information governance framework with a view to strengthening existing policies and procedures.

Principle B: **Ensuring openness and comprehensive stakeholder engagement**

Compliance with this principle is deemed as green

The Council complies with this principle by webcasting Council meetings (unless exempt), publishing agendas and minutes, allowing public questions at the full Council meeting and having clear Freedom of Information processes in place. 9 public consultations were carried out in the year 2025/26 and following the Pride in Place announcement from central government the Council has been instrumental in ensuring the Pride in Place board is established and that public engagement is encouraged as much as possible. This can be seen through the 9 engagement and consultation exercises which have already been carried out relating to the Pride in Place workstream, with more planned as we move into 2026/27. The Council has strong relationships with public and private sector, for example the Central Lincolnshire Joint Strategic Partnership.

Principle C: **Defining outcomes in terms of sustainable, economic, social and environmental benefit**

Compliance with this principle is deemed amber.

The Council is compliant with principle as it has a Corporate Plan and Medium Term Financial Plan. The strategic risk register is considered by the Management Team and also by the Governance and Audit Committee. The operational risk register is regularly reviewed by managers across the organisation.

The Council has reviewed its strategic risks and these will continue to be monitored and considered through the Council's internal governance processes.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Compliance with this principle is deemed as green

The Council complies with this principle by having a detailed performance management framework which ensure reports are provided to Leadership Team and Committees to ensure member oversight. Performance improvement plans are put in place if required. The Council has memberships with the LGA, LLG, Solace, and CIPFA to ensure good practice, high standards and up to date information from the local government sector is obtained. The Council has engaged with the LGA peer review process as outlined earlier in this statement which evidences the Council has listened to and applied the recommendations of the LGA team. The Council operates a Programme Board framework and produces a state of the district report.

The Council has undertaken a review of its internal governance framework and its policy committees to align it with the refreshed Corporate Plan, reflecting the three themes of Thriving Council, Thriving People and Thriving Place.

The Council's has a strong performance monitoring framework with performance regularly been reported on and considered through the Council's internal governance structures and through reporting of performance to relevant committees

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council will continue to monitor this throughout the year and therefore this principle is deemed as amber

The Council complies with this principle by providing training as required to officers, apprenticeship schemes, corporate inductions and member induction and training. The Senior Management restructure has been completed which will provide capacity and resilience for the organisation, especially as moves through the various stages of local government reorganisation. Officer briefings are provided to elected members on strategic issues such as RAF Scampton and local government reorganisation. Wider management team meetings and staff corporate updates are held regularly to ensure information is distributed to the wider organisation.

Staff are encouraged to attend conferences and wider community events to develop leadership skills across the organisation. Staff across the organisation have also enrolled on ILM courses and will progress these throughout 2026.

The Council is conscious of the uncertainty Local Government Reorganisation will bring to staff and therefore is procuring external support as necessary to ensure staff feel supported and prepared for the challenges, opportunities and changes which will result from reorganisation.

Principle F: Managing risk and performance through robust control and strong financial management.

Compliance with this principle is deemed as green

The Council is well managed financially as outlined within the recent LGA peer review findings and also in the recent external audit of the Council's 2024/25 accounts. The Council has also recently received a positive value for money assessment. There is adherence to the Constitution, which is regularly scrutinised by the Council's governance and audit committee who receive training prior to scrutinising the Council's annual accounts and treasury management strategy. Regular meetings of the statutory officers are held to ensure high standards of governance and financial management are maintained. Budget monitoring is carried out by team managers during the year so the Council is fully aware of its financial position each month. There is also a full programme of internal audits, the results of which are reported to the Council's governance and audit committee and follow up actions implemented. The Council is in a strong financial position with a good level of reserves and currently has a balanced budget for the next three years.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Compliance with this principle is deemed as green

The Council complies with this principle by ensuring internal and external auditors are appointed, meet with the senior management and report directly to the Governance and Audit Committee. The Council has Information governance and RIPA policies in place, and the progress and delivery framework reports regularly to the Committee. The Council's website provides much information and details all reports, agendas, minutes and forthcoming meetings.

4. Update on governance issues identified in 2024/2025 Annual Governance Statement

Loss of key staff –

- The Council has put in a place a comprehensive training scheme for staff who are now progressing through ILM5 and ILM 7 leadership and management programmes.
- The Council has appointed to its Chief Executive post on a permanent basis
- The Council has statutory officers in place who are in permanent positions
- Staff updates and communication channels have been refreshed to encourage maximum engagement
- Staff are encouraged to attend courses and conferences that will further their professional development and benefit the organisation

Financial Settlement

- The financial position was closely monitored throughout the year and the result is that currently the Council is in a strong financial position (as outlined above in this Statement) with adequate financial reserves in place.

Local Government Reorganisation

- Has continued to progress across Lincolnshire and the Council has provided regular briefings to members and staff, and presented formal reports through the committee process.
- Engagement has continued with senior lead officers across the Lincolnshire local government organisations, resulting in 7 distinct workstreams being formalised, each being attended by a senior officer of the Council.

- The Chief Executive and Leader of the Council have engaged actively with central government to ensure the Council and its residents are represented strongly as the local government process continues to move forward into 2026, including a visit to West Lindsey being planned by the relevant government department to take place in June 2026.

Greater Lincolnshire Combined County Authority

- The Chief Executive and Leader have continued to attend the District Joint Committee, ensuring that representation at a district authority level is provided at the boards and meetings of the Greater Lincolnshire Combined County Authority.

5. Significant Governance Issues
Have previously inserted any Audit concerns, this draft statement will be considered by internal and external auditors prior to final publication.

6. Governance Risks - Areas for Improvement during 2026-27 (year ahead)

Whilst we are satisfied with the effectiveness of the corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance, the following actions have been identified as part of the 2025-26 Annual Governance Statement process.

PRINCIPLE	ACTIONS	RESPONSIBLE OFFICER	TARGET DATE
A-integrity, ethical values, rule of law	A1- Promote shared understanding of member/officer relations through training and awareness sessions A2-Promotion of Whistleblowing policies and procedures A3-Promotion of Fraud/bribery policies and procedures A4-Complete health check programme of Information Governance framework and review and consider findings and recommendations made	Assistant Chief Executive Governance/ Director of Corporate Services	All September 2026
B- Ensuring openness and comprehensive stakeholder engagement	B1 – to continue to engage with local authorities across Lincolnshire to consider progress and workstreams relating to LGR, ensuring streamlined working and preparedness for the transition.	Assistant Chief Executive Policy and Performance/Leadership Team	Ongoing throughout 26/27

	B2- To continue to work with officers and Members of the Greater Lincolnshire Combined County Authority as required, including engagement with Lead Policy Officers.		
D-determining interventions necessary to optimise achievement of outcomes	D1-Development of Corporate Governance Group to consider various governance items including the progress of this action plan D2- Review the effectiveness of the Council's Governance and Audit Committee through internal audit processes.	Assistant Chief Executive Governance Assistant Chief Executive Governance	Ongoing throughout 26/27 September 2026
E- develop council's capacity and capability	E1- Complete recruitment process for Director vacancy E2-continue to promote and encourage attendance at external forums and training courses E3-continue to support staff cohort through ILM accreditations E4- Enhance and promote staff networks and wider staff communications E5- consider development needs through the revised appraisal process E6- Develop and enhance Member/Officer training and development, having due regard to LGR needs. E7- Monitor staff resource and capacity through the LGR process and consider organisation resilience	Head of People Services/Leadership Team/all Heads of Service Head of Communications and Engagement Leadership Team/Heads of Service Assistant Chief Executive Governance Leadership Team	August 2026 Ongoing throughout 26/27
F- risks and performance, robust control, strong financial management	F1-to keep under review the Council's strategic risk register through the Strategic Delivery Panels, ensuring alignment with corporate plan themes	Leadership Team/Heads of Service	All ongoing throughout 26/27

	F2- Enhanced reporting framework to Members aligned with the Corporate Plan themes, through the Council's three Policy Committees F3-Continue to monitor the financial position, particularly as the impacts and pressures of LGR remain an unknown. F4-Keep under consideration the legislative timeline in respect of LGR as regards financial decisions	Assistant Chief Executive Policy and Performance Director of Corporate Services Director of Corporate Services	

7. Approval of the Annual Governance Statement 2025-26
The council is satisfied that appropriate and effective governance arrangements have been in place for 2025-26

Signed by:
Paul Burkinshaw
Chief Executive, West Lindsey District Council
Xx/xx/2026
Councillor Jackie Brockway Leader, West Lindsey District Council
Xx/xx/2026

Agenda Item 6f

West Lindsey DISTRICT COUNCIL

Governance and Audit Committee	
21 July 2026	

Subject: Value for Money Risk Assessment 2025/26

Report by:	KPMG LLP (UK)
Contact Officer:	Caroline Capon Corporate Finance Team Leader caroline.capon@west-lindsey.gov.uk

Executive Summary:

The annual Value for Money Risk Assessment report as at 31 March 2026 presented by the Councils external auditors KPMG LLP(UK)

Appendices to Report

- **VfM risk assessment for the year ending 31 March 2026**

RECOMMENDATION(S):

(a) That Members consider the content of the report and identify any actions required.

1. Introduction

1.1 This report presents the annual Value for Money Risk Assessment as of 31 March 2026 and is presented by the Councils external auditors KPMG LLP(UK).

1.2 It is a requirement for external audit to report to the Governance and Audit Committee their risk assessment of the Councils value for money, finance and governance arrangements.

ASSOCIATED IMPLICATIONS

Legal: None

Financial: FIN/63/27/GA/CC

There are no financial implications arising from this report.

Staffing: None

LGR implications: N/A

Equality and Diversity including Human Rights: None

Data Protection Implications: None

Climate Related Risks and Opportunities: N/A

Section 17 Crime and Disorder Considerations: N/A

Health Implications: N/A

Risk Assessment:
None

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

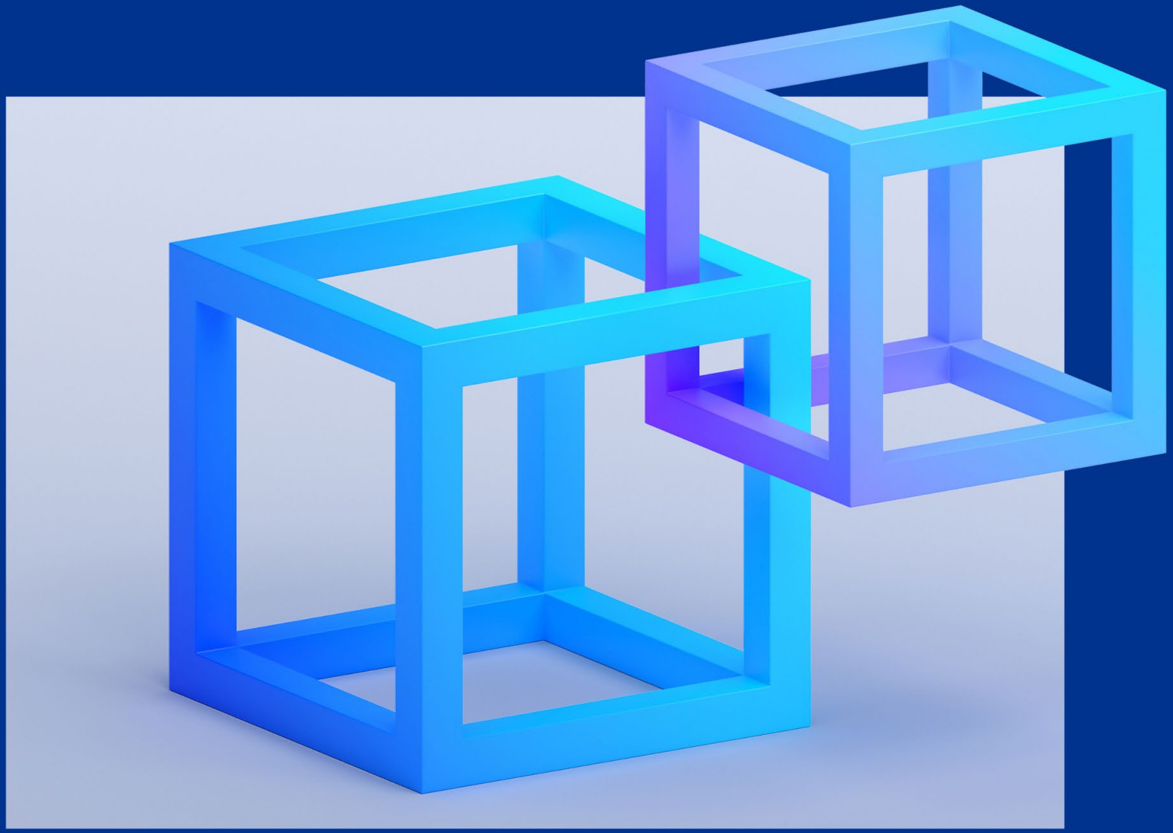
Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**		**No**	**X**

West Lindsey District Council



Report to the Governance and Audit Committee

VfM risk assessment for the year ending 31 March 2026

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01 July 2026

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Introduction

To the Governance and Audit Committee of West Lindsey District Council

We are pleased to have the opportunity to meet with you on 21 July 2026 to discuss our audit of the financial statements of West Lindsey District Council, as at and for the year ending 31 March 2026.

This report outlines our risk assessment in relation to our Value for Money (VfM) conclusion responsibilities.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

The engagement team

Debra Chamberlain is the engagement director on the audit. She has over 20 years of experience in public sector audit.

Debra Chamberlain shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Francesca Shaw and Eva Barrow with 8 years and 4 years of experience respectively.

Yours sincerely,

Debra Chamberlain

29 June 2026

Restrictions on distribution

This report is intended solely for the information of those charged with governance of West Lindsey District Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- An audit is executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well-planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We aim to complete all audit work no later than 2 days before audit signing.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Debra Chamberlian (Debra.Chamberlain@KPMG.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.cutler@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process Complaints.

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

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Approach we take to completing our work to form and report our conclusion:

Process

Understanding the Council's arrangements → **Evaluation of Council's value for money arrangements** → **Value for money conclusion and reporting**

Understanding the Council's arrangements:
- Financial statements planning
- Internal reports, e.g. IA
- Mgmt. Inquiries
- External reports, e.g. regulators
- Assessment of key processes
- Annual report

Evaluation of Council's value for money arrangements:
- Targeted follow up of identified value for money significant risks
- Continual update of risk assessment

Value for money conclusion and reporting:
- Conclusion whether significant weaknesses exist

Outputs

Risk assessment to Governance and Audit Committee

Our risk assessment will provide a summary of the procedures undertaken and our findings against each of the three value for money domains. This will conclude on whether we have identified any significant risks that the Council does not have appropriate arrangements in place to achieve VFM.

Value for money assessment

We will report by exception as to whether we have identified any significant weaknesses in arrangements.

Public commentary

Our draft public commentary will be prepared for the Governance and Audit Committee alongside our annual report on the accounts.

Public commentary

The commentary is required to be published alongside the annual report.

Summary of risk assessment

Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

Domain	Significant risk identified?
Financial sustainability	No significant risks identified
Governance	No significant risks identified
Improving economy, efficiency and effectiveness	No significant risks identified

We have not identified any significant risks that there are not appropriate arrangements in place as part of the procedures we have undertaken. We have provided a summary of the procedures performed and our key findings from these on pages 6 to 18.

We have not raised any performance improvement observations as a result of our work.

Value for money arrangements

Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment

Budget setting

The Council operates a structured budget-setting process coordinated by the Finance Business Partner (FBP) team under the oversight of the Business Support Team Leader and Section 151 Officer. The process commences with a formal budget setting briefing which establishes responsibilities, timetables and key assumptions for the forthcoming budget cycle. Responsibility for budget development is shared across Finance Business Partners, Budget Managers, Directors, Management Team (MT) and Members, ensuring ownership throughout the organisation. Service Business Plans and consultation with residents and businesses are also used to inform the budget-setting process.

Prior to meetings with Budget Managers, Finance Business Partners review historical expenditure and income trends, current year performance, service activity levels and known future commitments to identify potential efficiencies, income opportunities and budget pressures. Corporate assumptions relating to inflation, pay awards, pension costs, funding assumptions and council tax levels are agreed centrally and applied consistently across service areas. Proposed budgets, savings and growth requests are challenged through meetings with Budget Managers and Directors before progressing through the Council's governance framework.

Emerging cost pressures are identified through review of budget monitoring information, approved committee decisions, service business plans and known future developments. Pressures that cannot be managed within existing resources are incorporated into the budget model and considered as part of the Medium-Term Financial Plan (MTFP). Capital programmes, reserves and fees and charges are also reviewed to assess affordability, future funding requirements and financial sustainability.

The budget is subject to multiple levels of review and approval. Significant pressures and budget proposals are reviewed by Management Team before progressing through Prosperous Communities Committee and Corporate Policy and Resources Committee. The Executive Business Plan, MTFP, revenue budget, capital programme and associated council tax proposals are subsequently presented to Full Council for approval.

As part of our review, we also considered the Council's budget-setting process for 2026/27. We noted that the Medium-Term Financial Plan 2026/27 to 2030/31, Budget 2026/27 and Capital Programme 2026/27 to 2030/31 were approved by Full Council on 2 March 2026 following consideration through the Council's established governance and scrutiny arrangements. This demonstrates that the budget-setting process described above was operating effectively during the year under audit.

Value for money arrangements

Financial sustainability (Cont.)

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

Budget monitoring

The Council's budget monitoring arrangements are set out within the Financial Procedure Rules contained in the Constitution. Budget Managers, Directors and Assistant Directors are responsible for monitoring performance against approved budgets, whilst overall financial oversight is maintained by the Chief Finance Officer (CFO). Budget monitoring is supported through the Council's OneFinance system, which provides live budget management information and forecasting functionality.

Budget holders receive regular budget monitoring reports showing revised budgets, actual expenditure, commitments, forecast outturn positions and variance analysis. Financial performance is reviewed jointly by Budget Managers and Finance Business Partners during each monitoring cycle, with material variances challenged and forecast positions validated prior to reporting. Variances exceeding established thresholds require narrative explanations and consideration of mitigating actions.

Budget monitoring reports are prepared quarterly and reported to both Management Team and the Corporate Policy and Resources Committee. Reports include revenue, capital and treasury management performance, forecast outturn positions, significant variances and emerging risks. Our review of monitoring reports identified evidence of active challenge and investigation of significant favourable and adverse variances, together with management commentary explaining underlying causes and corrective actions where required.

Consistency between financial and operational plans

We reviewed the Executive Business Plan and Medium-Term Financial Plan (MTFP) 2025/26 - 2029/30, which set out the Council's strategic priorities, revenue budget, capital programme and medium-term financial forecasts. The MTFP acts as the primary mechanism through which strategic priorities and operational plans are translated into financial plans and budgets.

Through review of the MTFP and enquiry of management, we confirmed that significant operational developments, staffing requirements, capital investment plans, service delivery priorities and known financial pressures have been incorporated into the Council's medium-term financial forecasts. We noted that the revenue budget, capital programme and reserves strategy are integrated within the MTFP, demonstrating alignment between financial planning and operational objectives.

Value for money arrangements

Financial sustainability (Cont.)

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

Based on our review and discussions with management, we are satisfied that relevant strategic and operational plans have been considered in developing the Council's financial plans and that identified changes and investment requirements have been appropriately reflected within the MTFP.

Assessing and managing financial sustainability risks

The Council's arrangements for managing financial sustainability are supported through the Medium-Term Financial Plan, annual business planning process, regular budget monitoring arrangements and wider risk management framework. The Executive Business Plan and MTFP identify a number of key assumptions underpinning long-term financial sustainability, including growth in local tax bases, service transformation activity, commercial investment and delivery of efficiencies through service redesign and technology. We also reviewed the Quarter Two Strategic Risk Register 2025/26 and noted that the Council has identified a strategic risk relating to its ability to set a sustainable balanced budget for future years. The register sets out mitigating actions including maintenance of the Medium-Term Financial Plan, ongoing budget monitoring, business planning and regular review of financial assumptions and funding pressures. Financial sustainability risks are reviewed regularly by Management Team and reported quarterly to the Governance and Audit Committee, providing ongoing oversight and challenge.

The Council continues to maintain a strong financial position. Management confirmed that the Council does not currently consider it necessary to develop or present a formal savings programme to Members given the balanced budget position and the level of available reserves, which totalled £30.104m as at 31 March 2026.

Whilst we do not consider the absence of a formal savings programme to represent a significant weakness given the Council's current financial resilience, it is imperative to consider alternative arrangements if funding gaps and spending pressures increase while the General Fund reserve remains static. The Council does not currently operate a structured framework for identifying, monitoring and reporting delivery of savings initiatives. This may become increasingly important from 2027/28 onwards as future financial pressures emerge and delivery of efficiencies becomes a more significant component of the Council's medium-term financial strategy.

Value for money arrangements

Financial sustainability (Cont.)

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2025/26 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2025/26 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2025/26 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (continued)

The Council has established robust arrangements for budget setting, medium-term financial planning and budget monitoring, supported by clear governance, officer challenge and Member oversight. Budget assumptions and emerging pressures are considered as part of the annual budget-setting process and financial performance is monitored and challenged throughout the year through established reporting arrangements.

The Council continues to maintain a strong reserves position and balanced budget. However, we identified an opportunity to strengthen arrangements through the development of a more formal savings programme and associated monitoring framework. Whilst this does not currently represent a significant weakness, it may become increasingly important as future funding pressures emerge and planned efficiencies become a more significant component of maintaining financial sustainability.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with financial sustainability.

Value for money arrangements

Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment

Governance Structure

The Council operates within a comprehensive governance framework established through its Constitution, which sets out how the Council conducts its business, makes decisions and ensures accountability, transparency and effective governance. The Constitution is supported by Codes of Practice, Protocols and Procedures and provides a clear framework based on applicable laws and regulations for local authorities.

The governance structure comprises Full Council as the primary decision-making body, supported by a defined committee structure including the Overview and Scrutiny Committee, Governance and Audit Committee, Planning Committee, Licensing Committee, Corporate Policy and Resources Committee, and Prosperous Communities Committee. This structure provides appropriate separation between decision-making, scrutiny and assurance functions, supporting robust governance and effective performance monitoring.

Roles and responsibilities for members and officers are clearly defined within the Constitution. Full Council retains responsibility for approving the budget and policy framework, whilst committees exercise responsibilities within delegated authority limits. Statutory responsibilities for the Head of Paid Service, Monitoring Officer and Chief Finance Officer are formally documented, ensuring clear accountability and governance oversight.

The Constitution is subject to ongoing monitoring and formal annual review by the Monitoring Officer and Governance and Audit Committee, ensuring governance arrangements remain current and effective.

Risk Management

The Council maintains a comprehensive Risk Management Framework which establishes arrangements for identifying, assessing, monitoring and managing risks across the organisation. Risks are categorised by type and impact, including strategic, operational, programme, contractual, partnership, fraud and information-related risks.

The framework requires risks to be recorded and assigned to responsible officers, with risks assessed based on inherent and residual risk scores and supported by defined mitigation plans. Risk responses are considered through established approaches including avoidance, transfer, treatment, tolerance and termination.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment (continued)

The Council's risk appetite is formally defined and has been assessed as "Creative and Aware", reflecting a willingness to take considered risks where this supports delivery of strategic objectives while maintaining appropriate controls.

Strategic risks are reviewed through quarterly reporting to Management Team and Governance and Audit Committee, while operational risks are managed through service-level monitoring arrangements. The Corporate Governance Team maintains oversight of the corporate risk register to ensure consistency and completeness of reporting. Responsibilities for risk management are clearly allocated across members, senior officers and governance committees, providing an appropriate framework for risk oversight and accountability.

Scrutiny of Key Decisions

Decision-making is undertaken in accordance with the principles established within the Council's Constitution and is supported by a structured governance framework and Project Management Framework. Decisions are developed through documented business cases, project initiation documents and committee reports, with proposals subject to review and challenge through Programme Boards, Management Team and Committees as appropriate.

Significant decisions are supported by business cases prepared using a standardised five-case model framework, incorporating strategic, economic, commercial, financial and management considerations. Business cases include objectives, options appraisal, financial implications, resource requirements, risks, governance arrangements and procurement considerations to support robust and informed decision-making.

The Overview and Scrutiny Committee forms a key component of the governance framework and is responsible for reviewing and scrutinising decisions, challenging officers and members, and ensuring transparency and accountability. Review of committee minutes demonstrates active scrutiny and challenge across a range of strategic, operational, workforce, planning and capital-related decisions. Members regularly challenged assumptions, requested additional information and considered financial, operational, legal and policy implications before decisions were progressed.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment (continued)

Overall, decision-making processes are structured, evidence-based and subject to appropriate challenge and oversight, ensuring significant decisions are supported by comprehensive analysis, consideration of value for money and compliance with statutory and governance requirements.

Anti-Fraud Controls

The Council has developed and maintained a comprehensive framework of counter fraud and anti-corruption arrangements aligned to the principles of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Key elements of the framework include the Counter Fraud, Corruption and Bribery Policy, the Anti-Money Laundering and Financial Crime Policy, and the Report a Concern (Whistleblowing) Policy. These policies establish a zero-tolerance approach to fraud and corruption and provide arrangements for preventing, detecting, investigating and responding to suspected fraud, bribery, corruption and financial crime.

The framework defines roles and responsibilities across members, officers and committees and incorporates a risk-based approach consistent with the Fighting Fraud and Corruption Locally framework. Supporting arrangements include whistleblowing mechanisms, fraud response procedures, investigation protocols and awareness activities.

Oversight is provided through regular reporting to the Governance and Audit Committee, including the Annual Counter Fraud Report and internal audit reporting. These arrangements provide evidence of a structured and monitored approach to managing fraud and corruption risks.

Standards of Behaviour

The Council has established a comprehensive framework of codes of conduct and supporting policies governing standards of behaviour, conflicts of interest, whistleblowing and ethical conduct.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment (continued)

The Officer Code of Conduct sets out expected standards of behaviour for employees and includes requirements relating to integrity, accountability, gifts and hospitality, declarations of interests, relationships with contractors and suppliers, confidentiality and anti-fraud responsibilities. The conduct framework is supported by disciplinary policies and procedures which establish arrangements for addressing misconduct and policy breaches.

The Council maintains a formal whistleblowing framework through its Report a Concern (Whistleblowing) Policy, which provides confidential channels for employees, contractors and members of the public to raise concerns without fear of victimisation. The arrangements are reinforced through wider counter fraud and financial crime policies.

Review of the governance framework indicates that these policies are formally documented, publicly available and supported by established communication and awareness arrangements. Accordingly, we are satisfied that the Council has appropriate arrangements to communicate expected standards of behaviour and ethical conduct across the organisation.

Compliance with Laws and Regulations

The Monitoring Officer is responsible for ensuring the Council's compliance with applicable laws and regulations. The Constitution requires the Monitoring Officer, in consultation with the Chief Finance Officer, to report any proposal, decision or omission that could give rise to unlawfulness or maladministration.

Through inquiry procedures and review of available regulatory information, including consideration of relevant external regulatory bodies, no matters were identified which indicate significant breaches of legislation or regulatory requirements, nor any issues which could give rise to a significant weakness in governance arrangements.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment (continued)

Financial Plan 2025/26 and Communication of Financial Risks

As noted within the Financial sustainability section above, the Council's budget-setting and financial planning arrangements are governed through the Constitution, Financial Procedure Rules, committee structure and established reporting processes. The 2025/26 budget was developed and scrutinised through the Council's formal governance arrangements before receiving the appropriate approvals in accordance with delegated responsibilities and constitutional requirements.

Financial risks were communicated throughout the budget-setting process via budget reports, financial planning papers and committee reporting, which included consideration of key assumptions, funding pressures, demand-led expenditure risks, inflationary impacts, savings requirements and other factors affecting the Council's medium-term financial sustainability. Reports presented to Members included details of financial uncertainties, mitigations and reserve positions, enabling informed decision-making and effective scrutiny of the proposed budget.

Ongoing communication of financial risks is supported through regular budget monitoring reports, treasury management reporting, Progress and Delivery reporting, and governance oversight by the Corporate Policy and Resources Committee, Governance and Audit Committee and Full Council where appropriate. These arrangements ensure that emerging financial risks are identified, monitored and reported to Members on a timely basis.

Based on our review, we are satisfied that the Council has appropriate arrangements in place for the review and approval of the 2025/26 financial plan and for communicating relevant financial risks to those charged with governance.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2025/26 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.
- How the Council is preparing for Local Government reorganisation

Summary of risk assessment (continued)

Local Government Reorganisation

We note that Local Government Reorganisation (LGR) continues to evolve nationally and may have implications for the Council's future governance arrangements, organisational structure, service delivery model and long-term financial planning. At the time of our risk assessment, there remains uncertainty regarding the final scope, timing and implementation requirements applicable to West Lindsey District Council.

Management has commenced consideration of the potential implications of LGR and is monitoring developments as further guidance and proposals emerge. Given the ongoing nature of the programme, we have not identified any specific weaknesses in the Council's current governance arrangements arising from LGR at this stage.

We will continue to monitor developments and obtain an updated understanding of the Council's preparations, governance arrangements and risk management response as part of our final Value for Money procedures, when greater certainty over the proposed reorganisation and implementation arrangements may be available.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with governance.

Value for money arrangements

Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment

Performance of Services

The Council has established processes to utilise financial, performance and risk management information to support effective service management and delivery, with a focus on achieving value for money. Responsibility for financial planning and performance monitoring is embedded throughout the organisation, involving Budget Managers, Finance Business Partners (FBPs), Directors, Management Team (MT), the Corporate Policy and Resources Committee (CP&R) and Full Council.

The Council utilises performance information to assess whether services are being delivered economically, efficiently and effectively. Where performance monitoring identifies areas requiring improvement, management develops and implements actions to address inefficiencies and improve service delivery. The impact of these actions is monitored through the Council's established performance reporting arrangements, enabling Management Team and Members to assess whether the intended improvements are being achieved and to challenge progress where necessary.

Where performance falls below target for two or more consecutive reporting periods, the Council implements Performance Improvement Plans (PIPs) to identify root causes and establish management actions designed to improve performance. Progress against the Council's performance indicators is reported through the quarterly Progress and Delivery Reports presented to Management Team and Committees, providing ongoing oversight of areas where performance improvement measures have been implemented.

The Council's performance management arrangements are further supported by its risk management framework. The Strategic Risk Register records strategic risks relating to service delivery, financial sustainability, organisational capacity, legislative compliance and other key corporate risks. Strategic risks are reviewed monthly by Management Team and reported quarterly to the Governance and Audit Committee, ensuring ongoing monitoring, challenge and oversight of factors that could affect the delivery of the Council's objectives.

Value for money arrangements

Improving economy, efficiency and effectiveness (Cont.)

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

Efficiency Plans

As previously discussed in the Financial Sustainability section, the Council does not currently consider it necessary to develop or present a formal savings programme to Members given the balanced budget position and the level of available reserves. We have therefore been unable to assess the arrangements around the development of efficiency plans and how they are implementation and monitored.

Benchmarking

The Council uses external benchmarking information to support financial planning and performance assessment. As part of the annual budget-setting process, management reviews fees and charges using benchmarking data and market information to assess cost recovery and ensure charges remain appropriate. The Council also considers external economic forecasts and treasury management advice when preparing financial plans and monitoring its financial position.

In addition, the Council participates in benchmarking through the Association for Public Service Excellence (APSE), submitting service delivery information annually and receiving benchmarking reports which enable performance and efficiency comparisons with other local authorities. We also reviewed the LGA Value for Money Profile and CIPFA Financial Resilience Index. These indicators demonstrated that the Council's expenditure levels and financial resilience are broadly consistent with comparator authorities and did not identify any significant concerns requiring further investigation.

Value for money arrangements

Improving economy, efficiency and effectiveness (Cont.)

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment (continued)

Partnerships

The Council actively works with partner organisations in support of its strategic objectives and service delivery arrangements. Partnership risks are specifically included within the scope of the Council's Risk Management Strategy and are considered through the wider risk management framework where they may affect delivery of Council objectives.

Partnership-related risks may be escalated into the Strategic Risk Register where appropriate and are subject to regular review and governance oversight. Through our review of the Council's governance, risk management and performance monitoring arrangements, we did not identify any partnership arrangements that give rise to significant value for money concerns.

Outsourced Services

The Council did not engage in any significant outsourced public service contracts during 2025/26. Certain support functions are delivered through shared service arrangements, including payroll administration provided by North Kesteven District Council and NNDR administration provided by the City of Lincoln Council.

These arrangements operate under formal agreements and are subject to the Council's normal governance and oversight processes. We have not identified any significant value for money concerns arising from these arrangements. The Council also does not operate any significant joint venture, insourcing or PFI arrangements.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with Improving economy, efficiency and effectiveness.

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Governance and Audit Committee

Tuesday, 21 July 2026

Subject: Member Training and Development: Updated Terms of Reference and Draft Plan 2026 - 2030

Report by:	Monitoring Officer
Contact Officer:	Ele Snow, Senior Democratic Services and Civic Officer Ele.snow@west-lindsey.gov.uk

Executive Summary:

This report seeks the approval of the Governance and Audit Committee for the updated Terms of Reference for the Member Development Group, and also presents the initial draft of the updated Member Training and Development Plan for 2026 – 2030.

The Committee are asked to consider both documents and provide comments and/or approval of next steps.

Appendices to Report

- Appendix 1: Updated Terms of Reference for the Member Development Group
- Appendix 2: Draft Member Training and Development Plan 2026 - 2030

RECOMMENDATION(S):

a) **That the updated Terms of Reference for the Member Development Group be approved, and the Group renamed to be the ‘Member Training and Development Group’; and**

b) **That the draft Member Training and Development Plan 2026 – 2030 be reviewed, and suggested amendments be shared for inclusion in the final plan, to be presented to the Committee no later than September 2026; and**

c) **That the Member Training and Development Annual Report,**

including relevant proposals in relation to LGR, be presented to the Committee no later than September 2026.

1 Introduction

1.1 The Governance and Audit Committee is responsible for the monitoring of Member Development and receives, at minimum, an annual report in order to maintain oversight. The Committee also has parentage of the Member Development Group and as such is required to consider and approve any amendments to the Terms of Reference, and review and approve their work programme.

1.2 With the announcement of Local Government Reorganisation (LGR), the purpose and intent of 'Member Development' has been revisited, with a view to focusing on not just development opportunity, but also recognised training, which will better equip our Councillors to navigate the transition from West Lindsey District Council to the new unitary authority. This is to run alongside the ongoing opportunities provided and offered to Councillors.

1.3 With this in mind, all aspects of 'Member Development' have been re-written as 'Member Training and Development', to emphasise the importance of this commitment to our Councillors. Whilst current documents refer only to Member Development, throughout this report and beyond, reference will be to Member Training and Development.

1.4 West Lindsey Councillors are currently in the final year of their four-year term of office and ordinarily, at this time, the Governance and Audit Committee would receive the Annual Report, detailing training and development provided in the preceding 12 months. The report would also provide details of the upcoming project work for the Full Induction of all Councillors, which would take place following all-out elections.

1.5 In light of the awaited decision regarding LGR, Officers have committed to focus on the current training and development opportunities, using the engagement of the Member Development Group to promote such opportunities with their peers. Therefore, whilst the Annual Report will be presented to the Committee no later than September 2026, taking into account the LGR decisions and timelines Members are asked, at this stage, to approve the updated Terms of Reference for the Member Development Group, as well as provide comment on the draft of the Member Training and Development Plan 2026 – 2030.

2 Member Development Group Terms of Reference

2.1 First and foremost, approval is sought for the name of the Group to be amended to the 'Member Training and Development Group', to reflect the renewed focus on recognised training alongside wide-ranging development opportunities. For the purpose of this report, and until the decision be approved, the Group is referred to as the MDG.

2.2 The MDG has been re-energised since the appointment of the Civic Engagement and Member Development Officer in November 2025. One of the Group's first actions was to review the Terms of Reference, with the amended version requiring approval by Governance and Audit Committee as the parent committee.

2.3 The updated Terms of Reference can be found at appendix one, with changes highlighted, and a summary of changes is provided below.

2.4 Table of Amendments:

Paragraph No.	Amendment	Purpose
Title and throughout	Inclusion of 'Training and'	To emphasise targeted training opportunities as well as development sessions
1.1	Identification of the parent committee	Not previously specified therefore required for clarity
3.1	Membership increased from 7 to 8	Reflective of actual membership
	Specify Chairmanship of the Group	Moved from later in the document for clarity Additional detail provided should Chairman of the Cttee not wish or be able to Chair the Group
4.4	Priority of online meetings	In line with 'virtual first' approach to non-legislated meetings
4.5	'behaviour' replaced with 'non-attendance'	To provide clarity
5.3	Paragraph added	To emphasise the accountability of Members to promote opportunities to their peers

2.5 The Committee is asked to approve the updated Terms of Reference.

3 Draft Member Training and Development Plan 2026 – 2030

3.1 The MDG has also re-visited the previous version of the Member Development Plan and offered suggestions for improvement and amendment. The initial draft of this Plan is attached at appendix two. Members are asked to review the draft Plan and offer comments and feedback.

3.2 Subject to comments received from the MDG and the Governance and Audit Committee, the final Plan will be presented for approval no later than September 2026.

4 Alternative Options

	Option	Rational for not recommending
1	Do not approve the Terms of Reference	This would mean the Group was working under outdated ToRs and potentially impact the effectiveness of the Group

2	Do not have a Member Training and Development Plan	Continuity and growth of skillset is key for WLDC Councillors to continue to fulfil their roles. To not have a Plan would remove the clear commitment from the Council, and also minimise the responsibility on Councillors to remain committed to their own development.
3	Leave all documents ‘as is’	Information is outdated and inaccurate, thereby impacting the effectiveness and relevance of the documents.

ASSOCIATED IMPLICATIONS

Legal: Members must receive training to sit on certain previously agreed Committees. If this training is not provided, the Council could be open to judicial review.

Under the Local Government Act 1999, Councils must legally deliver 'Best Value', i.e. each council must be able to show that it has arrangements to secure continuous improvement in how it carries out its work. The Best Value Statutory Guidance, published in 2024, provides examples of where a council may be deemed as 'failing' by not upholding its statutory duty, which may, in turn, trigger a statutory Best Value Inspection to determine whether a Council is upholding its legal duties.

One of the indicators of failure listed in the statutory guidance is "lack of engagement with, and/or poor quality or non-existent member and officer training and development offer." West Lindsey's member training and development offer is designed and reviewed with the Member Development Group to ensure it is fit for purpose, engaging and meaningful, as well as meeting the requirements for statutory training, such as Planning and Licensing. Members are supported and encouraged to attend the training and development events on offer and attendance is monitored and evaluated to ensure continuous learning and improvement.

Financial: FIN/65/27/GA/TMN

Member Development has an allocated budget of £10,000 per financial year, with a rolling budget of £9,000 per 'term of office' (i.e. between each all-out election). **There are no new financial implications at this stage**, and it is hoped that any proposals could be contained within existing budget provision.

Staffing: Any staffing requirements for training events or development opportunities would be met within existing staff numbers. The Civic Engagement and Member Development Officer is a dedicated officer resources for this area of work.

LGR implications: The impact of the impending decision on LGR is not yet known. Potential actions could include, for example, the roll-out of the usual Full Induction, or a version thereof; focus and support to be provided to the shadow authority Councillors; a 'fifth' year be added to the usual term of office requiring repeats of mandatory training. West Lindsey District Council may be invited to work with other authorities to complete training and development programmes in the lead up to vesting day, or responsibility may be transferred to an alternate authority entirely.

Given the level of uncertainty at this stage, Officers have committed to presenting a subsequent report to the Governance and Audit Committee, no later than September 2026, which will take into account the LGR decision and present the next steps for West Lindsey District Council in relation to Member training and development.

Equality and Diversity including Human Rights: As far as possible, sessions are provided in differing formats and at a variety of times in order to accommodate individual requirements.

Data Protection Implications: There are no implications identified.

Climate Related Risks and Opportunities: It is acknowledged that entirely online provision of sessions does provide increased opportunities for supporting the Council's climate and sustainability aspirations. However, it is also acknowledged that the hybrid model of delivery (ie, the option to attend in person or online) has proved popular amongst Councillors and the climate related risks and opportunities have to be balanced with the need to provide effective and valuable development opportunities, in a format that is supported by Councillors.

Section 17 Crime and Disorder Considerations: There are no implications arising from this report.

Health Implications: There are no implications arising from this report.

Risk Assessment: N/A

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**		**No**	**X**

Member Training and Development Group

Terms of Reference – Approved by Governance & Audit Committee

1 Background

1.1 The Governance and Audit Committee is responsible for the monitoring of Member Training and Development and has committed to receiving an annual report in order to maintain oversight. The Governance and Audit Committee is therefore known as the parent committee.

1.2 In June 2018 the Committee approved the creation of the Member Development Group in order for there to be Councillor involvement with West Lindsey District Council's development plan for Members, including but not limited to, the Full Induction Programme which is delivered every four years after the all-out council elections.

2 Purpose of the Member Training and Development Group

2.1 To provide Member involvement and guidance for the delivery of Councillor training and development opportunities, including, but not limited to:

- the four yearly Full Induction Programme,
- the Member Training and Development Plan,
- contribution to the Member Training and Development Annual Report as presented to the parent committee.

2.2 The Member Training and Development Group shall be expected to advise on matters such as:

- delivery methods,
- Member engagement / rates of attendance,
- training requests and/or suggestions.

3 Membership of the Group / Chairmanship / Appointments

3.1 The Group shall comprise up to 8 cross party Councillors, including the serving Chairman of the Governance & Audit Committee who shall, wherever possible, assume the role of Chairman of the Group. In the event of this not being possible, the Chairman shall be appointed by the Group at the first available meeting.

3.2 The Vice-Chairman of the Group shall be appointed at the first meeting of the Group after all-out elections. For reasons of continuity, these appointments will stand for the duration of each four-year term, except for in the event of change to the membership of the Group.

3.3 The remaining membership may be drawn from across the entire Council, but should aim to ensure suitable representation of all Councillors *[for example, include newly elected **and** returning Councillors, reflect geographical spread, reflect 'other responsibilities' such as full-time work]*.

3.4 Membership shall be appointed at the first Annual Council meeting following all-out elections and shall run for each four-year term of office, with the exception of the serving Chairman of the Governance & Audit Committee, as the Councillor holding this position may change during that time.

3.5 Should membership of the Group be required to change for any reason other than change of the Chairman of the Governance and Audit Committee, appointment to arising vacancies shall be reported for approval by the parent Committee.

3.6 Should the situation arise where there is no longer need of the Group, disbandment will require resolution by the parent committee.

4 Frequency of Meetings and Quorum

4.1 The first meeting of the group following all-out elections shall be held no later than three months after the meeting of Annual Council.

4.2 In recognising that there are times of increased or decreased need for input, the frequency of meetings shall be determined by the Group as needed, however, the Group should meet at least once every four months.

4.3 Meetings shall be called with at least 14 days' notice, and meeting papers shall be distributed with at least five days' notice.

4.4 Meetings will be held predominantly online with the option for hybrid attendance.

4.5 Where a Member of the Group fails to attend two consecutive meetings of the Group without having given due reason for their absence or apologies, the Chairman of the Group shall have the ability to write to the parent Committee to express concerns regarding an individual's non-attendance.

4.5.1 Such concerns will be considered at the parent committee Chairs' Briefing and it will be in the Chairman's gift to determine whether a request is made to the parent committee to revise the membership accordingly.

4.5.2 Where non-attendance relates to the Chairman of the Group, the Member Development Group as a whole will have the same rights as set out above.

4.6 The quorum for a meeting shall be **three** Members of the Group.

4.6 Regular in-quoracy will be reported to the parent committee Chairs' Briefing.

5 Reporting Lines and Accountability

5.1 The Member Training and Development Group is directly responsible to the Governance and Audit Committee and shall report back to the parent committee no less than once a year. Additional reports may be required and/or requested by the parent committee.

5.2 The Member Training and Development Group has no decision-making powers but may make recommendations to the Governance and Audit Committee.

5.3 Members of the Member Training and Development Group are expected to take accountability for the promotion of training and development opportunities amongst their peers, and to encourage Councillor engagement with such opportunities.

6 Resources and Review

6.1 The Group shall be supported by the Civic Engagement and Member Development Officer in the first instance, with additional support available within the Democratic Services team to provide information, guidance and assist with logistics.

6.2 These Terms of Reference shall be reviewed annually by the Group, with approval sought from the parent Committee should any amendments be identified.

Document Reviewed / Approved		
Group / Committee	Date	Officer Initials
G&A Cttee	11/06/24	ES
G&A Cttee		

MEMBER TRAINING & DEVELOPMENT PLAN

2026 – 2030

June 2026

Foreword from the Leader and the Chief Executive

Everyone needs to have the right training to do their job if they are going to be able to perform their duties efficiently. In the demanding and fast changing environment of local government, Councillors, more than ever before, have a responsibility to make sure they access the training and development opportunities available to them, to be able to perform their duties and serve their constituents.

It doesn’t matter whether you are:

- A newly elected Councillor
- A long serving member of the Council or
- In a new position on a regulatory committee such as Licensing or Planning

Whatever your role within the Council, you need to be trained and developed to help you do the things you need to do more efficiently and more effectively.

This Member Training and Development Plan has been put together to ensure that you have the opportunities to develop, and to provide you with the professional skills you need to carry out your role as an elected representative.

You owe it to yourself, the people you represent, and the council itself to take advantage of the Member Training and Development Plan. The plan will ensure that you are fully equipped to serve the needs of the wider community of West Lindsey. We hope that you will take the initiative to attend and engage with the full complement of opportunities offered to you through the course of your Term of Office.

****Add photos and sigs****

Councillor Jackie Brockway
Leader of the Council

Paul Burkinshaw
Chief Executive

Introduction

West Lindsey District Council's Elected Members seek to serve the communities they represent, and the district as a whole, to the best of their ability. Elected Members bring a wide range of political perspectives and personal values to their roles, supported by the leadership and guidance of their respective political groups.

Members have a responsibility to develop relevant policies, to contribute towards the good governance of the area, and to encourage public participation and involvement in decision making.

It is also the duty of Members to respond to local constituency queries impartially and fairly, to be involved in decision making, and to maintain the highest standards of ethics and conduct.

To support this, the Council has committed itself to ensuring that all Members are supported in developing the necessary skills required to perform their duties effectively. The Member Training and Development Plan sets out the vision and aims of Member training and development, the values to which the Council will adhere, and how training and development will be identified, delivered and managed. It is consistent with the Council's overall vision as set out in the Corporate Plan.

Vision and Values of the Member Training and Development Plan

The vision of the Member Training and Development Plan is to ensure that all Elected Members are equipped with the skills, knowledge, and confidence required to perform effectively in their current roles, adapt to future responsibilities, and contribute to the successful delivery of the Council's Corporate Plan priorities. It draws from the themes of the Corporate Plan which can be found online at:

Insert hyperlink

This Member Training and Development Plan focuses on the structured, non-political support provided by the Council to enable all Members to fulfil their roles and contribute to the achievement of the Council's objectives, particularly within the context of Local Government Reorganisation and an evolving governance landscape.

The Plan also recognises that Elected Members undertake their roles alongside other personal and professional commitments. It aims to support Members in balancing these responsibilities by offering flexible and accessible development opportunities, ensuring they can effectively contribute during a period of significant change and transformation.

Council Statement of Intent

West Lindsey District Council is committed to meeting the needs of its communities, particularly as we prepare for the opportunities and challenges presented by Local Government Reorganisation. We place a strong emphasis on the training and development of our Elected Members and recognise the importance of continuous improvement in a rapidly evolving local government landscape.

As the sector undergoes significant change, it is essential that Members are equipped with the knowledge, skills and confidence needed to navigate new structures, responsibilities and ways of working.

We are dedicated to supporting our Members in fulfilling their vital role throughout this transition by:

- Ensuring that all Members are made aware of training and development opportunities, both internally provided and those available elsewhere
- Providing a structured and inclusive process to identify development needs, with active engagement from Members to reflect both current and future roles
- Offering dedicated officer support to assist Members and groups in identifying their development needs and accessing appropriate resources
- Delivering a comprehensive Member Training and Development Plan designed to respond to the evolving demands of Local Government Reorganisation
- Ensuring the effective implementation and regular review of this plan to maintain relevance and impact during the transition

Through this commitment we aim to ensure that all Members are well prepared for Local Government Reorganisation and are equipped to continue delivering effective leadership, strong governance, and high-quality services for the communities of West Lindsey.

Investment + Engagement = Impact

Feedback from Peer Review to add in here

Declaration of Commitment Expected of Councillors

Hand in hand with the explicit commitment from the Council, is the expected commitment from Elected Members to be open to, and engage with, the training and development opportunities on offer. Through political and group meetings, committee membership, engagement with the Member Training and Development Group, and peer / colleague encouragement, Elected Members are requested to be actively and continuously involved with the training and development programme, throughout their term of office.

Purpose of the Member Training and Development Plan

- To establish a clear and consistent framework for Member training and development, aligned with both individual needs and council priorities

- To ensure Members have the skills and knowledge required to effectively carry out their roles and deliver high quality public services

- To promote strong governance and accountability by reinforcing understanding of responsibilities, legal obligations and standards of conduct

- To support confidence, continuous development, and future readiness in an evolving local government environment.

How are we going to do this?

- **Full Induction Process –** Members may be elected once every four years by way of an 'all-out' election, or, in the event of a seat becoming vacant during that four year term of office, Members may be elected through a by-election. Regardless of when or how a Member joins the Council, each and every Councillor will be provided with a full induction, covering subject matters such as the governance model of the council and how committees function, an overview of services provided and whom to contact regarding constituent queries, and specific sessions such as safeguarding responsibilities and meeting procedures.

- **Mandatory Training –** Members will be provided with any and all mandatory training as required by legislation. This relates to specific committees and must be completed at least every two years (years one and three of a four-year term of office), or more frequently in the case of Governance and Audit Committee training.

- **Dedicated Officer Resource –** the council will ensure there is a named officer responsible for Member training and development. This will ensure dedicated focus is maintained for all Member training and development requirements.

- **Regular Review and Adaptation** – Ensuring the plan remains relevant, and aligned with the evolving needs of Elected Members and the Council

- **Effective Identification of Development Needs** – Assessing Member requirements through a structured approach that reflects both internal priorities and external factors, including legislative changes and new service delivery models. Requirements may be identified by Members and Officers alike.

- **Targeted, Flexible and Cost-Effective Delivery** – Designing and delivering role specific training that maximises value, including opportunities for Members to share expertise through peer learning and facilitation, underpinned by a dedicated budget.

- **Robust Monitoring and Evaluation** – Measuring participation, impact and outcomes, and Councillor satisfaction rates, to ensure training is effective, delivers value for money, and supports continuous improvement.

Delivery of Training and Development

Training opportunities will, wherever possible, be delivered in partnership with officers, external partners, and other local authorities to support collaboration and shared learning across the sector, particularly in the context of Local Government Reorganisation.

To meet the diverse development needs, learning styles, and individual circumstances of Members, the plan offers a flexible and varied approach to delivery. This includes maximising the use of the Council's internal expertise and resources to build organisational resilience and support knowledge-sharing during this period of change.

Where specialist knowledge or skills are required, particularly in areas linked to new governance models, service transformation, and emerging responsibilities, the Council will engage trusted external providers to deliver high-quality, cohesive training that represents value for money.

Where there is sufficient demand, training will be delivered locally at West Lindsey District Council wherever feasible, ensuring accessibility while supporting Members to engage actively with the changes associated with Local Government Reorganisation and future service delivery models.

- **In-person workshops and seminars –** Facilitated sessions focused on key topics, skills, and practical application.

- **Online/webinar sessions –** Live virtual training allowing flexible access and wider participation.

- **E-learning modules –** Self-paced learning that Members can complete at a time convenient to them.

- **Briefings and information sessions –** Short, targeted updates on policy changes, legislation, and Council priorities.

- **External training courses and conferences –** Specialist development delivered by external providers and sector organisations.

- **Training for specific committees (e.g. Planning, Licensing) –** Role-specific training tailored to regulatory and governance responsibilities.

- **Induction programmes –** Structured onboarding for newly elected Members or those newly appointed to certain roles.

- **Member Training and Development Newsletter –** sharing upcoming opportunities in a timely manner and summarising course / session information for continuity of access.

- **MS Teams Channel –** maintaining an easy to use, easy to access record of training and development sessions

Transparency of Delivery

To ensure the Member Training and Development Plan is achieving its objectives, the council will:

- Maintain full and accurate training records
- Collate and analyse attendance statistics and feedback responses
- Facilitate the Member Training and Development Group, which will, in turn:
- Report through the parent committee, Governance and Audit.

Approved by Governance & Audit Committee: DATE

Committee: Governance and Audit	
Date: 21st July 2026	

Subject: National Scheme of Delegations for Planning Decisions

Report by:	Director of Planning, Regeneration and Communities
Contact Officer:	Russell Clarkson, Head of Planning (Russell.clarkson@west-lindsey.gov.uk)

Executive Summary:

Under the provisions of the Planning and Infrastructure Act 2025 (the Act), the Secretary of State intends to enact his powers to set out a new national scheme of delegation for planning decisions. The new National Scheme of delegation will set out which planning functions should be delegated to planning officers for a decision; and which should instead go to a planning committee or sub-committee.

The Government has indicated it intends for the National Scheme of Delegation for planning decisions to come into force on 31st October 2026. It has laid draft regulations before Parliament.

It is proposed to split planning applications into two categories:

- Schedule 1 applications which are to be delegated to officers in all circumstances;
- Schedule 2 applications may only be referred to the committee if it is agreed by both the nominated member & nominated officer, using statutory criteria.

'Own interest applications' (those made by the authority, or a member or officer of the authority) may also be referred to the Planning Committee where the nominated member and officer both agree.

This paper therefore considers what measures West Lindsey District Council must take in preparation for the launch of the new National Scheme.

This will include:

- Changes to the Constitution;
- Appointment of the "nominated member" and "nominated officer" (and substitutes);

- Arrangements for how the consideration of cases for referral to committee will operate in practice;
- Recording and reporting of decisions made by the nominated Member and nominated Officer.

Appendices to Report

- The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Draft Regulations 2026
- Extract from Part IV of the Council's Constitution

RECOMMENDATIONS:

(a) That Part IV of the Constitution is amended to reflect that planning decisions made from 31st October 2026 are made in accordance with The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026;

(b) That the constitution makes provision for the appointment of a Nominated Member and Nominated Officer (and substitutes);

(c) That the constitution sets out a triage approach for referring schedule 2 and 'own-interest' applications for discussion between the nominated member and nominated officer;

(d) Provisions are made for recording and reporting decisions taken between the nominated member and nominated officer.

1. Introduction

1.1 Under local government law, planning decisions made by a local authority must be through a committee function, and not a function of the executive. Section 101 of the Local Government Act 1972 provides broad powers for the discharge of committee functions, by either a committee, sub-committee or delegation to an officer.

1.2 Every council has its own scheme of delegation to identify the circumstances where planning decisions are taken by the planning committee rather than delegated to officers. At West Lindsey District Council, the responsibility for functions, including planning decisions, is set out in Part IV of the Council's Constitution (Responsibility for Functions).

1.3 In the year ending December 2025, 96% of planning applications in West Lindsey were determined by officers under delegated powers. This is in line with both the East Midlands average (96%) and the average across England as a whole (96%) for the same period[1].

1.4 In the King's Speech (2024), the government announced that it would 'modernise' the way planning committees operate to '*best deliver for communities and support much needed development'*. The government consequently introduced measures through the Planning and Infrastructure Act 2025 (the Act) to:

- give a new power to the Secretary of State to set out which planning functions should be delegated to planning officers for a decision and which should instead go to a planning committee or sub-committee;
- give a new power to the Secretary of State to control the size and composition of planning committees;
- impose a new requirement for members of planning committees to be trained, and certified, in key elements of planning.

1.5 The Government states:

> *"Planning is principally a local activity because decisions about what to build and where should be shaped by local communities and reflect the views of local residents. That is why the government is determined to ensure every area has an up-to-date local plan developed through significant resident engagement, and it is why the government believes that planning committees have an integral role in providing local democratic oversight of planning decisions. It is, however, vital that in exercising that democratic oversight, planning committees operate as effectively as possible, focusing on those*

[1] Table P134, Live Tables on Planning Application Statistics (https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics#local-planning-authority-performance-tables)

applications which require member input and not revisiting the same decisions."

1.6 From May to July 2025, the Government undertook a technical consultation on how it may implement a new national scheme of delegation for deciding which planning applications should be referred to a committee. In March 2026, the Government published its response to that consultation and confirmed its intention to proceed with a new national scheme of delegation, to be applied across all authorities in England.

1.7 It undertook further consultation (which ran 26th March – 23rd April 2026) on draft regulations and guidance, as to how this would then operate in practice.

1.8 On 1st June 2026, the Government published its response to this second consultation. It confirmed that the Government will proceed for a National Scheme of Delegation for Planning decisions and that they are laying the draft regulations for parliamentary scrutiny. The intention is that the final regulations will be made in July and come into force on 31 October 2026.

2 Proposed National Scheme of Delegation for planning decisions

2.1 The draft regulations (see appendix 1) propose a two-tier approach to planning decisions.

Schedule 1 sets out the list of types of applications that must in all circumstances be delegated to officers.
These includes applications for planning permission for:

- Householder developments;
- minor residential development (consisting of up to 9 new dwellings (flats or houses) on a site smaller than 0.5 hectares);
- minor commercial development (i.e. alterations to existing shops, cafes and businesses);
- Applications for approval of reserved matters, following the grant of outline planning permission (for developments of less than 500 dwellings / 50,000 square metres floorspace);
- as well as a number of supplementary and technical consents such as applications to discharge planning conditions, permission in principle applications; lawful development certificates, 'prior approval' applications and non-material amendments.

However, any of the above application types will be moved to Schedule 2 where:

- a local authority considers that the application for planning permission is connected to a Schedule 2 application for listed building consent or for the variation or discharge of a condition on a listed building consent;
- an application is seeking planning permission retrospectively for works that have already been carried out (under section 73A of the Town and Country Planning Act 1990)

Schedule 2 (Tier B) sets out the list of types of applications that may be determined by an officer; or may be referred to a committee if certain circumstances are met.
These include:

- applications for planning permission which are not householder, minor commercial or minor residential applications;
- Applications for approval of reserved matters following the grant of outline planning permission, for schemes over 500 dwellings / 50,000 square metres floorspace;
- Applications seeking retrospective permission (s73A(1));
- Applications to vary planning permission (S73A); and
- special controls such as listed building, advertisement consents and tree preservation order consents.

2.2 Statutory Government guidance[2] published on 1st June 2026 states (paragraph 22), that *"the presumption should be that decisions are delegated to officers and only exceptionally be referred to committee."*

2.3 Schedule 2 applications may only be referred to a committee where the 'nominated member' and 'nominated officer' agree that, in their view (the reg5(3) 'gateway test'):

A. the application raises an economic, social or environmental issue of significance to the local area; or
B. the application raises a significant planning matter having regard to the development plan and any other material considerations

They must also have regard to any guidance issued by the Secretary of State, in making that decision.

2.4 The statutory guidance states that: *"Nominated officers and nominated members should make every effort to reach agreement on which cases should be referred to committee. However, where agreement is not possible, the case must be determined by officers in accordance with regulation 5(2) or regulation 6(3)."*

2.4 An "**own-interest application**", which are applications made (whether or not jointly with any other person) by the authority, or an officer or member of the authority, can be referred to committee where the nominated member and officer agree (without having to meet the reg.5(3) gateway test). An "own-interest application" can be an application type in either schedule 1 or 2.

2.5 The draft regulations will also limit the size of planning committees to not more than 13 members.

2.6 The draft regulations require the Secretary of State to carry out a review of the Regulations; and publish a report setting out the conclusions of the review; by 31st October 2028.

[2] https://www.gov.uk/government/publications/planning-committees-and-the-national-scheme-of-delegation-of-planning-functions-guidance-for-local-planning-authorities-in-england/planning-committees-and-the-national-scheme-of-delegation-of-planning-functions-guidance-for-local-planning-authorities-in-england

3 Actions Required

Changes to Part IV of the Constitution

3.1 The Constitution currently delegates the determination of planning applications to the Director of Planning, Regeneration and Communities, other than in certain specified circumstances, which may then require referral to the Planning Committee (see appendix 2).

3.2 The Constitution will need to be altered to reflect that such decisions to be taken from 31^{st} October 2026 will need to be made in accordance with The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026.

Appointment of “Nominated Member” and Nominated Officer”

3.3 The Authority will need to appoint a “nominated member” and “nominated officer” who will need to agree whether a schedule 2 application (or ‘own-interest application’) should be referred to the Planning Committee. The statutory guidance states the following (paragraph 10):

a) *the nominated officer should be the Chief Planning Officer or equivalent officer who has extensive professional planning experience. However, local planning authorities will also need to ensure they have other senior planning officers who can provide cover if needed to avoid any unnecessary delays in the referral process (or where there is an own interest application and the Chief Planning Officer or equivalent officer has an interest it).*

b) *the nominated member should be the chair of the planning committee or, where such a role does not exist, the vice chair or equivalent member. As in the case of nominated officers, the authority will need to ensure there are arrangements in place for other members to cover should the nominated member not be available (or where there is an own interest application and the nominated member has an interest in it).*

3.4 Accordingly, it is recommended that through the Constitution, it sets out the appointment of the sitting Chairman of the Planning Committee as the “Nominated Member”. The Deputy Chairman should be appointed as his substitute.

3.5 It is recommended that the Head of Planning is appointed as the “Nominated Officer”. It is recommended that the two Development Management Team Leaders are appointed as his substitutes. The Director of Planning, Regeneration and Communities can also act as the ‘Nominated Officer’ if required.

Transparency and reporting

3.6 The statutory guidance states:

"It is for individual local planning authorities to put in place their own arrangements for how the consideration of cases for referral to committee will operate in practice" (paragraph 12); and,

"As a minimum, the local planning authority should keep a record of the cases the nominated officer and nominated member have considered for referral to committee, the outcome of their consideration and the reasons for their decision. They should report this to the planning committee on a regular basis and make it available on their website." (paragraph 34)

3.7 A 'Referral to Committee' decision record will be created for each application discussed between the nominated member and nominated member. The decision record will capture the outcome of the consideration and the reason for the decision.

3.8 Schedule 2 application discussions and the referral to committee decisions will usually be discussed at the monthly Chairs Briefing but can be agreed in writing (via email).

3.9 The statutory guidance states (paragraphs 13-14):

"It is not a requirement of the national scheme of delegation that nominated officers and nominated members consider all Schedule 2 applications or all own-interest applications for potential referral to committee. Local planning authorities may, through their constitutions, decide which Schedule 2 or own-interest applications need to be considered for referral. The regulations provide for the option for Schedule 2 applications to be considered for committee against the gateway test but do not require all schedule 2 applications to be considered – they will otherwise be delegated to officer.

Where local planning authorities anticipate that there may be a significant number of Schedule 2 or own-interest applications which may need to be considered for referral to committee they may wish to put in place a triage system to ensure that the nominated officer and nominated member of the committee are not overwhelmed and to avoid any unnecessary delays in planning decision making."

3.11 It is therefore recommended that a triage system is put in place to determine which schedule 2 applications are referred to the Nominated Member & Nominated Officer for discussion. It is considered that as a minimum, this would include all 'own-interest applications' and those schedule 2 applications that:

- The Nominated Officer considers it appropriate to do so (i.e. they consider it may meet the 'gateway test'; or has had significant public interest);
- The Nominated Member requests the application for discussion;

- It is subject to outstanding objections from the relevant Parish Council(s);
- It is subject to outstanding objections from the Ward Member(s)
- It is subject to outstanding objections from a statutory consultee.

4. Alternative Options

4.1 It will be a requirement of national legislation to determine planning applications in accordance with the new regulations from 31st October 2026.

	Option	**Rational for not recommending**
1	Do nothing	Applications not determined in accordance with the new regulations would be open to a challenge under Judicial Review
2	Require all schedule 2 applications to be discussed by the Nominated member and Nominated Officer.	This would lead to delays in determining otherwise uncontentious applications – the speed of decision-making is a national key performance indicator (KPI).

ASSOCIATED IMPLICATIONS

Legal:

Amendments to the constitution have been reviewed by the Council's Monitoring Officer.

Financial: FIN/61/27/GA/AP

There are no financial implications arising from this report.

Staffing:

The role of the Head of Planning covers the requirements set out in legislation to be a 'nominated officer'.

LGR implications:

The National Scheme of Delegation will apply to all Authorities in England. It means that at the point of Vesting Day – the new Authority will already have a consistent Scheme of Delegation in place across its administrative boundary for determining planning applications.

Equality and Diversity including Human Rights:

Not applicable

Data Protection Implications:

None applicable

Climate Related Risks and Opportunities:

None applicable.

Section 17 Crime and Disorder Considerations:

None applicable.

Health Implications:
None applicable.

Risk Assessment:
The report proposes a way forward that meets national statutory planning requirements, thus mitigating the risk to the authority of legal challenge.

Title and Location of any Background Papers used in the preparation of this report:

Planning Reform Working Paper: Planning Committees (February 2025)

https://www.gov.uk/government/publications/planning-reform-working-paper-planning-committees/planning-reform-working-paper-planning-committees

Reform of planning committees: Technical Consultation – Government Response (March 2026)

https://www.gov.uk/government/consultations/reform-of-planning-committees-technical-consultation/outcome/reform-of-planning-committees-technical-consultation-government-response

Planning committee reform: statutory consultation on draft regulations and guidance – government response (1st June 2026)

https://www.gov.uk/government/consultations/planning-committee-reform-draft-regulations-and-guidance/outcome/planning-committee-reform-statutory-consultation-on-draft-regulations-and-guidance-government-response#approach-to-reserved-matters-applications

Statutory Guidance - Planning Committees and the National Scheme of Delegation of Planning Functions: Guidance for local planning authorities in England (published 1st June 2026)

https://www.gov.uk/government/publications/planning-committees-and-the-national-scheme-of-delegation-of-planning-functions-guidance-for-local-planning-authorities-in-england/planning-committees-and-the-national-scheme-of-delegation-of-planning-functions-guidance-for-local-planning-authorities-in-england

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**	**X**	**No**	

Draft Regulations laid before Parliament under section 333(3ZAB) of the Town and Country Planning Act 1990 (c. 8), for approval by resolution of each House of Parliament.

D R A F T   S T A T U T O R Y   I N S T R U M E N T S

2026 No.

TOWN AND COUNTRY PLANNING, ENGLAND

LOCAL AUTHORITIES, ENGLAND

The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026

Made - - - -	*****
Coming into force - -	*31st October 2026*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 319ZZC to 319ZZE and 333(2A) and (2B) of the Town and Country Planning Act 1990(**a**).

The Secretary of State has consulted in accordance with section 319ZZE(6)(a) of that Act.

In accordance with section 333(3ZAB) of that Act, a draft of these Regulations has been laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement, extent and application

1.—(1) These Regulations may be cited as the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026.

(2) These Regulations come into force on 31st October 2026.

(3) These Regulations extend to England and Wales, but only apply in relation to England.

Interpretation

2.—(1) In these Regulations—

"arrangements" means arrangements by local authorities under section 101 of the 1972 Act(**b**);

(**a**) 1990 c. 8. Sections 319ZZC to 319ZZE were inserted by section 54(1) of the Planning and Infrastructure Act 2025 (c. 34). Section 333(2A) was inserted by paragraph 14(2) of Schedule 6 to the Planning and Compulsory Purchase Act 2004 (c. 5). Section 333(2B) was inserted by section 130(1)(a) of the Levelling-up and Regeneration Act 2023 (c. 55).

(**b**) 1972 c. 70. See section 319ZZF(4) of the Town and Country Planning Act 1990 (c. 8), as inserted by section 54(1) of the Planning and Infrastructure Act 2025 (c. 34), for the definition of "the 1972 Act".

"committee", in relation to a relevant local planning authority(**a**), means a committee or sub-committee of that authority;

"DMPO" means the Town and Country Planning (Development Management Procedure) (England) Order 2015(**b**);

"dwelling" means a house or a flat;

"excluded flat development" means development in respect of a building containing flats, or development within the curtilage of such a building, that involves either or both of—

(a) a change of use(**c**);

(b) a change to the number of flats;

"flat" means a separate and self-contained set of premises constructed or adapted for use for the purpose of a dwelling and forming part of a building from some other part of which it is divided horizontally;

"householder application" has the same meaning as in DMPO as it has effect when these Regulations come into force(**d**);

"large outline permission" means an outline planning permission which permits development involving either or both of—

(a) the provision of 500 or more dwellings;

(b) the provision of a building or buildings where the floorspace to be created by the development is 50,000 square metres or more;

"Listed Buildings Act" means the Planning (Listed Buildings and Conservation Areas) Act 1990(**e**);

"minor commercial application" has the same meaning as in DMPO as it has effect when these Regulations come into force(**f**);

"minor residential application" means—

(a) an application for planning permission for development that—

(i) includes only dwellings and development for purposes incidental to the enjoyment of dwellings,

(ii) comprises at least one but not more than nine dwellings, and

(iii) is to be carried out on a site having an area smaller than 0.5 hectares;

(b) an application for planning permission for development (other than excluded flat development) of a building containing flats, or development within the curtilage of such a building, for any purpose incidental to the enjoyment of the flats or any of the flats; or

(c) an application for any consent, agreement or approval required by or under a planning permission, development order or local development order for development within paragraph (a) or (b);

"nominated member" has the meaning given in regulation 3;

(**a**) See section 319ZZF(1) of the Town and Country Planning Act 1990 (c. 8) as inserted by section 54(1) of the Planning and Infrastructure Act 2025 (c. 34) for the definition of "relevant local planning authority".
(**b**) S.I. 2015/595.
(**c**) Section 55(1) of the Town and Country Planning Act 1990 (c. 8) provides that "development" includes "the making of any material change in the use of any buildings or other land".
(**d**) See regulation 2(1) of S.I. 2015/595.
(**e**) 1990 c. 9.
(**f**) See regulation 2(1) of S.I. 2015/595.

"nominated officer" has the meaning given in regulation 3;

"outline planning permission" has the same meaning as in DMPO as it has effect when these Regulations come into force(**a**);

"own-interest application" has the meaning given in regulation 6;

"reserved matters" has the same meaning as in DMPO as it has effect when these Regulations come into force(**b**);

"reserved matters approval application" means an application for the approval of reserved matters;

"Schedule 1 application" means an application that—

(a) is of a kind specified in Schedule 1 to these Regulations,

(b) is not a Schedule 2 application, and

(c) is not an own-interest application;

"Schedule 2 application" means an application that—

(a) is of a kind specified in Schedule 2 to these Regulations, and

(b) is not an own-interest application;

"TCPA 1990" means the Town and Country Planning Act 1990(**c**).

(2) Where an application is to be determined by an officer of a relevant local planning authority pursuant to arrangements made under regulation 4, 5(2) or 6(3), the authority must not make arrangements that limit the officer's discretion as to how to determine that application.

(3) Where arrangements are in force under section 101(1)(b) of the 1972 Act for an application made to a relevant local planning authority ("A") to be determined by another relevant local planning authority ("B"), these Regulations apply in relation to that application as though it had been made to B instead of A.

(4) Where arrangements are in force under section 101(5) of the 1972 Act for two or more relevant local planning authorities to discharge any of their functions jointly, these Regulations apply in relation to those functions as if—

(a) references to a committee of a relevant local planning authority included references to a joint committee of those authorities;

(b) references to an officer of a relevant local planning authority included references to an officer of any of those authorities.

Nominated members and officers

3.—(1) A relevant local planning authority may nominate—

(a) a member of the authority to act as the nominated member for the purposes of regulations 5 and 6;

(b) an officer of the authority to act as the nominated officer for the purposes of regulations 5 and 6.

(2) When nominating a member or officer under paragraph (1), a relevant local planning authority may—

(a) nominate different members or officers for different purposes;

(**a**) See regulation 2(1) of S.I. 2015/595.
(**b**) See regulation 2(1) of S.I. 2015/595.
(**c**) 1990 c. 8.

(b) provide for substitute nominated members or nominated officers.

Applications that must be determined by an officer

4. A relevant local planning authority must make arrangements so that any Schedule 1 application made to that authority is determined by an officer of that authority.

Applications that may be determined by a committee or by an officer

5.—(1) A relevant local planning authority must make arrangements so that any Schedule 2 application made to that authority is determined in accordance with paragraphs (2) to (4).

(2) Any Schedule 2 application that is not referred to a committee in accordance with paragraph (3) must be determined by an officer of that authority.

(3) The nominated member and nominated officer may agree to refer a Schedule 2 application to a committee if in their view it raises—

(a) one or more issues of economic, social or environmental significance to the local area, or

(b) one or more significant planning matters having regard to the development plan and any other material considerations.

(4) In considering whether to make a referral under paragraph (3), the nominated member and the nominated officer must have regard to any relevant guidance issued by the Secretary of State under section 319ZZE(4) of TCPA 1990.

Own-interest applications

6.—(1) An own-interest application is an application to a relevant local planning authority of a kind specified in Schedule 1 or Schedule 2 to these Regulations where—

(a) the application is made (whether or not jointly with any other person) by or on behalf of—

(i) that authority,

(ii) a member of that authority, or

(iii) an officer of that authority, or

(b) in the view of the nominated member and the nominated officer, the authority or any of its members or officers otherwise has an interest in the application.

(2) A relevant local planning authority must make arrangements so that any own-interest application made to that authority is determined in accordance with paragraphs (3) to (5).

(3) Any own-interest application that is not referred to a committee in accordance with paragraph (4) must be determined by an officer of that authority.

(4) The nominated member and nominated officer may agree to refer an own-interest application to a committee.

(5) In considering whether to make a referral under paragraph (4), the nominated member and the nominated officer must have regard to any relevant guidance issued by the Secretary of State under section 319ZZE(4) of TCPA 1990.

Limit on size of committee determining applications

7. A committee determining an application pursuant to arrangements under regulation 5 or 6 must not comprise more than 13 members.

Review

8.—(1) By 31st October 2028, the Secretary of State must—

(a) carry out a review of these Regulations, and

(b) publish a report setting out the conclusions of the review.

(2) The review must, in particular—

(a) set out the objectives intended to be achieved by the review,

(b) assess the extent to which those objectives are achieved,

(c) assess whether those objectives remain appropriate, and

(d) set out any proposals for amending these Regulations.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Minister of State
Ministry of Housing, Communities and Local Government

SCHEDULES

SCHEDULE 1

Regulation 4

Applications that must be determined by an officer

1. An application made under section 17(1) of the Land Compensation Act 1961 (certificates of appropriate alternative development)(**a**).

2. An application made under section 26H(1) of the Listed Buildings Act (certificate of lawfulness of proposed works)(**b**).

3. A householder application.

4. A minor commercial application.

5. A minor residential application.

6. An application for permission in principle(**c**).

7.—(1) An application made under section 73(1) of TCPA 1990 (application to develop land without compliance with conditions previously attached) in respect of which the original planning permission was a Schedule 1 planning permission.

(2) In this paragraph—

"original planning permission" means a planning permission which is the first in a sequence of two or more planning permissions, where the second and any subsequent planning permissions were granted under section 73(1) of TCPA 1990;

"Schedule 1 planning permission" means a planning permission granted pursuant to an application which is of a kind specified in this Schedule.

8. An application made under section 96A(4) of TCPA 1990 (non-material changes to planning permission or permission in principle)(**d**).

9.—(1) In respect of a planning obligation that the authority concerned considers is connected with a Schedule 1 approval—

(a) a request to agree to modify or discharge that obligation under section 106A(1)(a) of TCPA 1990 (modification and discharge of planning obligations)(**e**);

(b) an application to modify or discharge that obligation under section 106A(3) of TCPA 1990 (modification and discharge of planning obligations)(**f**).

(2) In this paragraph, "Schedule 1 approval" means any permission, agreement, consent or approval (other than a planning obligation) pursuant to an application which is of a kind specified in this Schedule.

(**a**) 1961 c. 33. Section 17 was substituted by section 232(3) of the Localism Act 2011 (c. 20) and was amended by section 189(3) of the Levelling-up and Regeneration Act 2023 (c. 55).
(**b**) Section 26H(1) was inserted by section 61 of the Enterprise and Regulatory Reform Act 2013 (c. 24).
(**c**) For the definition of "permission in principle", see section 336(1) of the Town and Country Planning Act 1990 (c. 8).
(**d**) Section 96A was inserted by section 190(2) of the Planning Act 2008 (c. 29). Subsection (4) was amended by regulation 3(4)(c) of S.I. 2017/276.
(**e**) Section 106A was inserted by section 12(1) of the Planning and Compensation Act 1991 (c. 34); section 106A(1)(a) was amended by section 34(2) of the Greater London Authority Act 2007 (c. 24).
(**f**) Section 106A(3) was amended by section 34(3) of the Greater London Authority Act 2007 (c. 24).

10. An application made under section 191(1) of TCPA 1990 (certificate of lawfulness of existing use or development)(**a**).

11. An application made under section 192(1) of TCPA 1990 (certificate of lawfulness of proposed use or development)(**b**).

12. The submission of a biodiversity gain plan under paragraph 13(2)(a) of Schedule 7A to TCPA 1990(**c**).

13. A reserved matters approval application in respect of an outline planning permission other than a large outline permission.

14. An application made under article 27(1) of DMPO (applications made under a planning condition).

15. An application pursuant to provision in Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015(**d**) for—

(a) prior approval, or

(b) a determination as to whether prior approval is required.

SCHEDULE 2

Regulation 5

Applications that may be determined by a committee or by an officer

1. An application for listed building consent made under section 10(1) of the Listed Buildings Act (making of applications for listed building consent).

2. An application made under section 19(1) of the Listed Buildings Act (variation or discharge of conditions of listed building consent).

3. An application for planning permission that the authority concerned considers is connected with an application of a kind specified in paragraph 1 or 2.

4. An application for planning permission that is not—

(a) a householder application,

(b) a minor commercial application, or

(c) a minor residential application.

5.—(1) An application made under section 73(1) of TCPA 1990 (application to develop land without compliance with conditions previously attached) in respect of which the original planning permission was a Schedule 2 planning permission.

(2) In this paragraph—

"original planning permission" means a planning permission which is the first in a sequence of two or more planning permissions, where the second and any subsequent planning permissions were granted under section 73(1) of TCPA 1990;

"Schedule 2 planning permission" means a planning permission granted pursuant to an application which is of a kind specified in this Schedule.

(**a**) Section 191 was substituted by section 10(1) of the Planning and Compensation Act 1991 (c. 34).
(**b**) Section 192 was substituted by section 10(1) of the Planning and Compensation Act 1991 (c. 34).
(**c**) Schedule 7A was inserted by paragraph 2 of Schedule 14 to the Environment Act 2021 (c. 30).
(**d**) S.I. 2015/596.

6. An application made under section 73A(1) of TCPA 1990 (planning permission for development already carried out)(**a**).

7.—(1) In respect of a planning obligation that the authority concerned considers is connected with a Schedule 2 approval—

(a) a request to agree to modify or discharge that obligation under section 106A(1)(a) of TCPA 1990 (modification and discharge of planning obligations);

(b) an application to modify or discharge that obligation under section 106A(3) of TCPA 1990 (modification and discharge of planning obligations).

(2) In this paragraph, "Schedule 2 approval" means any permission, agreement, consent or approval (other than a planning obligation) pursuant to an application which is of a kind specified in this Schedule.

8. A reserved matters approval application in respect of a large outline permission.

9. An application made under regulation 9(1) of the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 (application for express consent to display advertisement)(**b**).

10. An application made under regulation 16(1) of the Town and Country Planning (Tree Preservation) (England) Regulations 2012 (application for consent under tree preservation order)(**c**).

(**a**) Section 73A was inserted by paragraph 16(1) of Schedule 7 to the Planning and Compensation Act 1991 (c. 34).
(**b**) S.I. 2007/783.
(**c**) S.I. 2012/605.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations require relevant local planning authorities ("LPAs") in England (as defined by section 319ZZF(1) of the Town and Country Planning Act 1990 (c. 8) ("TCPA 1990")) to make arrangements for specified planning functions to be discharged by committees (including sub-committees) or by officers.

Regulation 4 provides that the function of determining an application of a kind listed in Schedule 1 must be delegated to an officer, unless—

- the application is also of a kind listed in Schedule 2 (for example, a minor residential application which the LPA considers is connected with an application for listed building consent), in which case regulation 5 applies, or
- the application is made by the LPA itself, or a member or officer of the LPA, or the LPA otherwise has an interest in the application (an "own-interest application"), in which case regulation 6 applies.

Regulation 5 provides that the member and officer nominated by the LPA under regulation 3 may refer the function of determining an application of a kind listed in Schedule 2 to a committee, if they agree that the application raises an issue of economic, social or environmental significance to the local area, or raises a significant planning matter. Any such application not referred to a committee must be delegated to an officer. Regulation 5 does not apply to an own-interest application; regulation 6 applies instead.

Regulation 6 provides that the function of determining an own-interest application may be referred to a committee by agreement of the LPA's nominated member and nominated officer, at their discretion. Any such application not referred to a committee must be delegated to an officer.

Regulation 7 provides that any committee determining an application pursuant to these Regulations may have a maximum of 13 members.

Regulation 8 provides that the Secretary of State must undertake a statutory review of these Regulations and publish it by 31st October 2028.

In making and operating arrangements under these Regulations, section 319ZZE(4) and (5) of TCPA 1990 requires LPAs to have regard to any relevant guidance issued by the Secretary of State. Regulations 5(4) and 6(5) require nominated members and nominated officers to have regard to any such guidance when considering whether to refer an application to a committee.

A full impact assessment of the effect on the costs of business, the voluntary sector and the public sector was undertaken in relation to the primary legislation and has been published alongside this instrument, together with an explanatory memorandum, at www.legislation.gov.uk. The full impact assessment is available for inspection at the Planning Directorate, Ministry of Housing, Communities and Local Government, 2 Marsham Street, London, SW1P 4DF.

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Part IV

Responsibility for Functions

Planning Committee

1. To be responsible for the following areas:
    - To determine and advise upon planning applications and local authority development proposals
    - Street naming and numbering
    - Building Regulations
    - Public Path orders
    - Certificates of lawfulness
    - Agreements under section 106 of the Town and Country Planning Act 1990
    - Other agreements associated with specific applications
    - Advertisement consents
    - Revocation/modification orders
    - Enforcement proceedings
    - Tree Preservation orders
    - Consents to fell/lop trees
    - Listed Buildings consents
    - All other notices, demands, permissions and consents or otherwise referred to in Town and Country Planning legislation

2. To make or issue observations and representations on development proposals by the County Council and neighbouring authorities.

3. Conservation and heritage.

4. To administer the registration provisions contained in Town and Country Planning legislation.

5. To exercise the Council's statutory functions in accordance with building regulations and associated legislation.

6. To authorise the institution, prosecution or defence of any legal proceedings in connection with any functions of this committee.

Note: Any Member wishing to serve or substitute on this Committee must have undertaken such training as deemed appropriate by the Monitoring Officer, and as a minimum, within the previous two years of the date of the meeting.

Director of Planning, Regeneration and Communities

Development Management

1. To determine the following:
   - Applications for planning permission;
   - Applications for Listed Buildings and demolition in conservation areas;
   - Applications made under the Hazardous Substances regulations;
   - Applications for consent to display advertisements.

   The above powers cannot be used if the following circumstances apply:

   a) In the case of an application it is intended to determine in conflict with a representation received from a parish or town council, a neighbour or other person or organisation, that application will be referred to the Planning Committee for determination where, in the professional opinion of the Director, or Planning Team Manager, (with consultation of the Monitoring Officer if considered appropriate):

      (i) The representation relates to a “planning matter”; and
      (ii) The representation and the planning matters raised are directly relevant to the application under consideration; and
      (iii) The planning matters under consideration in the determination of the application are finely balanced.

   b) The application has been subject to a request by a Parish Council during the formal 28 day consultation period to have it determined by the Planning Committee for the following reasons: -

      (i) In the opinion of the Parish Council making the request, it would comprise a departure from the policies of the Neighbourhood Plan (which has reached at least the Regulation 16 consultation stage) and they have set out which specific policies they consider are in conflict and why.

      It will be for the Director or Planning Team Manager (with consultation of the MO) to decide in consultation with the Chairman of the Planning Committee, on the basis of the planning reasons given by the Parish Council or planning policies referred to, whether the application should be referred to the Planning Committee for determination.

   c) The application has been subject to a request by a Councillor, made during the formal 28 day consultation period and is supported by relevant planning policies and other material planning considerations that are directly relevant to the application being considered, to have it determined by the Planning Committee for one of the following reasons;

      (i) The application is of major importance or significance to the District as a whole and therefore requires the input of Councillors in its determination

(ii) There is, in the opinion of the Councillor making the request, a valid planning reason why the application should be determined by the Planning Committee and this is supported by relevant planning policy.

It will be for the Director or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) to decide in consultation with the Chairman of the Planning Committee, on the basis of the planning reasons given by the Councillor or planning policies referred to, whether the application should be referred to the Planning Committee for determination.

d) An application has been on deposit in the statutory register for a period of less than 28 days or the period allowed for consultation replies to be received has not expired, whichever is the later.

e) The applicant or agent is a Councillor.

f) The applicant or agent is from the immediate family of a Councillor.

g) The applicant or agent is an officer of the Council.

h) The applicant or agent is from the immediate family of an officer of the Council.

i) The Director of Planning, Regeneration and Communities or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) considers it appropriate that the application is determined by the Planning Committee.

j) Any application where the recommendation is for approval which is in conflict with a policy of the adopted Central Lincolnshire Local Plan or any Neighbourhood Plan.

2. To determine all other matters which are part of the development management process, including (but not exclusively):

a) Approve details to discharge conditions attached to planning permissions.

b) To enter into negotiations and reach agreements concerning obligations, agreements and undertakings – including those to do with s106 of the Town and Country Planning Act 1990 and the Community Infrastructure Levy.

c) To approve the details of agreements and obligations made under the planning acts (including those made under s106 of the Town and Country Planning Act 1990).

d) To approve non-material amendments to planning permissions.

e) To determine those organisations and individuals who should be consulted on planning and other applications.

f) To deal with planning appeals. (**Note: -**“Planning Appeals which involve a member overturn will be dealt with in accordance with the Member Overturn Policy agreed on 26 June 2013/14).

g) To decide the need for and content of environmental statements.

h) To decline to determine applications where a previous application has been dismissed at appeal and the new application is substantially the same.

i) All applications for ‘prior approval’ made under the provisions of the Town & Country Planning General Permitted Development Order 2015 (as amended).

3. To make Tree Preservation Orders and to confirm orders where no objection – relevant under current legislation – has been made.

4. To determine all applications to lop, top or fell protected trees.

5. To determine notices to make safe dangerous trees in private ownership and to take action to make the tree/s safe.

6. To determine all applications for the removal of hedgerows in accordance with the Hedgerow Regulations 1997.

7. To confirm any unopposed footpath orders following the expiration of the statutory consultation period.

8. To determine all applications relating to certificates of lawful use or development and related applications [NB the provisions set out in paragraph 1 points d to g with regard to officer and member applications and family relationships also apply to this category of application].

9. To make objections to the issuing of operators’ licences under the Transport Act 1968 and the Goods Vehicles (Operators Licences Qualifications and Fees) Regulations 1984.

10. To respond to consultations from neighbouring Councils on planning applications which might have an impact on the District, unless in the opinion of the Director of Planning, Regeneration and Communities or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) that impact is of wider significance or of major importance to West Lindsey, under the duty to Co-operate.

11. To respond to consultations on proposals for major infrastructure developments within or having an impact upon the District, unless in the opinion of the Director of Planning, Regeneration and Communities or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) or senior officer that impact is of wider significance or of major importance to West Lindsey, under the duty to Co-operate.

12. To respond to consultations on pipeline consents within the District, unless in the opinion of the Director of Planning, Regeneration and Communities or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) that impact is of wider significance or of major importance to West Lindsey, under the duty to Co-operate.

13. To respond to consultations on county matters or county developments, unless in the opinion of the Director of Planning, Regeneration and Communities or Planning Team Manager (with consultation of the Monitoring Officer if considered appropriate) that impact is of wider significance or of major importance to West Lindsey, under the duty to Co-operate.

14. To draw up service level agreements (SLAs) with other organisations for the effective delivery of services related to regeneration which includes, but is not limited to, economic development, tourism and skills and employment.

15. To enter into partnerships that increase the benefit, services and influence available to West Lindsey District Council with other organisations related to regeneration, which includes, but is not limited to, economic development, tourism and skills and employment.

16. To accept the Examiner’s report and approve that a neighbourhood plan may advance to Public Referendum following a successful independent examination in accordance with the Localism Act 2011 and the Neighbourhood Plan Regulations 2012.

17. To enter into Agreements relating to the adoption of sewers.

Agenda Item 6i

Governance and Audit Committee
Date: 21 July 2026

Subject: Unaudited Statement of Accounts 2025/26

Report by:	Director of Corporate Services (Section 151 Officer)
Contact Officer:	Caroline Capon Corporate Finance Team Leader

Executive Summary:

The Unaudited Statement of Accounts for 2025/26 (Appendix 1) has been prepared under the International Financial Reporting Standards based Code of Practice on Local Authority Accounting

The Accounts and Audit (Amendment) Regulations 2024 require Local Authorities to produce and publish their Statement of Accounts by 30 June 2026 (30 June for 2024/25) and an Audited Statement of Accounts by 31 January 2026 annually (27 February for 2024/25).

The Governance and Audit Committee is therefore presented with the unaudited Statement of Accounts, which was approved for issue to the Auditor, KPMG, by the Director of Corporate Services (S151 Chief Finance Officer) on the 22nd June 2026.

Appendices to Report

- Appendix 1: Unaudited Statement of Accounts

RECOMMENDATION(S):

(a) That Members pre-scrutinise the attached Unaudited Statement of Accounts 2025/26. Any comments of this committee will be referred to the Section 151 Officer and the Council's external auditors, KPMG.

1. Introduction

1.1 The Unaudited Statement of Accounts for 2025/26 (Appendix 1) has been prepared under the International Financial Reporting Standards based Code of Practice on Local Authority Accounting (the Code).

1.2 The Accounts and Audit (Amendment) Regulations 2024 require Local Authorities to produce and publish their Statement of Accounts by 30 June 2026 (30 June for 2024/25) and an Audited Statement of Accounts by 31 January 2026 annually (27 February for 2024/25).

1.3 The Committee is therefore presented with the unaudited Statement of Accounts, which was approved for issue to the Auditor, KPMG, by the Director of Finance and Assets (S151 Chief Finance Officer) on the 22nd June 2026.

1.4 This Committee is responsible for the approval of the Statement of Accounts and any material amendments recommended by the external auditors. The external audit commences on the 3rd August 2026 for approximately 5 weeks, therefore the current target for presenting the audited Statement of Accounts to this committee is the meeting on the 24th November 2026.

1.5 Members of the Governance and Audit Committee will be provided with specific training on the Statement of Accounts to enable them to meet these requirements.

1.6 The unaudited Statement of Accounts has been combined with the Annual Governance Statement (AGS) as in previous years whereby the Council publishes one document, clearly identifying that these are separate statements.

1.7 This Committee will review the Draft Annual Governance Statement alongside the Unaudited Statement of Accounts.

1.8 The Statement of Accounts, and all supporting documentation is available for inspections by the electorate and must include the period from 22nd June 2026 to 2nd August 2026 by appointment only. From 22nd June 2026 to 2nd August 2026, any local elector may make written representations and/or objections to the external auditor to anything about which the auditor could take action under section 7 of the Local Audit and Accountability Act 2014. Those sections deal with expenditure made by the District Council which is unlawful, and any matter in respect of which the auditor could make a report under section 7 of the Act. An elector must send a copy of any such objection to the Director of Corporate Services.

2 The Statement of Accounts

The unaudited Statement of Accounts 2025/26 is attached at Appendix 1. The main elements of which are detailed below;

2.1 Expenditure Funding and Analysis (Note 7 to the accounts)

This is a statement which details the net expenditure utilised by our service Clusters which (chargeable to the General Fund) when added to the statutory accounting adjustments i.e. capital charges, pensions. This then reconciles to the Comprehensive Income and Expenditure Account.

2.2 Comprehensive Income and Expenditure Statement (CIES)

This Statement records the day-to-day expenditure incurred in providing services and includes salaries and wages, other running costs and financing costs and income due from fees and charges and government grants. This statement also shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, but such “accounting costs” do not form part of the amount required to be raised through Council Tax. In 2025/26 there was a surplus on the Provision of Services totalling £3.879m (£6.339m surplus in 2024/25).

2.3 Movement in Reserves Statement (MIRS)

This Statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Council’s services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting. The Councils usable reserves total £30.104m (£28.586m 2024/25).

2.4 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). Usable Reserves total £30.104m (£28.586m 2024/25). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS Statement line ‘Adjustments between accounting basis and funding basis under regulations'. Unusable Reserves total a surplus of £28.389m (£22.338m 2024/25) which gives a net balance sheet position of £58.493m, usable reserves and unusable reserves (£50.924m 2024/25).

2.5 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council. There has been an overall decrease in cash of £0.812m (increase of £1.325m 2024/25).

2.6 Notes to the Accounts

The Notes to the Accounts include additional information including the accounting policies, material items of income and expense and explanations of elements contained within the Comprehensive Income and Expenditure Account and the Balance Sheet.

2.7 Other Financial Statements

The Collection Fund is a statutory fund set up under the provisions of the Local Government Finance Act 1988. It includes the transactions of the charging Authority in relation to Non-Domestic Rates and Council Tax and illustrates the way in which the fund balance is distributed to preceptors and the General Fund.

3 Going Concern

3.1 This is to confirm that in publishing the 2025/26 unaudited Statement of Accounts, Management has assessed the Going Concern for West Lindsey District Council and have not identified any material uncertainty which prevent us from applying this principle.

3.2 The main factors underpinning this assessment are;

- The Council's current financial position – the Council has delivered a balanced revenue outturn position for 2025/26 and has maintained adequate levels of reserves, which meet the minimum risk assessed level.

- The Council's projected financial position – the Council set a balanced budget for 2026/27. The council has developed a number of financial resilience indicators which demonstrate that over the medium term the Council has enough resources to mitigate any projected deficits over the medium term.

- The Chief Finance Officer has made a formal statement on the robustness of estimates and the adequacy of reserves, as contained within the Medium-Term Financial Plan.

- The Council's cash flows are managed on a regular basis to ensure that there are enough funds to meet its financial commitments. The Council has adequate financial resources to meet its immediate financial obligations. The Council could access additional financing from the UK Debt Management Office, should it be required.

- The Council's Governance Arrangements – there is a robust governance framework in place which includes the statutory elements such as the Head of Paid Service, the Monitoring Officer and the Section 151 officer in addition to the current political arrangements (see the AGS).

- The external regulatory and control environment – Local authorities operate in a highly legislated and controlled environment. In addition to the legal framework and central government controls, there are factors such as the role of the external auditor and compliance with best practice such as that published by CIPFA. The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, it would not be appropriate for their financial statements to be prepared on anything other than a going concern basis.

4 Summary

4.1 The unaudited Statement of Accounts 2025/26 are attached at Appendix 1.

4.2 It is recommended that Members having considered the Unaudited Statement of Accounts refer any comments to the Director of Finance and Assets (S151 Officer) for subsequent discussion with the Council's External Auditors, KPMG.

ASSOCIATED IMPLICATIONS

Legal:

The Statement of Accounts is prepared in accordance with the Accounts and Audit (Amendment) Regulations 2024.

Financial: FIN/32/27/G&A/CC

The unaudited Statements of Accounts 2025/26 has been prepared in accordance with proper accounting practices and the requirements of International Financial Reporting Standards (IFRS). This is intended to provide for comparable accounts across all accounting boundaries, public and private, national and international.

The Actual Outturn for 2025/26 reported a surplus of £2.117m, of which £0.629m relates to budget provision for projects which have approval for carry forward as they span financial years. This leaves a £1.488m surplus which has been transferred to reserves. Long Term assets total £70.223m (£69.632m 2024/25). In respect of Usable Reserves, the Council remains in a healthy position with balances detailed below:

- General Fund working balance totals £4.434m, (£4.479m 2024/25)
- General Fund Earmarked reserves total £20.952m, (£19.558m 2024/25)
- Capital receipts total £1.109m (£1.479m 2024/25)
- Capital Grants unapplied £3.609m (£3.070m 2024/25)

The Council remains in a healthy financial position.

Staffing:

None arising from this report.

LGR implications:

None arising from this report.

Equality and Diversity including Human Rights:

None arising from this report.

Data Protection Implications:

None arising from this report.

Climate Related Risks and Opportunities:

None arising from this report.

Section 17 Crime and Disorder Considerations:

None arising from this report.

Health Implications:

None arising from this report.

Risk Assessment:
Should the auditors find any material errors this may result in a qualification of the accounts: **Mitigation:** The auditors have been consulted on any material issues identified during the closedown process and agreement has been made on the treatment of such items. **Mitigation:** A robust quality check has been undertaken and working papers prepared and reviewed.

Title and Location of any Background Papers used in the preparation of this report:

Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Code of Practice on Local Authority Accounting in the United Kingdom – Guidance notes for practitioners 2025/26 Accounts.

The Accounts and Audit (Amendment) Regulations 2024.

Papers are located in the Financial Services section, Guildhall.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	x

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**	x	**No**	

Statement of Accounts and Annual Governance Statement 2025/26

Un-Audited Statement

Contents

A message from the Leader of the Council, Councillor Jackie Brockway

As Leader of West Lindsey District Council, I am pleased to present our Financial Statements for 2025/26. It has been a year of progress, partnership and community. Despite wider challenges facing local government, West Lindsey continues to show what can be achieved when we work together with clarity of purpose and a shared ambition for our district's future. These accounts reflect not only our financial position, but also the careful stewardship and responsible management demonstrated by our Finance Team.

Throughout the financial year, we have continued to deliver meaningful improvements that enhance the lives of our residents. Our regeneration programme has made significant strides, with two major flagship projects in Gainsborough, Whitton Gardens and the Baltic Mill transformation, as well as the opening of a modern four-screen cinema in the heart of Gainsborough's market place. These schemes provide modern café facilities, new green spaces and revitalised riverside areas designed to support local businesses and create welcoming public spaces for residents and visitors alike.

Arts, culture and heritage are thriving within our District and are supported with a range of exciting events. In preparation for the Illuminate Festival, new festoon and feature lighting has been installed in Gainsborough Market Place, helping to enhance the town centre. In Market Rasen, Welton and Gainsborough and the Wolds we held our popular WordFest, bringing people together through sounds, words and pictures.

We have also launched major new investment programmes across the district. Through the UK Shared Prosperity Fund and Rural England Prosperity Fund for 2025/26 the Council approved a £1.3 million investment package to support community-led projects, improve local facilities, strengthen town centres, and boost opportunities for businesses. This includes substantial community grants, support for arts and leisure and a two hours' free parking pilot. A Pride in Place funding programme which will see up to £20m investment in part of Gainsborough over a 10-year period has been announced by government, and the Council will support the board in delivering meaningful projects for residents.

March 2026 saw the roll out of weekly food waste collections as part of the Central Government's Simpler Recycling Legislation. This is a key milestone in our drive toward modernised waste services. The Council has invested in new staff, specialist training, and new vehicles to ensure the service is delivered by our dedicated team with strong knowledge and experience in waste collection.

Supporting people and skills remains a key focus for the Council. This year the West Lindsey Employment and Skills Partnership continued to improve local access to jobs, training and workforce development. Initiatives included community job fairs, expanded access to skills support, and employer engagement to match local people with new opportunities. Additionally, West Lindsey has benefited from a collaborative district wide approach to long term skills planning, ensuring we remain focused on building a strong future workforce aligned with emerging sectors such as clean energy, agri tech and defence.

While financial pressures remain, we have continued to maintain a responsible and balanced financial position. The Local Government Reorganisation consultation closed on 26 March 2026, and we now await confirmation from the Ministry of Housing Communities and Local Government to confirm our next steps. Until then, our commitment to local communities will continue to shine through and the progress we have made reinforces our belief that thriving communities are at the heart of a flourishing district. I am incredibly proud of what we have achieved together this year and look forward to 2026/27.

Message from the Director of Finance and Assets (S151 Officer), Peter Davy

As the Section 151 Officer for West Lindsey District Council, I am pleased to present the Statement of Accounts for the 2025/26 financial year. This report comes at a pivotal moment for the Council, as we continue to navigate a complex national economic environment while maintaining our unwavering commitment to the residents and communities of West Lindsey.

The 2025/26 financial year has been characterised by a clear focus on stability, strong financial stewardship and long term resilience. Despite persistent inflationary pressures, increasing service demand and a continually evolving policy landscape, we remain a financially robust authority.

This Narrative Report provides an overview of in year performance and explains the purpose, structure and key messages from each of the core financial statements. It highlights the most significant financial matters arising during the year and presents a holistic picture of both our financial and non financial performance.

It is important to note the statutory deadlines for preparing the 2025/26 accounts. Draft accounts must be submitted for audit by 30 June 2026, and the backstop date for audit completion and publication has been brought forward by one month to 31 January 2027. We remain fully committed to meeting these revised deadlines.

During the year, we made strong progress against our Corporate Plan objectives. Notably, the Council has now finalised its Levelling Up Fund projects in Gainsborough. Through the UK Shared Prosperity Fund and the Rural England Prosperity Fund, a £1.3 million investment package was approved, with all projects due for completion by September 2026. We have also commenced the Pride in Place Programme, representing up to £20 million of investment over the next decade, and continue to work proactively toward acquiring the former RAF Scampton site to unlock further regeneration opportunities.
The Council has sustained its commercial approach in response to reductions in government funding, ensuring we can continue to maintain quality services, support communities and protect financial sustainability. Several service areas have required additional resources this year due to inflationary cost pressures and increased demand, but careful budget management has ensured these have been accommodated without compromising our overall financial position.

Within these accounts, you will also find reference to our subsidiary companies. These form an important part of our innovative approach to delivering outcomes through commercial activity and strategic partnerships.

Once again, we have demonstrated strong financial stewardship. We achieved a £0.658m surplus from services, supplemented by corporate savings, budget carry forwards and higher than anticipated interest income, resulting in an overall year end surplus of £1.488m. This differs from the £3.879m accounting surplus shown in the Comprehensive Income and Expenditure Statement, as detailed in Note 7 (Expenditure and Funding Analysis). The reconciliation reflects statutory adjustments designed to ensure that taxpayers do not fund non cash accounting movements.

Our Balance Sheet remains strong. Earmarked reserves total £20.952m, set aside to support future investment and service improvement. The General Fund balance stands at £4.434m, significantly above our minimum requirement of £2.0m to £2.5m. This level of resilience provides the flexibility needed to respond to uncertainty and to seize opportunities for growth and development across the district.

Our financial strategy continues to rely on significant capital investment. Both the Capital Investment Strategy and the Treasury Management Strategy remain fully aligned with current CIPFA and MHCLG guidance. Importantly, no new long term borrowing was undertaken during 2025/26, and no new long term borrowing is planned within the Medium Term Financial Strategy.

Looking ahead, the Council faces a number of future financial risks. The Government's consultation on local government reorganisation in Lincolnshire closed on 22 March 2026, the next steps could have significant implications for West Lindsey. In addition, the long awaited Business Rates Reset and Fair Funding Review took place during 2025/26 resulting in a revised national funding system that will apply from 2026/27 onwards. This has been the biggest change to local government funding in many years. Whilst the Council is grateful to have a three-year settlement providing the ability to plan with more certainty the settlement has not increased Council funding. Our Business Rates baseline has been fully reset, removing the locally retained growth accumulated since 2013/14. This results in a significant reduction in our Business Rates income from 2026/27 onwards. The new national funding formula introduced through the Fair Funding Review also redistributes core funding based on updated assessments of need, which has reduced the level of Government grant received by the Council. These changes are reflected in our Medium Term Financial Plan which is balanced over the first three years with only a small drawdown of reserves anticipated in year three.

1. The District of West Lindsey

The District covers 1,156km² (447 square miles), with the administrative centre in Gainsborough on the River Trent to the west, and the market towns of Caistor and Market Rasen to the east.

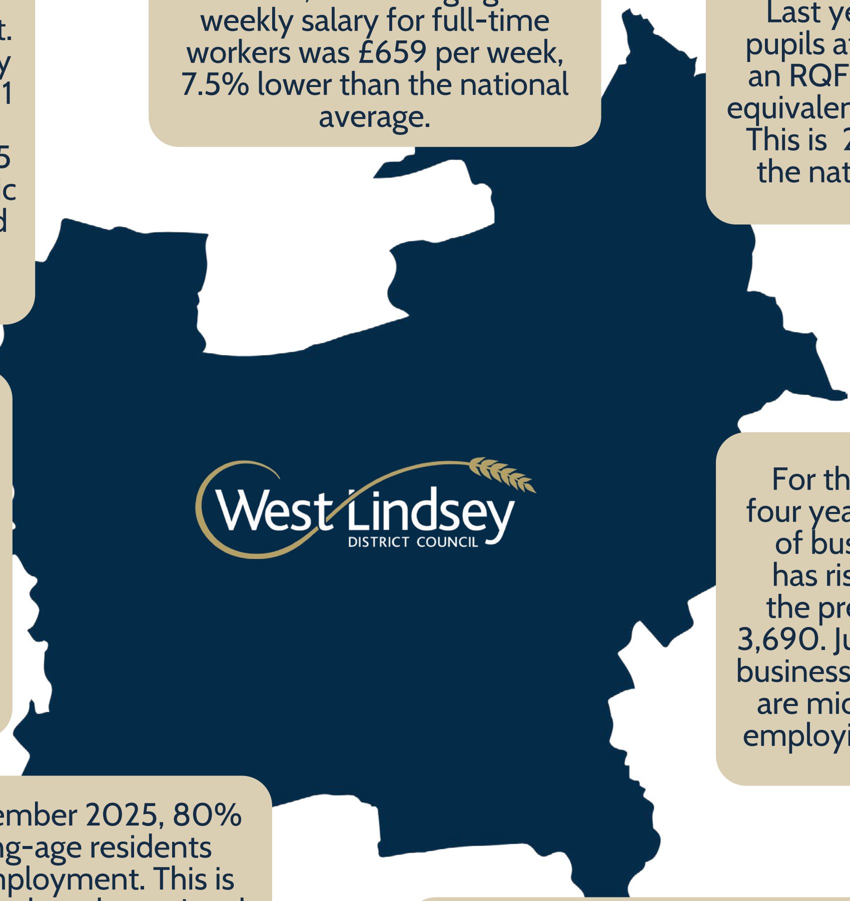
The topography of the District varies from the low Trent Valley to the west to the rolling hills in the Lincolnshire Wolds Area of Outstanding Natural Beauty in the east. There are 20 wards in the district made up of 97 parishes, of which 72 have Parish Councils and 19 smaller ones who have parish meetings. One of the main features of the district is that the population is spread across a large area. The census from 2021 gave the district a population of 95,570 at a density of 82.67 people/km².

The information provided below is based on the latest available.

There are 46,615 households in the district. Of these, 8 are owned by the Local Authority, 4,991 are owned by Private Registered Providers, 105 are owned by other public sector organisations, and the remaining 41,511 are privately owned.

In 2025, the average gross weekly salary for full-time workers was £659 per week, 7.5% lower than the national average.

Last year, 88.5% of pupils attained at least an RQF2 qualification, equivalent to GCSE level. This is 2% higher than the national average.



As of September 2025, a total of 1,735 (or 3%) working-age residents claimed out of work benefits, a slight increase on the previous year but lower than the national average (3.9%)

For the first time in four years, the number of business counts has risen, up 70 on the previous year to 3,690. Just over 90% of businesses in the district are micro-businesses employing 0-9 people.

As of September 2025, 80% of working-age residents were in employment. This is 4,4% higher than the national average. A total of 11,400 residents are economically inactive, a reduction of 1,900 on the previous year and below the national average for the first time since 2022.

The average house price has fallen to £215,000, a decrease of £10,000 on the previous year. This compares to a national average house price of £289,995.

2. West Lindsey District Council

The Council's vision statement is as follows:

"West Lindsey is a great place to be, where people, businesses and communities can thrive and reach their potential."

To achieve this vision, our Corporate Plan priorities for 2025/26 are:

Our People

Health & Wellbeing
to reduce health inequalities and promote wellbeing across the District through the promotion of healthy lifestyles

Vulnerable Groups & Communities
to create strong and self-reliant communities and promote positive life choices for disadvantaged residents

Education & Skills
to facilitate the creation of a highly educated and skilled workforce, that meets the present and future needs of

Our Place

Economy
to ensure that economic regeneration in West Lindsey is sustainable and benefits all of our communities

Housing Growth
to facilitate quality, choice and diversity in the housing market, assist in meeting housing need and demand and deliver high quality housing related services to support growth

Public Safety & Environment
to create a safer, cleaner district in which to live, work and socialise

Our Council

Finances
to remain financially sustainable

Customer
to put the customer at the centre of everything we do

Staff & Members
to maintain our position as a well-managed and well-governed Council

The Corporate Plan can be found online at www.west-lindsey.gov.uk/corporateplan

Our Services:

Our services have been reported to management and Committees in the following clusters during 2025/26:

Our People – Front facing customer services – i.e. Benefits, Council Tax, Operational Services, Homelessness and Housing, Licensing, Customer Services, Food Safety.

Our Place - Area based services, i.e. Development Management, Economic Development, Car Parking, Asset Management, Leisure

Our Council - Corporate services, i.e. Finance, Human Resources, Committee Administration, ICT, Business Improvement, Elections, Corporate Fraud

Each Theme also sets out its strategic aims and the desired outcomes to be achieved for each area of focus.

OUR COMPANIES

The Council holds share equity in the following companies:

WLDC Trading Ltd, Surestaff (Lincs) Ltd, WLDC Staffing Services Ltd, a group of companies created to enable trading commercially. The companies supply agency workers to both West Lindsey District Council (WLDC) and local businesses, supporting the creation of local jobs for local people.

Market Street Renewal Ltd – The company aims to act as a delivery vehicle capable of attracting investment to Gainsborough that might not otherwise have been available to the Council alone. The purpose of the company is to support regeneration of the Town Centre through the redevelopment of properties.

Further information can be found at Note 29.

Our Culture:

Our vision is complemented by a set of values that cut across the whole organisation. We make our values real by demonstrating them in how we behave every day. Our values are central to achieving our behaviours which underpin effective performance in the workplace. Our values are;

OUR VALUES

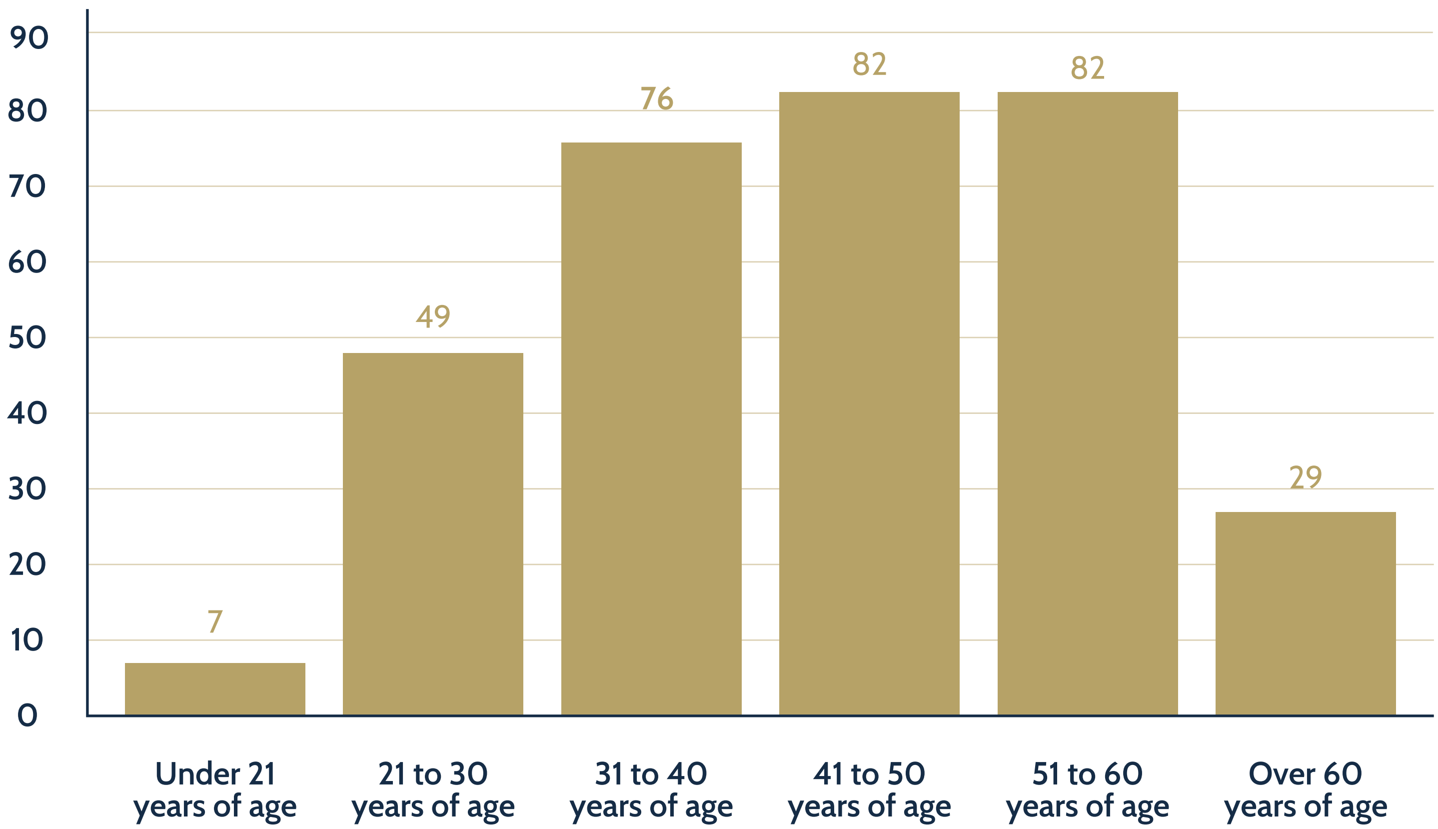
- **Customer First** – to put the customer at the centre of everything we do
- **One Council** – to act as one council, working together to achieve our aims and deliver excellent Council services.
- **Business Smart** – in getting things done to the highest standard
- **Communicating Effectively** – simply, clearly and concisely ensuring message is understood
- **Integrity in Everything we do** – accountable for our decisions and actions, open, fair, honest and trustworthy

Our Resources

The Council is conscious of the demographic of its employees and is keen to ensure business continuity by establishing a workforce development and training plan that will explore and support the organisational need for succession planning.

Staffing numbers as at 31 March 2026 totalled 325 and are analysed by age and gender below:

Number of Employees by Age Range (14 men and 181 women)

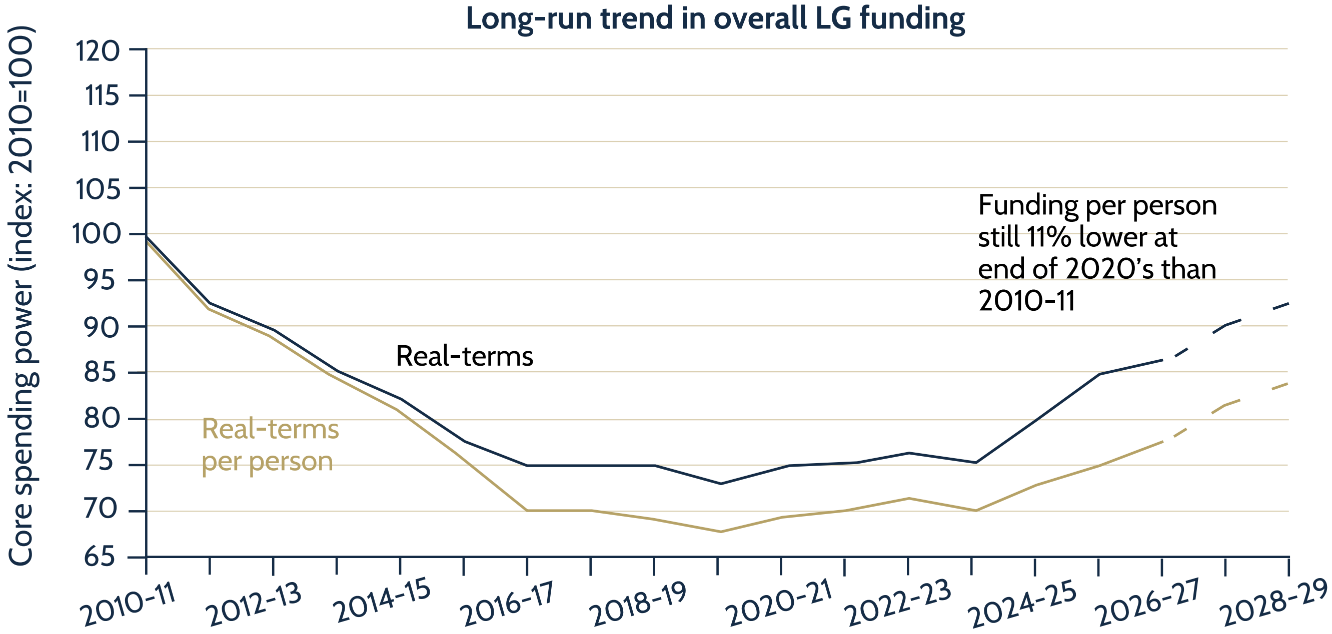


OUR FUNDING

West Lindsey District Council Settlement Funding Government Grant

Since the commencement of government funding cuts in 2010/11 the Council has effectively managed a significant reduction in Settlement Funding Allocation. This is illustrated below by the Institute for Fiscal Studies who have plotted local government funding since the onset of austerity.

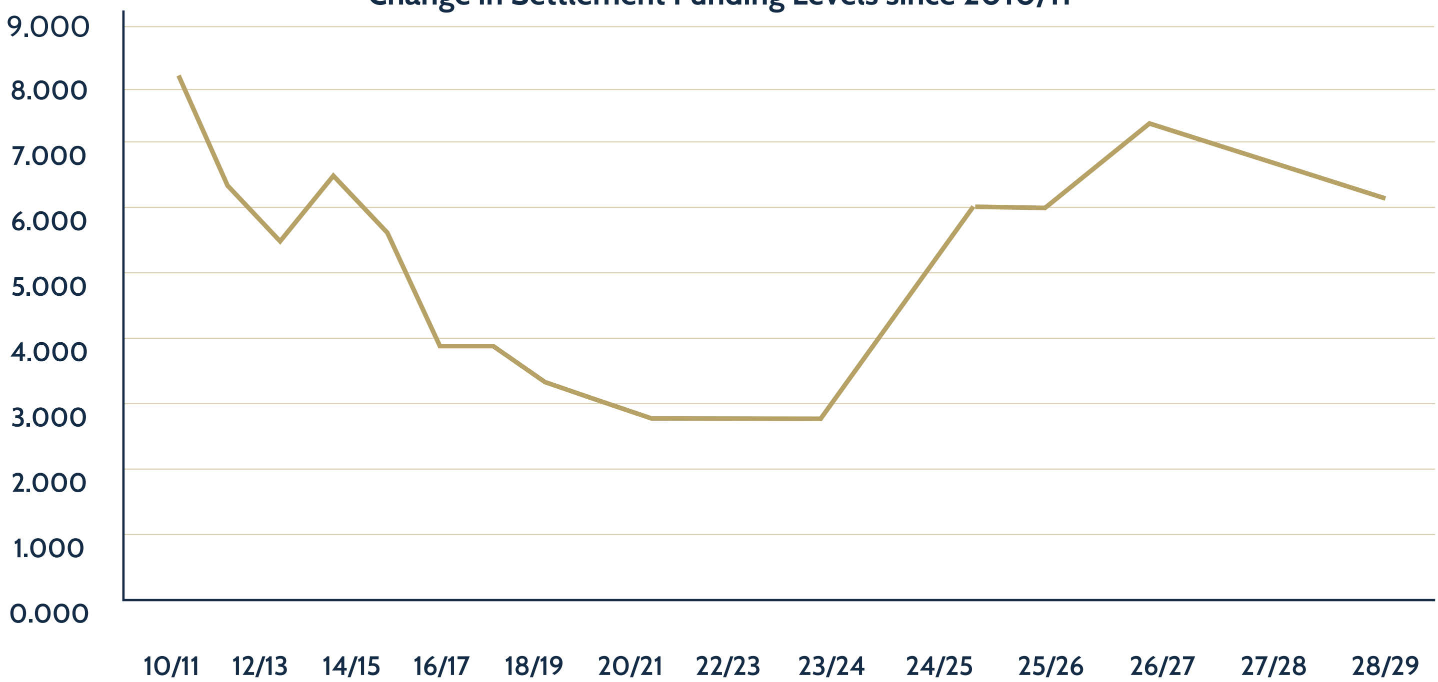
Long-run trend in overall LG funding



This shows that this year core spending power is still set to be 15% lower in aggregate and 23% lower per person than in 2010. Even accounting for retained business rates growth being rolled into core spending power and social care transfers, funding is still projected to be around 11% lower per person in real terms in 2028/29 than in 2010. The council has navigated these cuts through sound financial management and financial strategy initiatives to reduce expenditure and increase income streams.

The Graph below illustrates the change in Settlement Funding Levels since 2010/11:

Change in Settlement Funding Levels since 2010/11



*Higher levels from 2026/27 onwards reflect the retained business rates growth being rolled into core spending power

OUR EXTERNAL ECONOMIC OUTLOOK

During 2025/26, inflation continued to ease, with UK CPI falling to around 3% in January 2026, helped by lower petrol, diesel and food prices. Earlier in 2025, rising energy prices and increases in regulated charges, including water bills, had pushed inflation temporarily higher toward 3.7%, adding pressure to service delivery costs. For West Lindsey, this meant continue though moderating cost pressures across utilities, fuel and contracted services. As inflation fell, interest rates began to edge lower, improving the Council's borrowing position while still reflecting the benefits of earlier strong investment returns.

Ongoing geo-political tensions could cause increased inflation and potentially higher interest rates, or rates staying at current levels throughout 2026. The effects of this will be closely monitored and compensatory action taken where necessary from reserves or contingencies.

We will continue to lobby for additional funding and try to influence the outcome of proposals for the benefit of West Lindsey and its residents through responses to consultations and through our networks; Local Government Association (LGA), Rural Services Network (RSN), Local Councils Network (LCN).

West Lindsey District Council is a key partner in the public, private and third sector and now working with the Mayor of Greater Lincolnshire.

The aim of the Industrial Strategy is to boost productivity by backing businesses to create jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure.

The emerging priorities for the Greater Lincolnshire Local Industrial Strategy are set out below, and based on robust evidence, for the basis of a compelling case to Government and the private sector for investment in our area.

- A rural innovation test bed for energy and water
- An adaptive ports and logistics industry driving greater connectivity
- Future proofing the agricultural food sector
- Supporting people to live well for longer in rural areas
- A high quality, inclusive visitor economy

Importantly for West Lindsey District Council, the Local Industrial Strategy will help to guide the strategic use of local funding streams and act as a gateway to future local growth funding. To this effect we have worked hard to ensure that issues of strategic economic importance to our district, as set out in the Corporate Plan, are well represented.

The Council has a number of key projects in delivery, particularly relating to the Levelling up Fund and the UK Shared Prosperity Fund. In 2025/26 work commenced on the Pride in Place Programme, providing up to £20m per area through empowering local communities to revive high street, improve green spaces and boost community assets. This is an exciting programme which will span a 10 year period. As other opportunities arise, the Council will look to leverage the maximum possible internal and external investment in order to achieve its priorities.

3. How the Council is governed

Political Structure

West Lindsey District Council has 20 wards within its area represented by 36 elected Members (Councillors) who sit on the Council.Councilors can combine into political groups.

The make-up of the groups on the council is currently:

- The West Lindsey Administration Group 30 (13 Conservatives, 11 Liberal Democrats, 3 Independent Councillors, 2 Lincolnshire Independents, and 1 Reform UK)
- The West Lindsey Liberal Democrat Group 6 (5 Liberal Democrats and 1 Independent Councillor).

The Council is managed by the Chief Executive

The current appointments are:

Leader of the Council - Cllr Jackie Brockway
Deputy Leader of the Council - Cllr Moira Westley
Chairman of the Council - Cllr Matthew Boles
Vice Chairman of the Council – Cllr John Barrett

Further information of our Senior Officers is contained in Note 26.

The Councils Constitution sets out the governance arrangements of the Council. The rules, procedures and guidance should provide assurance to our citizens that decisions made in their name have been taken correctly. The Constitution can be found on our website; www.west-lindsey.gov.uk/constitution

The Annual Governance Statement 2025/26 (included with this publication) provides details of the annual review of the effectiveness of its governance framework including the system of internal control.

4. How we operate

The Council operates to achieve our objectives through using our resources (inputs) to achieve value for money (effective, efficient and economical outputs).

The Management Team under the leadership of the Chief Executive, Paul Burkinshaw are responsible for the management of the organisation, delivery of initiatives and projects contained within the Executive Business Plan, which will support delivery of the Corporate Plan.

The Councils key services include;

A restructure of the senior management team and responsibilities is in progress and will be implemented in the 2026/27 Financial Year.

The Councils key services include:

Operational and Commercial Services – keeping communities clean and healthy whilst ensuring a commercial approach is undertaken in the delivery of our services.

Planning and Regeneration – keeping our communities sustainable, encouraging housing regeneration and economic growth in support of job creation.

Change Management and Regulatory Services – Keeping our organisation efficient and keeping our people safe through enforcement and inspection activities Collecting taxes and debts and administering housing benefits.

People and Democratic Services – Managing our valued employees through their engagement, development and utilisation within the organisation in line with our culture and ensuring our governance arrangements are sound.

Homes and Communities – prevention, tackling inequalities and enabling independent living, ensuring we are supporting the health and well-being of our residents and providing housing and support to the vulnerable

Finance, Business Support and Property Services – maintaining a high standard of financial management and seeking best value from our Property Assets.

Our resources include employees, money, partners, contractors, assets etc. which are used to their best effect to deliver the desired outcomes.

5. Performance

The Council is working to its Corporate Plan covering the period 2023-2027. It sets out the Council's vision for the district and sets out key strategic objectives which will deliver desired outcomes for communities. The Corporate Plan is explicitly aligned to the Medium-Term Financial Plan (MTFP) and Executive Business Plan which details key corporate activity which will support the achievement of the Council's aims and objectives. This ensures that the aspirations in the Corporate Plan are realistic within the context of the funding constraints placed on the Council.

The Council continued to deliver its Corporate Priorities, including the following objectives:

Our People

- Ensure housing solutions provide choice and support independence.
- Increase opportunities for participating in sport, leisure and cultural activities across the district.
- Deliver services and health improvements that enable the re-establishment of lives after crisis.
- Improve communities and transform places.
- Support our voluntary and community sector to thrive and be sustainable.
- Reduce inequalities across the district and support identified communities at risk.
- Work with key stakeholders to ensure appropriate skills training and provision is in place.
- Improve access to training and increase employment prospects for West Lindsey residents.
- Provide support in meeting the skills needs of local employers.

Our Place

- Create a thriving and dynamic economic environment in which businesses can reach their full potential.
- Diversify the economic base and support the creation of more highly skilled jobs.
- Maintain a sustainable Local Plan for Central Lincolnshire.
- Maintain housing growth to meet need and demand, using private sector solutions where appropriate.
- Improve housing standards and take appropriate enforcement action where necessary.
- A long-term plan for housing investment that maximises opportunities for affordable housing.
- Connecting our local communities and increasing the quality and provision of green space.
- Use the Council's statutory functions to reduce anti-social behaviour and increase people's feelings of safety in their local communities.
- Ensure the Council is meeting its new duties and obligations under the Environment Act, 2021.

Our Council

- Services that deliver value for money to local taxpayers.
- Delivery of a sound assurance framework.
- Climate responsibility is on a par with fiscal responsibility when making key decisions.
- Deliver high quality, customer centric services that offer an excellent customer experience.
- Modern, sustainable services that offer equality of access to all.
- The ability to understand and meet current and future need and demand based on evidence and insight.
- High performing services that demonstrate a culture of continuous learning and improvement.
- Maintain an effective, highly skilled workforce and ensure members are equipped to fulfil their role and duties.

Baltic Mill

THI Market Rasen

Savoy Cinema

RAF Ingham Heritage Centre

GO Festival

THI Gainsborough Market Place

Financial Performance 2025/26:

The Council is funded from a variety of sources including taxation (Council Tax and Business Rates) and government grants the table below illustrates the amounts received from these sources and future estimates as detailed within the Medium-Term Financial Plan 2025/26 - 2029/30.

Funded By	Actual 2025/26	Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Forecast Budget 2029/30	Forecast Budget 2030/31
Business Rate Retention Scheme	5,935,314	2,994,300	2,971,900	3,031,200	3,061,800	3,091,700
Council Tax	8,148,600	8,591,800	8,981,400	9,389,500	9,814,600	10,259,700
Collection Fund Surplus Council Tax	184,681	212,800	0	0	0	0
New Homes Bonus	499,356	0	0	0	0	0
Other Government Grants	2,777,230	6,529,400	5,580,100	4,978,800	4,899,300	4,827,700

The Council sets its Council Tax annually and for 2025/26 the equivalent Band D rate was £248.76 (£241.55 2024/25) generating £8.149m (£7.752m 2024/25) – this excludes income from Parish Precepts. Further information is provided in the Notes to the Collection Fund.

In addition to these sources of funding, we receive income from fees and charges for services which generates income of £5.854m and interest and investment income totals £2.6m.

Revenue:

The Council approved a revenue budget, including Council Tax charges, for 2025/26 of £21.155m (£18.499m 2024/25). There was no requirement to use the General Fund Balance to provide a balanced budget. The actual out-turn has realised a surplus on services of £1.488m. The Corporate Policy and Resources Committee approved that this would be transferred to earmarked reserves and the general working balance.

The following table reports the revenue actuals against a revised budget for 2025/26 as reported to Corporate Policy and Resources Committee and based on controllable costs/income. This is before any adjustments required by accounting standards that are subsequently reversed under statute, which are included in the Comprehensive Income and Expenditure Account. Note 10 provides details of the accounting adjustments.

Service Cluster	Original Budget	Revised Budget	Actual Outturn	Outturn Variance
Our Council	8,461,200	9,158,000	8,871,496	(286,504)
Our People	2,121,700	2,341,900	2,294,846	(47,054)
Our Place	5,052,900	5,634,300	5,142,174	(492,126)
Cluster Total	**15,635,800**	**17,134,200**	**16,308,516**	**(825,684)**
Interest Receivable	(524,700)	(524,700)	(813,789)	(289,089)
Investment Income – Property	(1,552,700)	(1,670,600)	(1,786,491)	(115,891)
Drainage Board Levies	552,600	552,600	552,590	(10)
Parish Precepts	2,850,200	2,850,200	2,850,190	(10)
Interest Payable	686,000	686,000	569,777	(116,223)
Repayment of Borrowing	980,100	980,100	977,754	(2,346)
Net Revenue Expenditure	**18,627,300**	**20,007,800**	**18,658,547**	**(1,349,253)**
Transfer to/(from) General Fund	(156,600)	(2,159,700)	(2,161,894)	(2,194)
Transfer to/(from) Earmarked Reserves	2,684,300	2,793,600	2,410,320	(383,280)
Amount to be from Government Grants & Council Tax	**21,155,000**	**20,641,700**	**18,906,973**	**(1,734,727)**
Business Rates	(6,654,900)	(6,141,600)	(5,935,314)	206,286
Collection Fund Surplus	(275,600)	(275,600)	(184,681)	90,919
Parish Councils	(2,850,200)	(2,850,200)	(2,850,200)	0
New Homes Bonus	(499,400)	(499,400)	(499,356)	44
Other Government Grants	(2,726,300)	(2,726,300)	(2,777,230)	(50,930)
Council Tax	(8,148,600)	(8,148,600)	(8,148,600)	0
Total Funding	**(21,155,000)**	**(20,641,700)**	**(20,395,381)**	**246,319**
Net	**0**	**0**	**(1,488,408)**	**(1,488,408)**

6. Service Performance

Corporate Health Performance	Actual 2024/25	Target 2025/26	Actual 2025/26
Perspective: Customer			
Volume of received complaints	159	No target set	164
Volume of received compliments	1,602	No target set	1535
Perspective: Financial			
Budget Variance	(£1,125,964)	0	(£1,488,408)
Council Tax in year collection	97.70%	97.73%	97.73%
Perspective: Process			
Average time to resolve a complaint	7 days	14 days	6 days
Major Planning applications determined on time	87%	90%	97%
Non-Major planning applications determined on time	97%	94%	98%
Perspective: Quality			
Service and system availability	100%	98%	100%
Reception Visits (face to face)	45,403	No target set	8250
Telephone calls from customers to the Customer Services Team	49,175	No target set	37,180
E-forms completed by or for customers	65,474	No target set	64,760
Emails from customer to the Customer Services Team	7,145	No target set	7,827
Staff absenteeism	0.64 days	0.6 days	0.54 days

The Council recognises the revenue impact of capital investment and monitors this closely as part of corporate monitoring processes. Business cases supporting capital investment proposals include all revenue impacts and these are assessed as part of the budget setting process to ensure that they are affordable.

Balance Sheet:

Net Assets increased by £7.569m to total of £58.493m (£50.924m 2024/25)

The usable reserves of £30.104m (£28.586m 2024/25) held by the Authority include £20.952m of earmarked reserves (which will support the ongoing investment in the capital programme, development of services and management of financial risks).

Debt and Investments:

The Council has previously undertaken Public Works Loan Board and other Local Authority borrowing to support its cash flows and significant capital investments (further information can be found at Note 18 and 35).

At the end of the year the Council has £19.840m of Treasury investment (£21.750m 2024/25). In addition, long-term borrowing totalled £14.0m with the Public Works Loan Board. Short-term borrowing totalled £10.0m.

Material Liabilities Incurred:

The majority of the employees of the Council are members of the Local Government Pension Scheme (LGPS). The liability for both statutory and discretionary pension benefits, measured on an IAS19 basis has decreased over the year. On 31st March 2026, the Council's net liability reported by the Actuary to the LGPS was £5.245m (£9.831m in 2024/25), a decrease of £4.586m. This is mainly due to changes in the actuarial financial assumptions e.g. change in demographic assumptions and financial assumptions.

At the last formal review in 2025 the Actuary assessed that the West Lindsey District Council Pension Scheme was 14 years from being a fully funded scheme.

More details of the IAS19 valuation are set out in Note 32 to the Financial Statements.

Significant provisions, contingencies and material write-offs:

No significant contingencies or material write offs were recognised in 2025/26.

Staffing Trends

The Council continues to put considerable effort into its drive to become more efficient by streamlining services This has been achieved by introducing a range of measures such as more flexible working, restructuring management and streamlining back-office activities by the use of new technology.

The Council uses full time or part time temporary/fixed term contract staff who provide additional resource for specific projects or service delivery.

Climate and carbon management:

The Council is committed to reducing operational energy use and greenhouse gas emissions and to achieving a net zero Council by 2050, delivered through its Environment & Sustainability Strategy and supporting annual Action Plan. The Council publishes an annual Greenhouse Gas Emissions Report (using DEFRA reporting guidance) covering Scope 1 and 2 emissions and significant Scope 3 emissions. Total gross operational emissions in 2024/25 were 1,550 tCO_2e, compared with a 2008/09 baseline of 2,036 tCO_2e (an overall reduction of around 24%). The Council also seeks to enable progress towards district-wide net zero by 2050 through leadership, partnership and targeted projects, prioritising interventions that deliver wider co-benefits such as reduced running costs, improved asset resilience and support to households and communities.

7. Risks and Opportunities

The Council manages all risks via a formal Approved Code of Practice. As part of the process, comprehensive strategic and service risk registers are maintained and processes are in place for risks identification and review. In addition to risk identification, mitigating actions are agreed to either terminate the risk or reduce its potential impact.

Financial risks are specifically identified and considered within the MTFP report as part of the budget setting process. These risks are then monitored by a number of methods depending upon the type of risk. For example, the risk of income targets not being achieved is monitored through monthly income monitoring and reporting is undertaken with a full review of fees and charges annually which incorporates trend analysis, benchmarking and future demand estimations.

Business Cases for projects within wider Programmes of work, also identify risks and mitigations, these are monitored through a robust process of reporting.

Key Strategic Risks:

Thriving Council:

- Inability to set a sustainable balanced budget.
- The quality of services does not meet realistic customer expectations.
- The Council is underprepared for the impact of extreme weather due to the change in environmental conditions.
- Inability for the Council's governance to support quality decision making.

Thriving People:

- Inability to raise local educational attainment and skills levels.
- Inadequate support is provided for vulnerable groups and communities.
- Health and wellbeing of the district's residents does not improve.

Thriving Place:

- The local housing market and the Council's housing related services do not meet demand.
- The local economy does not grow sufficiently.
- Insufficient action taken to create a cleaner and safer district.
- Inability to deliver our Climate Change ambitions and not deliver net zero carbon emissions by 2050.

Overarching:
- Inability to maintain critical services and deal with emergency events.
- ICT Security and Information Governance arrangements are ineffective.
- Inability to maintain service delivery with the amount of change initiatives.
- Failure to comply with legislation.
- Central Lincolnshire Local Plan does not deliver land required for sustainable development to meet the needs of residents, businesses and communities.
- Inability to deliver the Council's strategic priorities (the Corporate Plan)

Key Future Risks:

Local Government Funding

A major source of uncertainty is the introduction of a new national funding system from **2026/27**, including:

- **A Business Rates Reset**, removing locally retained growth accumulated since 2013/14.

- A new **Fair Funding formula**, reduction in the level of Government grant received.

These changes may create a **funding gap** from 2029/30 that the Council must manage.

Local Government Reform

Government consultation on restructuring councils in Lincolnshire closed in March 2026.

Depending on the outcome, this could lead to:

- Changes in governance,
- Service delivery restructuring,
- Uncertainty for staff, partners and communities.
- Dissolution of West Lindsey District Council past March 2028

8. Future Outlook

Our new Corporate Plan 2026 – 2030 sets out the strategic objectives of the Council. It reflects the opportunities and challenges facing the district and what our residents have told us is important to them. We also express our desired outcome, which will provide our officers with clear direction. It is our aim to ensure that attention is paid to all of our communities, residents and businesses; lives are improved and our district prospers.

The following vision has been adopted by the Council from 1 April 2026:

"To be a trusted provider of good quality services that strive to improve the lives of people and communities across the district, and enhance our places and spaces"

In order to deliver against this vision, the Council will focus on three themes as illustrated below:

- By delivering good quality local government services to residents and businesses.
- By being a well-managed and forward-thinking authority.
- By acting as a place-shaper; shaping the district through priorities that will improve peoples lives, and enhance our places and spaces.

Future Financial Resilience:

The potential funding gap for the Council from 2026/27 to 2030/31 is detailed below:

Medium Term Financial Plan	2026/27 (£)	2027/28 (£)	2028/29 (£)	2029/30 (£)	2030/31 (£)
B Fwd	**1,245,000**	**2,953,500**	**3,477,600**	**3,157,600**	**3,719,000**
Establishment	75,300	153,200	179,200	223,200	247,500
Pressures	399,400	404,000	409,700	415,600	421,200
Income Loss	23,900	23,900	24,100	24,100	24,100
Savings	(479,200)	(523,700)	(564,500)	(610,600)	(648,300)
Income Gain	(1,061,800)	(949,400)	(885,500)	(806,700)	(767,700)
Inflation	51,000	69,900	82,000	61,500	129,100
Contribution to Reserves	1,633,600	241,000	241,000	241,000	241,100
Use of Reserves	0	(720,100)	(1,047,500)	0	0
Increase in MRP	0	46,000	(100)	2,600	0
Increase in Interest Receivable	(128,800)	(33,100)	(89,300)	(116,900)	(164,000)
Movement in Funding:					
Council Tax Surplus	(212,800)	0	0	0	0
Council Tax Yield	(33,700)	(35,500)	(40,000)	(41,800)	(144,900)
Other Government Grants	(3,736,700)	(3,350,900)	(2,925,500)	(2,919,800)	(2,919,800)
Business Rates	2,224,800	1,720,800	1,138,800	1,149,900	1,120,000
Funding Gap	**0**	**0**	**0**	**1,139,700**	**1,257,200**

The Council has a robust budget timetable and will commence its consultation exercise in August 2026. As demonstrated by both levels of reserves and cash-flow whilst there is a funding gap in the Medium Term the Section 151 Officer is comfortable that the Council remains a going concern.

Future Capital Expenditure Plans:

The Council has approved the following capital programme totalling £12.164m funding plans for the period 1 April 2026 to 31 March 2031.

Service Cluster/ Financing	Estimate 2026/27 (£)	Estimate 2027/28 (£)	Estimate 2028/29 (£)	Estimate 2029/30 (£)	Estimate 2030/31 (£)	Total Capital Programme (£)
Our Council	99,300	74,600	141,100	67,700	79,500	462,200
Our People	2,982,500	2,887,500	837,500	837,500	837,500	8,382,500
Our Places	476,200	479,400	978,800	240,000	1,145,000	3,319,400
Grand Total	**3,558,000**	**3,441,500**	**1,957,400**	**1,145,200**	**2,062,000**	**12,164,100**
Grants & Contributions etc	(3,042,400)	(2,887,500)	(837,500)	(837,500)	(837,500)	(8,442,400)
Useable Capital Receipts	(89,700)	0	0	0	0	0
Reserves	(425,900)	(554,000)	(1,119,900)	(307,700)	(1,224,500)	(3,632,000)
Total Funding	**(3,558,000)**	**(3,441,500)**	**(1,957,400)**	**(1,145,200)**	**(2,062,000)**	**(12,164,100)**

For information regarding our plans for 2026/27, please refer to our Medium Term Financial Plan 2026/27 – 2030/31 contained in the Budget Book which can be found on our website at: www.west-lindsey.gov.uk/my-council/contacts-facts-and-figures/council-spending/budget-book

The Financial Statements:

As required by the Code the financial statements which follow consist of the following;

Comprehensive Income and Expenditure Statement (CIES):

Consolidates the total gains and losses experienced during the year and the total income and expenditure. The surplus on the Provision of Services totalled £3.879m (surplus of £6.339m 2024/25).

Movement in Reserves Statement (MIRS):

Shows the movement in the year on the different reserves held by the Council, which are split between those that are available for the Council to spend (usable reserves) and those that have been created to reconcile the technical and statutory accounting (unusable reserves). The Council's usable reserves total £30.104m (£28.586m 2024/25).

Balance Sheet:

The Balance Sheet shows the Councils financial position on 31 March 2026. Showing assets and liabilities in the top part and below the Council's reserves (Net Worth) that match them. Our Net Assets are £58.493m (£50.924m Net Asset 2024/25), with the movement between years mainly affected by the following:

- **Valuation of Long Term property assets -** The Balance Sheet Non-Current Assets mainly relates to property, plant and equipment and includes acquisitions and enhancements, changes in valuations, and disposals. These events have resulted in an overall carrying value of £70.223m, an increase of £0.591m from £69.632m in 2023/24. Further details are contained within Note 15 to the Statement of Accounts.

Local authorities will now move to a five year (quinquennial) revaluation cycle for property, plant and equipment, with annual indexation applied in the intervening years. This replaces the previous expectation of more frequent full revaluations and is intended to reduce audit burden and improve consistency. Under the 2025/26 Code, authorities must apply an appropriate index each year to keep asset values up to date, with the option of a desktop valuation in year three only where no suitable index exists. CIPFA guidance emphasises choosing robust indices, applying proportionate adjustments, and maintaining clear disclosures to support audit requirements.

- **Liabilities -** A significant liability included within long term liabilities is the deficit on the pension fund. This amounts to £5.245m (£9.831m 2024/25) a decrease of £4.586m, this can be attributed to changes to actuarial financial assumptions. Further information on the pension's position is contained within Note 32 to the Statement of Accounts.

Reserves:

Not all reserves can be used to deliver services and this is reflected by reporting reserves in two groups – 'usable' and 'unusable' reserves. Unusable reserves are determined by technical accounting rules and are not available for use by the Council. These have increased by £6.051m to £28.389m (£22.338m 2024/25) Usable reserves have increased by £1.518m to £30.104m (£28.586m 2024/25).

The Council has adequate revenue balances to provide financial security and a safety mechanism for unforeseen events, with the General Fund Working Balance being 24.3% of Net Operating Expenditure for 2025/26, which compares to our strategy minimum of 10%. The need for adequate reserves becomes even more important in view of the financial challenges faced by Councils. Reserves mitigate risks the Council is facing in any one year and which will depend upon the robustness of the estimates within the budgets, the adequacy of budgetary control and external factors such as inflation and interest rates. Such risks may also include changes in Government policy, further funding reductions and market factors.

Capital Reserves:

Capital Receipts Reserve increases as a result of receipts from asset disposals and reduces as capital receipts are used to finance further capital investment. The reserve decreased from £1.479m 2024/25 to £1.109m in 2025/26. In addition, Capital Grants Unapplied Reserve is £3.609m (£3.070m 2024/25) and relates to grant received for specific capital schemes.

Cash Flow Statement - The Cash Flow Statement represents the Council's movement in cash (and cash equivalents) during the year. It shows that there has been a decrease in cash of £0.812m to £18.783m (£19.595m 2024/25) as cash is expended on capital investments.

Expenditure and Funding Analysis (EFA) -The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's clusters.

Supplementary Financial Statements - The Collection Fund represents the council taxes and business rates collected by West Lindsey District Council on behalf of those authorities responsible for services within the district, and Central Government, and the way in which these monies have been distributed among the authorities and Central Government to finance their expenditure.

1. Council's Responsibilities

The Council is required to:

Make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Council, that Officer is the Chief Finance Officer
Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
Approve the Statement of Accounts.

2. Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the CODE).

In preparing this Statement of Accounts, the Chief Finance Officer has:

Selected suitable Accounting Policies and then applied them consistently
Made judgements and estimates that were reasonable and prudent
Complied with the Local Authority Code of Practice
Kept proper accounting records which were up to date
Taken responsible steps for the prevention and detection of fraud and other irregularities

Certification of the Accounts

I certify that the Statement of Accounts for 2025/26 presents a true and fair view of the financial position of West Lindsey District Council at 31 March 2026 and its income and expenditure for the year ended 31 March 2026.

Peter Davy BA (Hons), FMAAT, FCPFA
Director of Finance and Assets (S151 Officer)
West Lindsey District Council

Date:
XXX

Approval of the Accounts

In accordance with the Accounts and Audit (Amendment) Regulations 2024, I certify that the Statement of Accounts was approved by the Governance and Audit Committee.

Councillor Mandy Snee,
Chairman of Governance & Audit Committee
West Lindsey District Council

Date:
XXX

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable' reserves, those created for statutory accounting purposes only. The Movement in Reserves statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/decrease line shows the statutory General Fund Balance movements in the year following those adjustments. The Council's usable reserves total £30.104m in 2025/26 (£28.586m in 2024/25). Further information can be found in Note 7,10 and Note 11. Unusable reserves total £28.389m in 2025/26 (£22.338m in 2024/25) as detailed in Note 24.

Movement in Reserves during 2025/26

	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Balance at 31 March 2025 carried forward	**(24,037)**	**(1,479)**	**(3,070)**	**(28,586)**	**(22,338)**	**(50,924)**
Total Comprehensive Income & Expenditure	(3,879)	0	0	**(3,879)**	(3,690)	**(7,569)**
Adjustment between accounting basis and funding basis under regulations (Note 10)	2,530	370	(539)	**2,361**	(2,361)	**0**
Net (Increase)/ Decrease in 2023/24	(1,349)	370	(539)	**(1,518)**	(6,051)	**(7,569)**
Balance at 31 March 2026 carried forward	**(25,386)**	**(1,109)**	**(3,609)**	**(30,104)**	**(28,389)**	**(58,493)**

The General Fund balance of £25.386m includes earmarked reserves of £20.952m

Movement in Reserves during 2024/25

Balance at 31 March 2024 carried forward	**(23,449)**	**(1,460)**	**(3,577)**	**(28,486)**	**(13,948)**	**(42,434)**
Total Comprehensive Income & Expenditure	(6,339)	0	0	**(6,339)**	(2,147)	**(8,486)**
Adjustment between accounting basis and funding basis under regulations (Note 10)	5,753	(19)	507	**6,241**	(6,241)	**0**
Net Adjustment	(2)	0	0	**(2)**	(2)	**(4)**
Net (Increase)/ Decrease in 2022/23	**(588)**	**(19)**	**507**	**(100)**	**(8,390)**	**(8,490)**
Balance at 31 March 2025 carried forward	**(24,037)**	**(1,479)**	**(3,070)**	**(28,586)**	**(22,338)**	**(50,924)**

The General Fund balance of £24.037m includes earmarked reserves of £19.558m.

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown both in the Expenditure and Funding Analysis (EFA) (Note 7) and the Movement in Reserves Statement (MIRS). There is a surplus on the Provision of Services totalling £3.879m (surplus of £6.339m in 2024/25). Overall Comprehensive Income and Expenditure is £-7.569m (£-8.486m 2024/25)

2024/25				2025/26		
Gross Expenditure £'000	**Gross Income £'000**	**Net Expenditure £'000**		**Gross Expenditure £'000**	**Gross Income £'000**	**Net Expenditure £'000**
23,186	(21,291)	1,895	Our People	19,830	(18,025)	1,805
17,914	(11,741)	6,173	Our Place	10,948	(4,241)	6,707
8,843	(3,263)	5,580	Our Council	11,096	(3,315)	7,781
5	(4)	1	Covid Business Support Grants	3	(3)	0
49,948	**(36,299)**	**13,649**	**Cost of Services**	**41,877**	**(25,584)**	**16,293**
		3,226	Other Operating Expenditure (Note 12)			3,391
		(1,847)	Financing and Investment Income/Expenditure (Note 13)			(1,458)
		(21,367)	Taxation & Non Specific Grant Income/Expenditure (Note 14)			(22,105)
		(6,339)	**(Surplus) or Deficit on Provision of Services**			**(3,879)**
			Items that won't be reclassified to the (Surplus) or Deficit on the Provision of Services			
		(2,627)	(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets (Note 24)			(451)
		480	Remeasurements of the net defined benefit liability/(asset) (Note 32)			(3,239)
		(2,147)	**Items that may be reclassified to (Surplus) or Deficit on the Provision of Services**			**(3,690)**
		0	(Surplus) or deficit on revaluation of available for sale financial assets (Note 24)			0
		(2,147)	**Other Comprehensive Income and Expenditure**			**(3,690)**
		(8,486)	**Total Comprehensive Income and Expenditure**			**(7,569)**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31st March 2025 £'000		31st March 2026 £'000
43,235	Property, Plant & Equipment (Note 15)	44,277
22,952	Investment Properties (Note 16)	23,674
562	Intangible Assets (Note 17)	447
60	Heritage Assets	60
2,056	Long Term Investments (Note 18)	1,057
767	Long Term Debtors (Note 18)	708
69,632	**Total Long Term Assets**	**70,223**
53	Inventories	51
7,007	Short Term Debtors (Note 19)	7,938
19,595	Cash and Cash Equivalents (Note 20)	18,783
26,655	**Total Current Assets**	**26,772**
(10,000)	Short Term Borrowing (Note 18)	(10,077)
(6,834)	Short Term Creditors (Note 21)	(5,902)
(568)	Short Term Provisions (Note 22)	(804)
(165)	Grants Receipts in Advance - Revenue (Note 28)	(373)
(2,767)	Grants Receipts in Advance - Capital (Note 28)	(472)
(20,334)	**Total Current Liabilities**	**(17,628)**
(14,000)	Long Term Borrowing (Note 18)	(14,000)
	Long Term Lease Liability	0
(9,831)	Pensions Liability (Note 32)	(5,245)
(1,198)	Grants Receipts in Advance - Capital (Note 28)	(1,597)
(25,029)	**Total Long Term Liabilities**	**(20,874)**
50,924	**Total Net Assets/Liabilities**	**58,493**
(28,586)	Usable Reserves (Note 23)	(30,104)
(22,338)	Unusable Reserves (Note 24)	(28,389)
(50,924)	**Total Reserves**	**(58,493)**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cashflows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Council. The movement in overall cash is an decrease of £0.812 (increase of £1.325m 2024/25).

2024/25 £'000		2025/26 £'000
6,339	**Net Surplus or (Deficit) on the Provision of Services**	**3,879**
1,315	Depreciation of Property, Plant and Equipment	1,476
(2,318)	Impairment and downward valuations	9
212	Amortisation of Intangible Assets	145
(507)	Increase/(Decrease) in Creditors	(1,186)
(180)	Increase/(Decrease) in Debtors	(448)
(8)	Increase/(Decrease) in Inventories (Stock)	2
(1,044)	Movement in Pension Liability	(1,347)
4	Carrying amount for non-current assets and non-current Assets Held For Sale, sold or derecognised	5
69	Other non cash items charged to the net surplus or deficit on the Provision of Services	(333)
(2,457)	**Adjustments to net surplus or deficit on the Provision of Services for non-cash movements**	**(1,677)**
(951)	**Adjust for items included in the net surplus or deficit on the Provision of Services that are investing/financing activities**	**(4,400)**
2,931	**Net Cash Flows from Operating Activities**	**(2,198)**
(2,440)	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,927)
(38)	Purchase of short-term (not considered to be cash equivalents) and long-term Investments	0
(349)	Other payments for investing activities	(2)
138	Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	76
0	Proceeds from short-term (not considered to be cash equivalents) and long-term Investments	0
1,595	Other receipts from investing activities	4,026
(1,094)	**Net Cash Flows from Investing Activities**	**1,173**
20,000	Cash receipts of short and long term borrowing	15,000
(512)	Other payments/receipts from financing activities	260
(20,000)	Repayments of short and long term borrowing	(15,000)
	Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	0
(512)	**Net Cash Flows from Financing Activities**	**213**
1,325	**Net increase or (decrease) in cash and cash equivalents**	**(812)**
18,270	**Cash and cash equivalents at the beginning of the reporting period**	**19,595**
19,595	**Cash and cash equivalents at the end of the reporting period (Note 20)**	**18,783**

i General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code) and the Service Reporting Code of Practice 2025/26, supported by the International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received, (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made. Expenses incurred, which relate to employees, are not accrued for as they are considered to be relatively stable year on year and omitting them would not result in a material error.
- Interest receivable on investments and payable on borrowings is accounted for as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii Acquisitions

All operations acquired in year will be treated in line with the Council's accounting policies and if material disclosed separately on the face of the Comprehensive Income and Expenditure Statement.

iv Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition or as at the balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value.
In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

v Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vi Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

vii Council Tax and National Non-Domestic Rates (Business Rates)

Billing authorities act as agents, collecting council tax and non-domestic rates (NNDR) on behalf of the major preceptors (including government for NNDR) and, as principals, collecting council tax and NNDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NNDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NNDR collected could be less or more than predicted.

The council tax and NNDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NNDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

viii Employee Benefits

The Council accounts for employment and post-employment benefits when employees earn them and the Council is committed to providing them, even if the actual provision might be many years into the future. Employee benefits are accounted for in the following four categories:

a) Benefits Payable During Employment

Short-term employee benefits are those due to be settled payable within twelve months of the Balance Sheet date and include, wages, salaries, social security contributions, paid annual leave and paid sick leave, bonuses and non-monetary benefits, and similar payments and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

b) Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line (or in discontinued operations) in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

c) Post – Employment Benefits

Employees of the Council are eligible to be members of the Local Government Pension Scheme (LGPS) Lincolnshire Pension Fund, administered by Lincolnshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

d) The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme.

- Liabilities of the Lincolnshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.80% determined by reference to market yields at the end of the reporting period on high quality corporate bonds (iBoxx AA over 15 year index).
- The assets of the Lincolnshire Pension Fund attributable to the Council are included in the Balance Sheet at fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value

The assessment process takes the most recent triennial actuarial valuation and updates it to reflect current conditions.

The change in the net pensions' liability is analysed into the following components:

Service cost comprising:

Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past Service Costs – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Net Interest – on the net defined benefit liability/asset, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability/asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset at the beginning of the period taking into account any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments.

Re-measurement comprising:

Return on scheme assets – excluding amounts included in net interest on the net defined benefit liability/asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Actuarial gains and losses - changes in net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Lincolnshire Pension Fund

Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Further information can be found in the Lincolnshire Local Government Pension Fund Annual Report. Which is available at the following link;

https://www.lincolnshire.gov.uk/local-democracy/finances-and-budget/

Lincolnshire Pension Fund.

or the following address;

Treasury and Financial Strategy,
Lincolnshire County Council,
County Offices
Newland,
Lincoln, LN1 1YG

ix Events after the Reporting Period

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events,
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

x Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Financial liabilities are classified into two types:

- amortised cost – liabilities that are not held for trading, such as operational creditors and borrowings; and
- fair value through profit or loss – liabilities held for trading.

The Council currently only has liabilities carried at amortised cost relating to Finance Leases and borrowing, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the lease or loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the financial instrument.

For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

The Council has made no soft loans (loans at less than Market Rate) as at 31/03/2026.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Council has a portfolio of loans to measure lifetime expected losses; this will be assessed on each individual instrument basis. This will take into account materiality, history of default, and impact sensitivity of amendments such as interest rate changes.

Financial Assets Measured at Fair Value through Profit of Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)
The Council currently holds no financial instruments at fair value through Other Comprehensive Income.

xi Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants or contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be utilised for infrastructure projects to support the development of the area. As a collecting and charging authority an element of the charge is credited to the Comprehensive Income and Expenditure Statement for administration costs, the income is shared with Parish Councils and Lincolnshire County Council to support agreed infrastructure schemes. Amounts will be held on the Balance Sheet until paid over to the relevant bodies.

xii Heritage Assets – General

The Council holds Civic Regalia as a Heritage Asset.

Heritage assets are recognised and measured (including the treatment of valuation gains and losses) in accordance with the Council's policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The carrying amount of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – (see Accounting Policy xviv Property Plant and Equipment) in this summary of significant accounting policies.

xiii Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences, rights to use land) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. All such expenditure is accounted for on an accruals basis and capitalised as a non-current asset.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiv. Interests in Companies and Other Entities

The Council has interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses. The judgement by the S151 Officer is that there is no material impact on the Statement of Accounts. Group Accounts are therefore not required for 2025/26.

xv Inventories and long-term contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvi Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and for any sale proceeds (greater than £10,000) the Capital Receipts Reserve.

xvii Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and the resources of those joint operators. In relation to its interest in a joint operation, the Council as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

xviii Leases

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.
Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority’s incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date

- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The authority as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xix Property Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is possible that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an assets potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred. Assets acquired above a de-minimis of £10,000 are capitalised.

Measurement

Assets are initially measured at cost, comprising;

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure assets, community assets and assets under construction – depreciated historical cost
- surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year–end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives commencing on the date the asset is commissioned and included in the Council's accounts. An exception is made for assets without a determinable useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight line allocation over the life of the property as estimated by the valuer with the exception of a number of leased shops, where the remaining term of the lease is used
- Vehicles, plant and equipment – straight line allocation over the life of the asset, as advised by a suitably qualified officer.
- Infrastructure – straight line allocation.

Asset Useful Economic Lives Assumed

Assets	Useful Life Range
Office/Leisure Centre	25 to 60 years
Crematorium	25 to 60 years
Depots & Stores	25 to 60 years
Shops	25 to 60 years
Public Conveniences	49 years
CCTV Systems/IT equipment/Wheeled Bins/Office Equipment/Led Lighting/Crematorium Equipment	1 to 25 years
Vehicles/Bin Lifters	1 to 7 years
Infrastructure Assets	1 to 25 years
Dwellings	54 years

Where an item of PPE asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Materiality levels have been assessed and a materiality level of £0.5m for major components has been applied.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and credited to the Capital Receipts Reserve. The balance on the Capital Receipts Reserve can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xx Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required or a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent liabilities

A contingent liability arises when an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed only by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xxi Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingences. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the

Council – these reserves are explained in the relevant policies.

xxii Revenue Expenditure Funded From Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxiii Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxiv Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

The Council measures the fair value of an asset or liability using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

Notes to the Accounts (2): Accounting Standards that have been issued but have not been adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Council is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the code.

The following Accounting Standards and amendments have been issued but will not be adopted until the 2026/27 financial year.

a. Amendments to FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issue in March 2024
b. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
c. Annual Improvement to IFRS accounting standards - Volume 11 issued in July 2024
d. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024

There is no anticipated impact for West Lindsey District Council as a result of these amendments.

Notes to the Accounts (3): Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Future Government Funding

There is a high degree of uncertainty about future levels of funding for local government. However, the Council has a robust Financial Strategy and a 5 year Financial Plan which illustrates that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate. As the Council cannot be dissolved without statutory prescription, the accounts have been prepared on a going concern basis.

Group Boundaries

The council has used its judgement in assessing its group boundaries using the criteria outlined in the Code of Practice. All organisations assessed did not meet the criteria for group accounts.

Pension Fund Liabilities

An actuarial evaluation of the Lincolnshire Pension Fund is undertaken every three years by the funds actuary, Barnett Waddingham with annual updates in the intervening years. This methodolgy is in line with IAS19. Estimates of the pension assets and liabilities are sensitve to actuarial assumptions and can vary significantly based on changes to these assumptions. A sensitivity analysis can be found in Note 32

Business Rates

The Council collects a net income of £20.740m (£19.544m 24/25) from Business Rates. The assumptions made about the outcome of appeals against the Valuation Office Listed Rateable Value, becomes a significant and critical judgement. Assessments are made based on previous experience of the 2005 and 2010 list and also any settled appeals against the 2017 list. The Council's share of any reduction is 40%. Any impact on the overall position is mitigated by a safety net of 7.5% of our baseline funding which is approximately £3.035m. As the Council is in the Lincolnshire Business Rates Pool, the Pool will ensure that no partner will lose more than 7.5% of their baseline funding. However, due to a technical adjustment if the Council did enter the safety net it would only impact the general fund the year after this happens. Any impact on the overall position is mitigated by a safety net of 7.5% of our baseline funding which is approximately £3.007m. As the Council is in the Lincolnshire Business Rates Pool, the Pool will ensure that no partner will lose more than 7.5% of their baseline funding. However, due to a technical adjustment if the Council did enter the safety net it would only impact the general fund the year after this happens.

Notes to the Accounts (4): Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are:

Revenue Costs and Reserves

The Cost of Living Crisis during 2025/26 coupled with inflation have pushed up costs considerably, particularly in regards of contract inflation. These increased revenue costs have been factored into the Council's medium term financial strategy where possible.

Business Rates

Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in 2025/26 and earlier financial years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses may have been overcharged up to March 2026. The estimate has been calculated using the analysis of successful appeals to date against the 2017 and 2023 rating lists.

Property Plant and Equipment

Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of the asset is carried out in year three of the five-year cycle.

Based on the assets that were valued in the year as part of the five-year rolling revaluation programme, the average increase in the value of assets was 1.24%. For those assets where indexation was applied, the average increase in the value of assets was 0.58%.

If the valuation percentage was applied to the assets valued using indices, this would increase their Balance Sheet value by £396k, compared to an indexation increase of £185k.

Pensions Liability

The estimation of the net liability to pay pensions depends on a number of judgements relating to the discounts used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting Actuaries is engaged by Lincolnshire County Council, the administering authority for the Local Government Pension Scheme, to provide expert advice about the assumptions to be applied. During 2025/26 the Council's Actuaries advised that the net pension liability had decreased by £4.586m to £5.245m. A sensitivity analysis can be found in the Defined Benefit Pension Schemes, Note 32.

A full valuation of the Pension Scheme was undertaken during 2025/26, as at 31st March 2025.

Arrears

At 31st March 2026 the Council had arrears of £3.989m (£3.453m 24/25) outstanding mainly in respect of sundry debtors, Business Rates and housing benefit overpayments debtors. A review of balances outstanding, recovery performance and future looking review has resulted in an impairment allowance of £1.716m (£1.595m 24/25) . However, if circumstances were to deteriorate then an additional loss allowance would be required and an assessment made if a lifetime credit allowance should be applied.

Fair Value

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cashflow model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However changes in the assumptions used could affect the fair value of the council's assets and liabilities.

With regard to fair value estimates of Surplus and Investment Properties, where Level 1 inputs are not available, the Council employs RICS qualified valuers (Wilks, Head & Eve) to identify the most appropriate valuation techniques to determine fair value. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers on a regular basis regarding all valuation matters. Information about the valuation techniques and inputs used in determining the fair value of the council's assets and liabilities is disclosed in **Note 15, 16 and 17.**

With regards assets valued at fair value, no assets are classed as level 1 in the Fair Value Hierarchy. The majority of these assets are Level 2 which utilises quoted market place prices with adjustments for location and condition. The significant unobservable inputs used in the fair value measurement include estimated cash flows from the assets and assumptions regarding rental values. Significant changes in any of the unobservable inputs or the level two assumptions would result in a significantly higher or lower fair value measurement for these assets.

Notes to the Accounts (5): Material Items of Income and Expenditure

For the purpose of this disclosure note the Council considers material items to be those greater than £1.120m. In 2025/26 there are no material items of Income or Expenditure to report.

Notes to the Accounts (6): Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Director - Finance and Assets (S151 Officer) on 22nd June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing as at 22nd June 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The objective of the expenditure and funding analysis is to demonstrate to council tax payers how the funding available to the Council (for example, government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service clusters. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25				2025/26		
Net Expenditure Chargeable to General Fund £'000	**Adjustments (Note 7a) £'000**	**Net Expenditure in Income & Expenditure Statement £'000**		**Net Expenditure Chargeable to General Fund £'000**	**Adjustments (Note 7a) £'000**	**Net Expenditure in Income & Expenditure Statement £'000**
1,708	187	1,895	Our People	2,184	(379)	1,805
4,619	1,554	6,173	Our Place	4,994	1,713	6,707
7,393	(1,813)	5,580	Our Council	8,505	(724)	7,781
1	0	1	Covid Business Support Grants	0	0	0
13,721	**(72)**	**13,649**	**Net Cost of Services**	**15,683**	**610**	**16,293**
(14,307)	(5,681)	(19,988)	Other Income/ Expenditure	(17,032)	(3,140)	(20,172)
(586)	**(5,753)**	**(6,339)**	**(Surplus) or Deficit**	**(1,349)**	**(2,530)**	**(3,879)**
(23,449)			Opening General Fund Balance	(24,037)		
(2)			Rounding Difference Brought Forward	0		
(586)			(Surplus) or Deficit in Year	(1,349)		
(24,037)			**Closing General Fund Balance (31 March)**	**(25,386)**		

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund Balance to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments between Funding and Accounting Basis

	2025/26			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	**Adjustments for Capital Purposes £'000**	**Net Change for Pensions' Adjustments £'000**	**Other Statutory Differences £'000**	**Total Adjustments £'000**
Our People	(19)	(201)	8	**(212)**
Our Place	1,888	(375)	33	**1,546**
Our Council	505	(1,251)	22	**(724)**
Covid Business Support Grants	0	0	0	**0**
Net Cost of Services	**2,374**	**(1,827)**	**63**	**610**
Other Income & Expenditure	(1,630)	480	(1,990)	**(3,140)**
Difference*	**744**	**(1,347)**	**(1,927)**	**(2,530)**

	2024/25			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	**Adjustments for Capital Purposes £'000**	**Net Change for Pensions' Adjustments £'000**	**Other Statutory Differences £'000**	**Total Adjustments £'000**
Our People	274	(108)	21	**187**
Our Place	1,779	(230)	5	**1,554**
Our Council	(775)	(1,060)	22	**(1,813)**
Covid Business Support Grants	0	0	0	**0**
Net Cost of Services	**1,278**	**(1,398)**	**48**	**(72)**
Other Income & Expenditure	(2,473)	354	(3,562)	**(5,681)**
Difference*	**(1,195)**	**(1,044)**	**(3,514)**	**(5,753)**

* Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services

Notes to the Expenditure and Funding Analysis:

1. **Adjustments for Capital Purposes**

The adjustments for capital purposes column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

Other Operating Expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices..

Taxation and non-specific grant income and expenditure - Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

2. **Net change for the pensions' adjustments**

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement

3. Other Statutory Adjustments

Other statutory adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

The charge under **Taxation and non-specific grants income and expenditure** represents the difference between what is chargeable under statutory regulations for Council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Notes to the Accounts (8): Segmental Income

2024/25 Income from Services: £'000		2025/26 Income from Services: £'000
(706)	Our People	(607)
(2,502)	Our Place	(3,030)
(2,968)	Our Council	(3,035)
(6,176)	**Total Income analysed on a segmental basis**	**(6,672)**

Included within the Segmental Income note is the following material income for services provided in 2025/26.

Our Place: £1.640m Development Control Application Fees (£1.036m in 2024/25)
Our Council: £1.260m of income relating to Green Waste Service Charges (£1.231m in 2024/25)

Notes to the Accounts (9): Expenditure and Income Analysed by Nature

Expenditure and Income 2025/26:	Our People £'000	Our Place £'000	Our Council £'000	Covid Business Support Grants £'000	Corporate Amounts £'000	Total £'000
Employee benefits expenses	2,706	5,388	6,752	0	16	**14,862**
Other services expenses	13,460	2,899	3,839	3	(4,211)	**15,990**
Depreciation, amortisation, impairment	3,663	2,661	505	0	276	**7,105**
Interest payments	0	0	0	0	5,318	**5,318**
Precepts and levies	0	0	0	0	3,403	**3,403**
Disposal of assets	1	0	0	0	28	**29**
Total Expenditure	**19,830**	**10,948**	**11,096**	**3**	**4,830**	**46,707**
Fees, charges & other services	(607)	(3,030)	(3,035)	0	(2,083)	**(8,755)**
Interest & Investment income	0	0	0	0	(814)	**(814)**
Income from Council Tax and Non-Domestic Rates	0	0	0	0	(17,119)	**(17,119)**
Government Grants & contributions	(17,418)	(1,211)	(280)	(3)	(4,986)	**(23,898)**
Total Income	**(18,025)**	**(4,241)**	**(3,315)**	**(3)**	**(25,002)**	**(50,586)**
(Surplus) or Deficit on the Provision of Services	**1,805**	**6,707**	**7,781**	**0**	**(20,172)**	**(3,879)**

Expenditure and Income 2024/25:	Our People £'000	Our Place £'000	Our Council £'000	Covid Business Support Grants £'000	Corporate Amounts £'000	Total £'000
Employee benefits expenses	2,385	5,221	6,154	0	17	**13,777**
Other services expenses	16,278	3,169	3,463	5	(3,566)	**19,349**
Depreciation, amortisation, impairment	4,523	9,525	(775)	0	204	**13,477**
Interest payments	0	0	0	0	4,673	**4,673**
Precepts and levies	0	0	0	0	3,233	**3,233**
Disposal of assets	0	(1)	1	0	28	**28**
Total Expenditure	**23,186**	**17,914**	**8,843**	**5**	**4,589**	**54,537**
Fees, charges & other services	(706)	(2,502)	(2,968)	0	(1,987)	**(8,163)**
Interest & Investment income	0	0	0	0	(1,224)	**(1,224)**
Income from Council Tax and Non-Domestic Rates	0	0	0	0	(16,826)	**(16,826)**
Government Grants & contributions	(20,585)	(9,239)	(295)	(4)	(4,540)	**(34,663)**
Total Income	**(21,291)**	**(11,741)**	**(3,263)**	**(4)**	**(24,577)**	**(60,876)**
(Surplus) or Deficit on the Provision of Services	**1,895**	**6,173**	**5,580**	**1**	**(19,988)**	**(6,339)**

Notes to the Accounts (10): Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

- **General Fund Balance**

  The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

- **Capital Receipts Reserve**

  The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

- **Capital Grants Unapplied**

  The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

	2025/26: Usable Reserves			
Adjustments between accounting basis & funding basis under regulations	**General Fund Balance £'000**	**Capital Receipts Reserves £'000**	**Capital Grants Unapplied Account £'000**	**Movement in Unusable Reserves £'000**
Pension Costs (transferred to (or from) the Pensions Reserve)	1,347	0	0	**(1,347)**
(Council Tax and NNDR (transfers to (or from) Collection Fund Adjustment Account)	(899)	0	0	**899**
Holiday pay transferred from the Accumulated Absences	(64)	0	0	**64**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account	(1,337)	0	0	**1,337**
Amount by which finance costs/income in the CIES are different from finance costs/income for the year in accordance with statutory requirements	1	0	0	**(1)**
Total Adjustments to Revenue Resources	**(952)**	**0**	**0**	**952**
Transfer of non current asset sale proceeds from revenue to Capital Receipts Reserves	19	(19)	0	**0**
Repayment of Loan Principal	0	0	0	**0**
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	978	0	0	**(978)**
Voluntary provision for the repayment of debt (transfer from the capital Adjustment Account)	0	0	0	**0**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,813	0	0	**(1,813)**
Total Adjustments between Revenue and Capital Resources	**2,810**	**(19)**	**0**	**(2,791)**

Use of Capital Receipts Reserves to finance capital expenditure	0	446	0	**(446)**
Capital grants and contributions unapplied credited to the CIES	672	0	(672)	**0**
Cash Payments in relation to Deferred Capital Receipts	0	(57)	0	**57**
Use of Capital Receipts Reserves to finance statutory provision on loans funded by borrowing	0	0	0	**0**
Application of capital grants to finance capital expenditure	0	0	133	**(133)**
Total Adjustments to Capital Resources	**672**	**389**	**(539)**	**(522)**
Total Adjustments	**2,530**	**370**	**(539)**	**(2,361)**

	2024/25: Usable Reserves			
Adjustments between accounting basis & funding basis under regulations	**General Fund Balance £'000**	**Capital Receipts Reserves £'000**	**Capital Grants Unapplied Account £'000**	**Movement in Unusable Reserves £'000**
Pension Costs (transferred to (or from) the Pensions Reserve)	1,044	0	0	**(1,044)**
Council Tax and NNDR (transfers to Collection Fund Adjustment Account)	163	0	0	**(163)**
Holiday pay transferred to the Accumulated Absences	(47)	0	0	**47**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	866	0	0	**(866)**
Amount by which finance costs/income in the CIES are different from finance costs/income for the year in accordance with statutory requirements	38	0	0	**(38)**
Total Adjustments to Revenue Resources	**2,064**	**0**	**0**	**(2,064)**
Transfer of non current asset sale proceeds from revenue to Capital Receipts Reserves	83	(83)	0	**0**
Repayment of Loan Principal	0	0	0	**0**
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	954	0	0	**(954)**
Voluntary provision for the repayment of debt (transfer to the capital Adjustment Account)	0	0	0	**0**

Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,843	0	0	**(1,843)**
Total Adjustments between Revenue and Capital Resources	**2,880**	**(83)**	**0**	**(2,797)**
Use of Capital Receipts Reserves to finance capital expenditure	0	119	0	**(119)**
Capital grants and contributions unapplied credited to the CIES	809	0	(809)	**0**
Reversal of previous year grant applied to Capital Financing	0	(55)	0	**55**
Use of Capital Receipts Reserves to finance statutory provision on loans funded by borrowing	0	0	0	**0**
Application of capital grants to finance capital expenditure	0	0	1,316	**(1,316)**
Total Adjustments to Capital Resources	**809**	**64**	**507**	**(1,380)**
Total Adjustments	**5,753**	**(19)**	**507**	**(6,241)**

Notes to the Accounts (11): Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in 2025/26.

	Balance at 31 March 2024 £'000	**Transfer out 2024/25 £'000**	**Transfer in 2024/25 £'000**	**Balance at 31 March 2025 £'000**	**Transfer out 2025/26 £'000**	**Transfer in 2025/26 £'000**	**Balance at 31 March 2026 £'000**
Contingency/Risk Reserves	**5,710**	(119)	**157**	**5,748**	(421)	**1,346**	**6,673**
Service Investment/Renewals Reserves	**4,464**	(1,693)	**1,507**	**4,278**	(1,331)	**2,652**	**5,599**
Strategy Reserve	**9,873**	(1,487)	**1,146**	**9,532**	(1,686)	**834**	**8,680**
Total	**20,047**	**(3,299)**	**2,810**	**19,558**	**(3,438)**	**4,832**	**20,952**

Contingency/Risk Reserves - To support areas of volatility (Business Rate appeals, valuations of investment properties, insurance etc.) Service Investment/Renewals Reserve - To support service development initiatives, including IT upgrades and replacement programmes. Strategy Reserve - To finance projects within the Corporate Plan and Financial Strategy.

Notes to the Accounts (12): Other Operating Expenditure

2024/25 £'000		2025/26 £'000
2,701	Parish Council Precepts	2,850
532	Drainage Board Levies	553
(7)	(Gains)/Losses on the disposal of non-current assets	(12)
3,226	**Total**	**3,391**

Notes to the Accounts (13): Financing and Investment Income and Expenditure

2024/25 £'000		2025/26 £'000
766	Interest payable and similar charges	623
(57)	Impairment losses (including reversals of impairment losses or impairment gains on financial instruments	(53)
355	Net interest on the net defined benefit liability/ (asset)	481
(1,250)	Interest receivable and similar income	(815)
(1,661)	Income and Expenditure in relation to investment properties and changes in their fair value	(1,694)
(1,847)	**Total**	**(1,458)**

Notes to the Accounts (14): Taxation and Non-Specific Grant Income and Expenditure

2024/25 £'000		2025/26 £'000
(10,712)	Council Tax Income	(11,184)
(6,114)	Non-Domestic Rates Income and Expenditure	(5,935)
(2,060)	Non ring-fenced Government Grants	(3,277)
(2,481)	Capital Grants and Contributions	(1,709)
(21,367)	**Total**	**(22,105)**

Movements in 2025/26	Other Land/ Buildings £'000	Vehicles, Plant, Furniture & Equip-ment £'000	Infra-structure Assets £'000	Com-munity Assets £'000	Surplus Assets £'000	Assets Under Construc-tion £'000	Total PPE £'000
Cost or Valuation at April 2025	**35,345**	**6,564**	**1,301**	**105**	**1,472**	**1,642**	**46,429**
Additions	1,585	1,350	63	0	0	(127)	**2,871**
Revaluation increase/ (decrease) recognised in the Revaluation Reserve	(218)	0	0	0	148	0	**(70)**
Revaluation increase/ (decrease) recognised in (Surplus)/Deficit on Provision of Services	(11)	0	0	0	2	0	**(9)**
Derecognition (Disposals)	0	(473)	0	0	0	0	**(473)**
Derecognition (other)	0	0	0	0	0	0	**0**
Other movements in cost or valuation	(832)	535	0	869	153	(1,515)	**(790)**
At 31 March 2026	**35,869**	**7,976**	**1,364**	**974**	**1,775**	**0**	**47,958**
Accumulated Depreciation & Impairment at April 2024	**0**	**(2,932)**	**(262)**	**0**	**0**	**0**	**(3,194)**
Depreciation charge	(517)	(895)	(59)	0	(5)	0	**(1,476)**
Depreciation written out to the Revaluation Reserve	516	0	0	0	5	0	**521**
Depreciation written out to the (Surplus)/ Deficit on the Provision of Services	0	0	0	0	0	0	**0**
Derecognition (Disposals)	0	468	0	0	0	0	**468**
Derecognition (other)	0	0	0	0	0	0	**0**
Other Movements in Costs or valuation	0	0	0	0	0	0	0
At 31 March 2026	**(1)**	**(3,359)**	**(321)**	**0**	**0**	**0**	**(3,681)**
Net Book Value							
At 31 March 2026	**35,868**	**4,617**	**1,043**	**974**	**1,775**	**0**	**44,277**
At 31 March 2025	**35,345**	**3,632**	**1,039**	**105**	**1,472**	**1,642**	**43,235**

Movements in 2024/25	Other Land/ Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Infra-structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE £'000
Cost or Valuation at April 2024	**30,557**	**5,433**	**1,292**	**105**	**1,417**	**565**	**39,369**
Additions	459	1,712	9	0	0	1,077	**3,257**
Revaluation increase/ (decrease) recognised in the Revaluation Reserve	1,852	0	0	0	(40)	0	**1,812**
Revaluation increase/ (decrease) recognised in (Surplus)/Deficit on Provision of Services	2,223	0	0	0	95	0	**2,318**
Derecognition (Disposals)	0	(581)	0	0	0	0	**(581)**
Derecognition (other)	0	0	0	0	0	0	**0**
Other movements in cost or valuation	254	0	0	0	0	0	**254**
At 31 March 2025	**35,345**	**6,564**	**1,301**	**105**	**1,472**	**1,642**	**46,429**
Accumulated Depreciation & Impairment at April 2024	**0**	**(2,811)**	**(204)**	**0**	**0**	**0**	**(3,015)**
Depreciation charge	(555)	(698)	(58)	0	(4)	0	**(1,315)**
Depreciation written out to the Revaluation Reserve	555	0	0	0	4	0	**559**
Depreciation written out to the (Surplus)/ Deficit on the Provision of Services	0	0	0	0	0	0	**0**
Derecognition (Disposals)	0	577	0	0	0	0	**577**
Derecognition (other)	0	0	0	0	0	0	**0**
Other Movements in Costs or valuation	0	0	0	0	0	0	0
At 31 March 2025	**0**	**(2,932)**	**(262)**	**0**	**0**	**0**	**(3,194)**
Net Book Value							
At 31 March 2025	**35,345**	**3,632**	**1,039**	**105**	**1,472**	**1,642**	**43,235**
At 31 March 2024	**30,557**	**2,622**	**1,088**	**105**	**1,417**	**565**	**36,354**

The authority has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Depreciation:

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings: 25-61 years
- Vehicles, Plant, Furniture and Equipment: 1-29 years
- Infrastructure: 1-23 years
- Surplus: 55 years

Capital Commitments:

'At 31 March 2026, the Council had awarded a contract with Yorkshire Energy Services 24/11/2025 until 31/10/2028 , as the lead authority on behalf of West Lindsey, Lincoln City, South Kestevan and North Kesteven. The contract value is £5m, to deliver installation of energy efficiency measures in residential properties via the Central Government Warm Homes Local Grant Initiative.

	Warm Homes Local Grant Initiative
2025/26 Spend	0.540
2026/27 Committed	0.531
Total	**1.071**

The Council has budgeted to spend £1.979m in 2026/27 and £2.050m in 2027/28

The Council has no other on going contracts for the construction or enhancment of property, plant and equipment. Total capital commitments (excluding Warm Homes) at 31 March 2026 was £0.724m. Similar commitments at 31 March 2025 were £1.753m. These mainly relate to Levelling Up Fund, Food Waste Collection, Vehicle Replacement and Disabled Facilities Grants.

Effects of Changes in Estimates:

There have been no major changes in relation to estimated asset life,residual asset values, depreciation method or disposal costs in 2025/26 that would have a material effect.

Revaluations:

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities are required to revalue their assets every five years with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three. West Lindsey District Council carried out a full revaluation of assets in 2024/25. Indexation, where possible will be applied in 2025/26 to properties not subject to material change or impairment.Valuations of vehicles, plant, furniture and equipment are based on historic cost with an annual impairment review.

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Surplus Assets £'000	Other PPE Assets £'000	Total £'000
Carried at Historical Cost	0	4,617	0	2,017	**6,634**
Valued at Current Value as at 31 March 2026	1,081	0	0	0	**1,081**
Valued at Current Value as at 31 March 2025	34,602	0	0	0	**34,602**
Valued at Fair Value as at 31 March 2026	0	0	582	0	**582**
Valued at Fair Value as at 31 March 2025	0	0	1,193	0	**1,193**
Indexation Valuations applied to valuations above	185	0	0	0	**185**
Total Cost or Valuation	**35,868**	**4,617**	**1,775**	**2,017**	**44,277**

Valuations

The significant assumptions applied in estimating the current values are:

- no allowance has been made for liability of taxation upon disposal;
- the instant build approach has been used for Depreciated Replacement Cost valuations;
- valuations have been provided at gross cost and do not include an allowance for purchasers cost;
- that good title can be shown and all valid planning permissions and statutory approvals are in place;
- that the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted;
- that an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- that the testing of electrical or other services would not reveal defects that would cause the valuation to alter;
- that there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

Indexations:

- no trigger events related to the portfolio have been identified
- any physical changes referred referred to valers to ifdentify in a material change in valuation had occurred meaning indexation could not be applied
- where a sutiable index could not be identified then those assets would be subject to a three year desktop valuation
- indexation is an approximation of market changes – it is not a valuation of a specific asset.
- indexes utilised are based on the CIPFA Code of Practice and our External Valuers who considered wider economic market and its relevance on the Councils area. The resulting percentage movements were provided to the Council.

Index	Average change %	Valuation Change
BCIS all in tender price	2.49%	£280,370
Amenity Land	**0%**	0
Co-Star & MSCI -Industrial	**2.15%**	£271
Co-Star & MSCI -Offices	**-1.27%**	-£68,555
Co-Star & MSCI -Industrial	**-2.56%**	-£45,207
House Price Index	**3.10%**	£18,047
	0.58%	£184,926

Assets Valued at Fair Value:

With regard to assets valued at fair value, no assets within the portfolio are classed at Level 1 in the fair value hierarchy i.e. unadjusted prices in active markets for identical assets.
For the remaining assets the majority are surplus assets classed at Level 2 i.e. quoted prices that are observable for the asset with adjustments being made based on perhaps location and condition.
The valuations have been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the level of observable inputs is significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

Level 3 inputs comprise unobservable inputs for an asset used to measure fair value in circumstances where market data is not available as there is little, if any, market activity for the asset at the measurement date.

2024/25: £'000	Level 2 Significant Observable Inputs	2025/26: £'000
1,472	Surplus Assets	1,774
1,472	**Fair Value as at 31 March**	1,774

There are no assets that are assessed at Level 3 i.e. where unobservable inputs have been used to measure fair value.

Details of 'Right Of Use Assets' (ROUA) can be found at Note 31 - Leases

Notes to the Accounts (16): Investment Properties

2024/25: £'000	Movement in Fair Value of Investment Properties	2025/26: £'000
22,922	Balance at start of year:	22,952
0	Additions	25
0	Disposals	0
0	Transfers to/from Property, Plant & Equipment	791
30	Net Gain/(Loss) from fair value adjustments	(94)
22,952	**Balance at End of the Year**	**23,674**

Gains or losses arising from changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Investment Property - Transfers to/from Property, Plant & Equipment

During 2025/26 the Council reclassified three properties from Property, Plant and Equipment to Investment Property following a change of use.

At the date of transfer (01/04/2025) the properties values were as below:

Asset	Carrying Value £	Fair Value £	Change in Valuation £
9 Lord Street	472,500	508,200	35,700
Middlefield Land Oil Well Site	268,800	243,700	-25,100
The Avenue Oil Well Site	**43,100**	**38,800**	**-4,300**

The change in classification resulted in an upward valuation of £6.3k which was credited to the revaluation reserve.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2024/25 £'000	Income & Expenditure	2025/26: £'000
(1,656)	Rental income from investment property	(1,814)
25	Direct operating expenses arising from investment property	26
(1,631)	**Net (Gain)/Loss**	**(1,788)**

There are no restrictions are on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

Fair Value Hierarchy:

The fair value of the Council's investment property is measured annually at each reporting date.

All valuations are carried out by the Council's external valuers Wilks, Head & Eve in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

As at 31 March 2026 the Council holds twelve properties classed as investment properties. All twelve properties are categorised within Level 2 of the fair value hierarchy i.e. based on observable inputs for the asset. There have been no transfers from or to any of the other hierarchy groups during the year. Accounting policy xvi includes details of how assets based on fair value are valued. For assets within Level 2 observable inputs for the asset either directly or indirectly are used.

Details of the Councils investment properties and information about the fair value hierarchy as at 31 March are as follows:

2024/25: £'000	Level 2 Significant Observable Inputs	2025/26: £'000
1,880	Retail (4 Properties)	1,799
2,773	Hotel	2,773
2,524	Leisure	2,524
9,843	Manufacturing (2 properties)	9,895
5,932	Commercial Unit	6,683
22,952	**Fair Value as at 31 March**	**23,674**

Details of 'Right Of Use Assets' (ROUA) can be found at Note 31 - Leases

Notes to the Accounts (17): Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased licenses. The Council has no internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life assigned to the major software suites used by the Council is seven years. The carrying amount of intangible assets is amortised on a straight-line basis.

The carrying amount of intangible assets is amortised on a straight-line basis. The movement on Intangible Asset balances during the year is as follows:

2024/25: £'000	Movement on Intangible Assets	2025/26: £'000
1,220	Gross carrying amounts	1,252
(540)	Accumulated amortisation	(690)
680	**Net carrying amount at start of year**	**562**
32	Purchases	30
0	Other disposals	(11)
(150)	Amortisation for the period	(145)
0	Other changes	11
562	**Net carrying amount at end of year**	**447**
1,252	Gross carrying amounts	1,271
(690)	Accumulated amortisation	(824)
562	**Total**	**447**

Notes to the Accounts (18): Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Non-Current Investments £'000		Non-Current Debtors £'000		Current Investments £'000		Current Debtors £'000		Total £'000	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
Fair Value (Profit or Loss)	1,998	999	0	0	0	0	0	0	1,998	999
Amortised Cost	58	58	767	708	19,595	18,783	5,150	4,941	25,570	24,490
Total Financial Assets	2,056	1,057	767	708	19,595	18,783	5,150	4,941	27,568	25,489
Non-Financial Assets	22,952	23,674	0	0	0	0	1,857	2,997	24,809	26,671
Total	25,008	24,731	767	708	19,595	18,783	7,007	7,938	52,377	52,160

Financial Liabilities	Non-Current Borrowings £'000		Non-Current Creditors £'000		Current Borrowings £'000		Current Creditors £'000		Total £'000	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
Amortised Cost	14,000	14,000	1,198	1,597	10,000	10,077	9,312	5,591	34,510	31,265
Total Financial Liabilities	**14,000**	**14,000**	**1,198**	**1,597**	**10,000**	**10,077**	**9,312**	**5,591**	**34,510**	**31,265**
Non-Financial Liabilities	0	0	0	0	0	0	454	1,156	454	1,156
Total	**14,000**	**14,000**	**1,198**	**1,597**	**10,000**	**10,077**	**9,766**	**6,747**	**34,964**	**32,421**

Material Soft Loans Made by the Council:

The Council has not made any soft loans, employee car loans, or reclassifications during the financial year.

Financial Instruments Designated at Fair Value through Profit or Loss:

The Council has invested £1m (£2m in 2024/25) in Pooled Investment Property Funds (CCLA Property Fund) which are measured at Fair Value on the Balance Sheet at £0.999m (£1.998m 2024/25) based on their quoted price in an active market for identical shares. Gains and Losses are reflected in the CIES in Financing Income and Expenditure and due to a statutory override (the Department for Levelling Up, Housing and Communities agreed a temporary statutory override commencing in 2019/20 to allow Local Authorities a period of 5 years to adjust their portfolio holdings, subsequently, a further extension to the override to 31/03/29 was agreed by Government but only for those pooled investments made before 01/04/2024) in year gains and losses are transferred via the MIRS to the Pooled Investment Adjustment Account. The cumulative losses held total £0.001m. As an investment fund, prices can go down as well as up.

Fair Value of Equity Instruments designated at Fair Value through Other Comprehensive Income:

The Council does not have any Equity Instruments designated at fair value through Other Comprehensive Income.

Income, Expense, Gains and Losses:

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2024/25			2025/26	
Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000		Surplus or Deficit on the Provision of Services £'000	Other Comprehensive Income and Expenditure £'000
(38)	0	Financial assets measured at fair value through the profit or loss	(1)	0
(52)	0	Financial assets measured at amortised cost	(53)	0
(90)	**0**	**Total Net (Gains)/Losses**	**(54)**	**0**
(113)	0	Financial assets measured at fair value through the profit or loss	(83)	0

(1,100)	0	Financial assets measured at amortised cost	(731)	0
(1,213)	**0**	**Total Interest Revenue**	**(814)**	**0**
761	0	Financial Liabilities measured at amortised cost	623	0
761	**0**	**Total Interest**	**623**	**0**
15	0	Financial assets measured at fair value through the profit or loss	10	0
4	0	Financial liabilities measured at amortised cost	11	0
19	**0**	**Total Fee Expense**	**21**	**0**

Fair Values of Financial Assets:

Some of the Councils financial assets are measured at fair value on a recurring basis and are described in the following table, including valuation technique use to measure them.

Recurring Fair Value Measurements	Input Level in Fair Value Hierarchy	Valuation Technique used to measure Fair Value	As at 31 March 2025 £'000	As at 31 March 2026 £'000
Fair Value through Profit or Loss - CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	1,998	999
Total			**1,998**	**999**

In 2025/26 The Council has £1m (£2m in 2024/25) in Pooled Investment Property Funds (CCLA Property Fund)

Transfers between Levels of the Fair Value Hierarchy:

There has been no transfers between input levels during the year.

Changes in Valuation Technique:

There has been no change in the valuation technique used during the year for financial instruments.

The Fair Values of Financial Assets and Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are Required):

Except for the financial assets carried at fair value (described in the above table), all other financial liabilities and financial assets held by the Council are carried in the Balance Sheet at amortised cost and have been assessed as Level 2. The fair values are calculated as follows:

2024/25			2025/26	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
703	703	Loans and Receivables (Long Term Debtors)	688	625
0	0	Finance Lease Liabilities	(109)	(87)

(10,091)	(10,000)	Non PWLB Borrowing	(10,149)	(10,000)
(14,062)	(9,424)	PWLB Borrowing	(14,062)	(9,127)

Fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

For loans receivable and leases - agreed at market rates. Fair Value is therefore calculated on the net present value of future cash flows over their remaining term and assuming no early repayment or impairment is recognised.

For loans borrowed from the PWLB fair value is calculated under PWLB debt redemption procedures by applying the premature repayment calculation. The PWLB would raise a penalty charge for early redemption (a premium) for additional interest that will not now be paid which would result in an exit price being £9.127m.

The authority has a continuing ability to borrow at concessionary rates (0.2 base points below standard rate) from the PWLB rather than from the markets. A supplementary measure of the additional interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £14.000m would be valued at £8.138m.

Debtors and creditors and receipts in advance are carried at cost (invoiced or billed amount) as this is a fair approximation of their value.

Notes to the Accounts (19): Debtors

2024/25: £'000		2025/26: £'000
1,463	Central Government Bodies	1,055
1,242	Other Local Authorities	1,227
1,570	Other Entities and Individuals	1,587
402	Trade Receivables*	633
705	Prepayments*	680
(866)	Less: Provision for Expected Credit Loss	(804)
4,516	**Total**	**4,378**

*2024/25 has been reanalysed to identify Prepayments which were previously included in Trade Receivables.

The Provision for Expected Credit Loss is made up as follows:

2024/25: £'000		2025/26: £'000
(729)	Other Entities and Individuals	(663)
(137)	Trade Receivables	(141)
(866)	**Total**	**(804)**

Debtors for Local Taxation (Council Tax/Business Rates) of £3.560m (£2.491m 2024/25) have been excluded from the table above.

Details of Related Parties can be found at Note 29.

Notes to the Accounts (20): Cash and Cash Equivalents

Cash comprises of cash in hand and bank deposits and may include bank overdrafts.

Balances classified as Cash Equivalents fit the definition of short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to insignificant risk of change in value.

The net balance of Cash and Cash Equivalents is made up of the following elements at the Balance Sheet date:

2024/25: £'000		2025/26: £'000
8	Cash held by the Council	1
309	Bank Current Accounts	137
19,278	Short-term Deposits	18,645
19,595	**Total**	**18,783**

Notes to the Accounts (21): Creditors

2024/25: £'000		2025/26: £'000
1,900	Central Government Bodies	1,039
375	Other Local Authorities	133
1,812	Other Entities and Individuals	1,484
2,293	Trade	2,090
6,380	**Total**	**4,746**

Creditors for Local Taxation (Council Tax/Business Rates) of £1.156m (£0.454m 2024/25) are excluded from the table above.

Details of Related Parties can be found at Note 29.

Notes to the Accounts (22): Provisions

	Injury/Damage Compensation Claims £'000	Business Rates £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2025	**(22)**	**(314)**	**(232)**	**(568)**
Additional provisions made in year	0	(281)	(65)	(346)
Provision classification correction*	0	0	13	13
Unused amounts reversed in year	20	0	0	**20**
Amounts used in year	0	77	0	**77**
Balance at 31 March 2026	**(2)**	**(518)**	**(284)**	**(804)**

*The classification corrections relates to a lease which was incorrectly classified in 2024/25 as a provision.

Long Term Provisions:

There are no long term provisions.

Short Term Provisions:

Cost of employee's accrued leave £0.283m and Business Rates appeals £0.518m. These provisions should be settled within the next financial year.

Notes to the Accounts (23): Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and also in **Note 10 & 11.**

Notes to the Accounts (24): Unusable Reserves

2024/25: £'000	Summary	2025/26: £'000
(11,840)	Revaluation Reserve	(12,188)
(19,611)	Capital Adjustment Account	(21,747)
(154)	Deferred Capital Receipts Reserve	(97)
2	Pooled Investment Funds (statutory override)	1
9,831	Pensions Reserve	5,245
(785)	Collection Fund Adjustment Account	114
219	Accumulated Absences Account	283
(22,338)	**Total Unusable Reserves**	**(28,389)**

Revaluation Reserve:

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its

Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2024/25: £'000	Revaluation Reserve	2025/26: £'000
(9,375)	Balance at 1 April	**(11,840)**
(2,890)	Upward revaluations of assets	(726)
263	Downward revaluation of assets and impairment losses not charged to Surplus/Deficit on the Provision of Services	275
(2,627)	(Surplus) or Deficit on revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services	**(451)**
162	Difference between fair value depreciation and historical cost depreciation	103
0	Accumulated gains on assets sold or scrapped	0
162	Amount written off to the Capital Adjustment Account	**103**
(11,840)	**Balance at 31 March**	**(12,188)**

Capital Adjustment Account:

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis).The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The account also contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the authority.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

2024/25: £'000	Capital Adjustment Account	2025/26: £'000
(14,351)	Balance at 1 April	**(19,611)**
	Reversal of items relating to capital expenditure debited or credited to the CIES	
1,315	Charges for depreciation and impairment of non-current assets	1,476

(2,317)	Revaluation losses on Property, Plant and Equipment	9
150	Amortisation of intangible assets	145
14,127	Revenue expenditure funded from capital under statute	5,198
5	Credit loss on Loans funded by Capital	0
4	Amounts of non-current assets written off on disposal or sale as part of the (gain)/loss on disposal to the CIES	5
13,284		**6,833**
(162)	Adjusting amounts written out of the Revaluation Reserve	(103)
13,122	Net written out amount of the cost of non-current assets consumed in the year	**6,730**
	Capital Financing Applied in the year	
(119)	Use of Capital Receipts Reserve to finance new capital expenditure	(446)
(13,958)	Capital grants and contributions credited to the CIES that have been applied to capital Financing	(4,710)
0	Donated Asset credited to the CIES	(777)
0	Reversal of Previous year reserves applied to capital financing	1
(1,316)	Applications of grants to capital financing from the Capital Grant Unapplied Account	(133)
(954)	Statutory provision for the financing of capital investment charged against the General Fund balance	(978)
0	Voluntary provision for the financing of capital investment charged against the General Fund Balance	0
0	Statutory provision charged against Capital Receipts Reserve for the repayment of loans funded by borrowing	0
0	Loan Principal Repaid	0
(2,005)	Capital expenditure charged against the General Fund balance	(1,917)
(18,352)		**(8,960)**
(30)	Movement in market value of investment properties debited or credited to the Comprehensive Income & Expenditure Statement	94
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	0
(19,611)	**Balance at 31 March**	**(21,747)**

Deferred Capital Receipts Reserve:

The Council has awarded a leisure centre management contract which contains an embedded lease. The Deferred Capital Receipts Reserve offsets the outstanding debt included in long and short term debtors for the interest in the equipment acquired by the lessee. The balance is reduced each year, when payments are received, and recognised as a capital receipt.

2024/25: £'000	Deferred Capital Receipts Reserve	2025/26: £'000
(210)	**Balance at 1 April**	**(154)**
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
56	Transfer to the capital receipts reserve upon receipt of cash	57
(154)	**Balance at 31 March**	**(97)**

Pooled Investment Funds Adjustment Account:

The Pooled Investment Funds Adjustment Account holds the Fair Value adjustments of Investments re-classified as Fair Value through the Profit and Loss (IFRS 9). There was a 5 year statutory override in place to prevent the fair value movement having an adverse effect on the CIES and General Fund, this has been subsequently extended to 31/03/2029 for pooled investments made before 01/04/2024 . This unusable reserve will hold the fair value gains and losses until the investment is no longer held or the statutory override ends.

2024/25: £'000	Pooled Investment Funds Adjustment Account	2025/26: £'000
42	**Balance at 1 April**	**2**
(40)	Fair Value Adjustment	(1)
2	**Balance at 31 March**	**1**

Pensions Reserve:

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment-benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory accounting requirements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25: £'000	Pension Reserve	2025/26: £'000
10,395	Balance at 1 April	9,831
480	Remeasurement of the net defined benefit liability/(asset)	(3,239)
2,031	Reversal of items relating to retirement benefits debited or credited to the (Surplus) or Deficit on the Provision of services in the CIES	1,796
(3,075)	Employee pensions contributions and direct payments to pensioners payable in year	(3,143)
9,831	**Balance at 31 March**	**5,245**

Collection Fund Adjustment Account:

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers and Non Domestic Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2024/25: £'000	Collection Fund Adjustment Account	2025/26: £'000
(622)	Balance at 1 April	**(785)**
(163)	Amount by which Council Tax and Non-Domestic rating income credited to the CIES is different from Council Tax and Non-Domestic rating income calculated for the year in accordance with statutory requirements	899
(785)	**Balance at 31 March**	**114**

Accumulated Absences Account:

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25: £'000	Accumulated Absences Account	2025/26: £'000
172	**Balance at 1 April**	**219**
(172)	Settlement or cancellation of accrual made at the end of the preceding year	(219)
219	Amounts accrued at the end of the current year	283
47	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	64
219	**Balance at 31 March**	**283**

2025/26 includes all waste operatives including the new food waste team

Notes to the Accounts (25): Members' Allowances

The following amounts were paid to Members of the Council during the year.

2024/25: £'000	Members' Allowance	2025/26: £'000
243	Basic Allowance	257
65	Special Responsibility Allowances	62
14	Expenses	13
322	**Total Expenditure**	**332**

The remuneration paid to the Council's senior employees is as follows:

Post Title	Salary including fees/allowances (£)		Compensation for loss of office (£)		Pensions Contribution (£)		Total (£)	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Chief Executive (Started 29 Sep 2025)	**0**	**67,418**	0	0	0	15,765	0	83,183
Chief Executive (Left 30 June 2025)	**141,353**	**36,550**	0	0	33,686	10,112	175,039	46,662
Director Operational & Commercial Services (left October 2024)	**52,610**	**0**	0	0	12,352	0	64,962	0
Director Planning, Regeneration & Communities	**91,511**	**97,099**	0	0	21,251	22,584	112,762	119,683
Director Change Management, ICT & Regulatory Services	**90,429**	**96,100**	0	0	21,251	22,584	111,680	118,684
Director of Corporate Services (s151) (left February 2025)	**86,852**	**0**	0	0	20,307	0	107,159	0
Director Finance and Assets (s151) (started Feb 2025 as Interim, appointed Permanently 01 April 2025)	**12,612**	**91,050**	0	0	3,033	21,387	15,645	112,437
Assistant Director People & Democratic Services	**76,651**	**82,533**	0	0	17,971	19,395	94,622	101,928
Head of Policy and Strategy	**62,336**	**64,072**	0	0	14,485	14,948	76,821	79,020

An interim Chief Executive (Head of Paid Service) was seconded from Hinckley and Bosworth Borough Council 01 July 2025 - 17/10/2025. The employment remained with Hinckley and Bosworth Borough Council and as such the officer remuneration is excluded from West Lindsey District Council Statement of Accounts.

An Agency placement fulfilled the Director of Operation & Commercial Services role, effective 14 May 2025 until 13 February 2026. They were not directly employed by West Lindsey District Council and are therefore excluded from this disclosure note.

There were no taxable expenses allowances, other payments or bonus payments made to senior members of staff in 2024/25 or 2025/26.

The number of Council's employees (including senior officers disclosed in the table above) receiving more than £50,000 remuneration for the year (excluding employer's pension contributions but including redundancy payments for loss of office) were paid the following amounts:

Employees 2024/25	Remuneration Band	Employees 2025/26
13	£50,000 to £54,999	14
1	£55,000 to £59,999	3
3	£60,000 to £64,999	4
0	£65,000 to £69,999	2
0	£70,000 to £74,999	0
1	£75,000 to £79,999	0
0	£80,000 to £84,999	1
1	£85,000 to £89,999	0
2	£90,000 to £94,999	1
0	£95,000 to £99,999	2
0	£100,000 to £104.999	0
0	£105,000 to £109.999	0
0	£110,000 to £114.999	0
0	£115,000 to £119.999	0
0	£120,000 to £124.999	0
0	£125,000 to £129.999	0
0	£130,000 to £134.999	0
0	£135,000 to £139.999	0
1	£140,000 to £145.999	0
22	**Total**	27

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies for the Council in 2025/26 are set out in the table below:

Exit Package Cost band (including special payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total number of Exit Packages by Cost Band		Total cost of Exit Packages in each band (£)	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0- £20,000	4	0	1	1	5	1	16,721	7,969
£20,001 -£40,00	0	0	0	0	0	0	0	0
£40,001 -£60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £120,000	0	0	1	0	1	0	111,157	0
Total	**4**	**0**	**2**	**1**	**6**	**1**	**127,878**	**7,969**

There was 1 exit package made during 2025/26 (6 in 2024/25).

Notes to the Accounts (27): External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and for non-audit services provided by the Council's external auditors. The appointed auditors were KPMG LLP for 2024/25 and 2025/26.

2024/25 £'000	External Audit Costs	2025/26 £'000
164	Fees payable to the External Audit with regard to external audit services carried out by the appointed auditor for the year *	174
31	Fees payable to the External Audit for the certification of grant claims and returns for the year. **	25
195	**Total**	**199**

* External Audit Services: This includes £8.2 k of fee variations for 2023/24, £28.8k of fee variations for the 2024/25 external audit (£3.5k IFRS16 and £25.3k audit overruns), partially offset through a £13.8k accrual, resulting in net costs of £23.2k relating to prior years.

** Certification of Grant Claims and Returns: This includes and estimate for 2025/26 of £32.5k, which has been partially offset by an over accrual from 2024/25 of £7.4k.

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2024/25 £'000	Credited to Taxation and non Specific Grant Income:	2025/26 £'000
5,804	Business Rates Retention Scheme	6,142
845	Non-Ring Fenced Grants - New Homes Bonus	499
0	Non-Ring Fenced Grants - Extended Producer Responsibility Grant	1,525
1,215	Non-Ring Fenced Grants - Other Grant and Contributions	1,253
594	Capital Grants & Contributions - Food Waste Collection	429
66	Capital Grants & Contributions - UK Shared Prosperity Fund	0
1,050	Capital Grants & Contributions - Levelling Up Fund	0
0	Capital Grants & Contributions - GLLEP	70
771	Capital Grants & Contributions - Other	433
0	Donated assets	777
10,345	**Total Non-Specific Grant Income**	**11,128**
	Credited to Services, Revenue Related	
13,269	Dept of Work & Pensions - Housing Benefit Allowance	10,789
213	Dept of Work & Pensions - Housing Benefits Administration Grants	213
1,008	Disabled Facilities Grants	1,061
5,949	Levelling Up Fund	0
3,204	Home Upgrade Grant	1,448
0	Local Authority Housing Fund	919
2,190	UK Shared Prosperity Fund/REPF	632
608	Townscape Heritage THI	207
442	Lincolnshire County Council - Household Support Fund	419
4	Covid19 Related Grants	3
3,235	Other Grants & Contributions	3,221
30,122	**Total Credited to Service**	**18,912**

Liabilities:

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that require the monies or property to be returned to the giver. The balances are included as liabilities on the Balance Sheet and at year end are as follows.

2024/25: £'000	Capital Grants Receipts in advance	2025/26: £'000
392	S106 Agreements	857
70	Lincolnshire County Council - GLLEP LOTS & Cinema	0
5	UK Shared Prosperity Fund	364
429	Food Waste Collection	0
549	Local Authority Housing Fund	108
737	HIF Southern SUE Funding	740
1,771	Notts City Council - Green Homes Grant (HUG)	0
12	Townscape Heritage Initiative	0
	Revenue Grants Receipts in advance	
107	Notts City Council - Green Homes Grant (HUG)	0
0	UK Shared Prosperity Fund	76
1	NKDC Acquia Subscription	0
29	PCC Safer Streets Fund	2
0	Pride In Place	285
0	School Games - Sport England	6
25	Electrification of depots	4
3	Business Support grant recovery	0
4,130	**Total**	**2,442**

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers of the accounts to assess the extent to which there exists the possibility that the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

All Members and senior officers have been required to complete a related party declaration identifying the organisations with which they (and/or their closest family members) have influence and/or control, and which may have a related party interest with the Council.

UK Central Government:

The UK Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax Bills and Housing Benefits). Grants received from Government Departments are set out in the analysis in **Note 28.**

Details of Business Rates (NNDR) income for 2025/26 along with debtors and creditors at 31st March 2026 are disclosed in the Collection Fund.

Councillors:

Councillors have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2025/26 is shown in **Note 25.**

During 2025/26, 10 current Councillors, and 4 spouses/family members, declared a related party interest with regard to being either a director or partner or having an interest in a company or organisations. The Council paid levies and additional drainage costs of £0.548m to five Internal Drainage Boards where Councillors represented the Council, specifically; Witham 3rd IDB (3 councillors, £0.315m), Upper Witham IDB (1 councillor, £0.075m), Scunthorpe and Gainsborough IDB (2 councillors, £0.071m), Trent Drainage Board (1 councillor, £0.063m) and Ancholme IDB (1 councillor, £0.024m) . In addition, the Council paid grants to voluntary organisations in which current councillors have a position on the governing body, specifically Gainsborough Adventure Playground Association (£0.015m), Citizens Advice Lindsey (£0.060m), The Conservation Volunteers (£0.030m), Gainsborough Trinity Football Foundation (£0.028m), Market Rasen Town Cricket & Association Football (£0.012m) and West Lindsey Churches Festival (£0.005m). The relevant councillors did not take part in any discussion or decision relating to the grants. The Register of Members' Interest is available to be viewed on the Council's website.

Senior Officers:

All senior officers of the Council and the closest members of their families have the potential to significantly influence the policies of the Council although this is limited by the Council's scheme of delegation. One Officer is a Director/Trustee of CVS Lincolnshire Ltd and a payment of £0.025m was made by the Council to the organisation. An employee of The Council is the Secretary of WLDC Staffing Services Ltd, Surestaff Limited and WLDC Trading Limited. The Director for Planning, Regeneration and Communities is Director to Market Street Renewal Ltd, WLDC Staffing Services Ltd, Surestaff Limited and WLDC Trading Limited. (100% owned by WLDC).

Other Pubic Bodies (Subject to Common Control by UK Central Government):

The Council has determined that material transactions have occurred with the following parties:

- Lincolnshire County Council - Pension Fund as disclosed in **Note 32**, preceptor as disclosed in the Collection Fund, A number of Members of the Council are also elected Members of Lincolnshire County Council.

- Lincolnshire Police & Crime Commissioner - preceptors as disclosed in the Collection Fund Note.

- Parish Councils – a number of Members of the Council have been elected as Parish or Town Councillors - Parish Precepts are disclosed in Note 12 (80 Parish and Town Council Precepts were made during 2025/26 totalling £2,858,190).

The Council has representation on the Central Lincolnshire Joint Strategic Planning Committee. Voting rights on the Committee are shared equally with the Council holding a 25% share. During 2025/26 the Council contributed £137,000 (£98,900 2024/25).

Entities Controlled or Significantly Influenced by the Council:

In 2016/17 the Council acquired Surestaff (Lincs) Ltd and created a Teckal Company (WLDC Staffing Services Ltd that provides services solely to the Council) along with a holding company WLDC Trading Ltd all classed as subsidiaries in relation to the Council under group accounts, the Council being 100% shareholder of this group of companies. Surestaff (Lincs) Ltd and WLDC Staffing Services Ltd were established to provide temporary operational workers but not key management personnel to the Council. The director of the companies is Sally Grindrod-Smith, who is also the Director of Planning, Regeneration & Communities for the Council. The Company secretary is Sue Leversedge who is also the Financial Services Manager (Deputy S151) for the Council.

The Council had the following transactions with each of the companies:

2024/25: £	Surestaff Lincs Ltd	2025/26: £
3,156	Council Received	7,437
0	Council Paid Out	0
10,000	Loans Balance Brought Forward	5,000
0	Loans Issued in the financial year	0
(5,000)	Less Loans Repaid in the financial year	(5,000)
5,000	Loans Outstanding 31 March	0
	WLDC Staffing Services Ltd	
0	Council Received	9,430
813,653	Council Paid Out	787,463
0	Loans Balance Brought Forward	0
0	Loans Issued in the financial year	0
0	Less Loans Repaid in the financial year	0
0	Loans Outstanding 31 March	0

WLDC Trading Ltd was created as a holding company for the purpose of governance. West Lindsey District Council is the sole shareholder and WLDC Trading Ltd holds 1 share WLDC Staffing Services Ltd and 200 shares in Surestaff Lincs Ltd.

Group Accounts have not been produced for 2025/26 incorporating the financial position of Surestaff (Lincs) Ltd and WLDC Staffing Services Ltd.

In 2024/25 West Lindsey District Council became a 100% shareholder of Market Street Renewal Limited. Sally Grindrod-Smith Director Planning, Regeneration and Communities is the Director. The company was primarily set up for the development and renovation of Market Street in Gainsborough.

The Council had the following transactions with Market Street Renewal Ltd:

2024/25: £	Market Street Renewal Limited (MSRL)	2025/26: £
0	Council Received	50,000
0	Council Paid Out	0
20,000	MSRL Share Capital	20,000
670,500	Loans Balance Brought Forward	670,500
0	Loans Issued in the financial year	0
0	Less Loans Repaid in the financial year	0
670,500	Loans Outstanding 31 March	670,500
0	Grants Issued	0

Group Accounts for this Joint Venture would be incorporated into the accounts using the equity method which means a proportion of the balance sheet for the company along with the profit and loss would be brought into the Council Accounts. The Council judged that the preparation of Group Accounts is not necessary under the Code of Practice and is of no material benefit to the users of the Statements of Accounts in understanding the council position.

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The movement on the CFR is analysed in the second part of this note.

2024/25: £'000		2025/26: £'000
37,023	**Opening Capital Financing Requirement Capital Investment**	**36,085**
2,180	Property, Plant and Equipment	2,998
1,077	Assets Under Construction	(127)
31	Intangible Assets	30
0	Investment Properties	25
0	Long Term Shares Investment	0
0	Long Term Loan	0
0	Adjustment for non-capital loans	0
14,126	Revenue Expenditure Funded from Capital Under Statute	5,198
	Sources of Finance	
(119)	Capital Receipts	(446)
(15,274)	Government Grants and Contributions	(5,620)
0	Reversal of previous year grant applied capital financing	1
	Sums set aside from revenue	
(2,005)	Direct revenue contributions	(1,917)
(954)	Minimum Revenue Provision	(978)
0	Voluntary Revenue Provision	0
36,085	**Closing Capital Financing Requirements**	35,249
	Explanation of Movements in Year	
(954)	Increase/(Decrease) in underlying need to borrow (unsupported by Government financial assistance)	(978)
16	Assets Acquired under Finance Leases	143
(938)	**Increase/(Decrease) in Capital Financing Requirement**	**(836)**

West Lindsey District Council as Lessee:

The authority's lease contracts comprise of operational land and buildings and equipment. Most are in-divdually immaterial: however, material leases include:

The Council acquired eight shops, in 1989 on long term leases (125 years) with all rents payable at minimal/ nominal amount.

The Council acquired an administrative building in 2013 on a long lease (83 years) with rent payable at minimal/nominal amount.

The Council acquired an Investment Property during 2017/18 for £2.49m on long term lease (219 years) with future lease payments at minimal/nominal amount. This property is sub-let under an operating lease for a period of 25 years (9.3 years remaining).

The Council acquired a further Investment Property in 2018/19 for £2.52m - the overflow car park element of the purchase acquired on long term lease (135 years) with future lease payments at minimal/nominal amount. This property is sub-let under an operating lease for a period of 35 years (12.7 years remaining).

The Council entered into a finance lease agreement for printers commencing in 2024 for 5 years.

The Council entered into a finance lease agreement for two sweepers commencing in 2025 for 2 years.

The council acquired finance lease agreements for 4 properties commencing in 2025 - 52 Brewster Road and 34 Brewster Road for 233 years, 29 Brewster Road for 239 years and 28 Warren Close for 963 years.

Right-of-use assets

This table shows the change in the value of right-to-use assets held under leases by the Council:

	Land and buildings £'000	Other land and buildings £'000	Vehicles, plant and equipment £'000	Total £'000
Balance at 1 April 2025	**2,894**	**732**	**13**	**3,639**
Additions	0	348	143	**491**
Revaluations	0	2	0	**2**
Depreciation and amortisation	0	(12)	(52)	**(64)**
Disposals	0	0	0	**0**
Balance at 31 March 2026	**2,894**	**1,070**	**104**	**4,068**

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

2024/25 £'000		2025/26 £'000
	Comprehensive income and expenditure statement	
0	Interest expense on lease liabilities	9
1	Expenses relating to short-term leases	0
0	Expenses relating to exempt leases of low-value items	0
0	Variable lease payments not included in the measure of lease liabilities	0
(398)	Income from subletting right-of-use assets	(312)
0	Gains or losses arising from sale and leaseback transactions	0

	Cash flow statement	
1	Minimum lease payments	**0**

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2024/25: £'000		2025/26: £'000
3	Not later than one year	82
10	Later than one year and not later than five years	8
4	Later than five years	114
17	**Total**	**204**

West Lindsey District Council as Lessor:

The authority leases out property and equipment under operating leases for the following purposes:

* for the provision of community services, such as sports facilities, tourism services and community centres

* for economic development purposes to provide suitable affordable accommodation for local businesses.

The Council leased out three properties on finance leases in the 1980's with remaining terms in excess of 60 years. A premium was paid on commencement of the lease term, for each property with annual rents payable on a peppercorn basis. The total existing use value of the three properties at 31 March 2026 was £0m (£0m as at 31 March 2025). The properties are themselves held by the Council on long leases. Based on the materiality of the values, the peppercorn rents and the length of the lease terms the Council has not assessed any gross investment in the leases.

Within the leisure centre management contract for the sites at Market Rasen (commencement 2020) and Gainsborough (commencement 2018) there is an embedded finance lease of gym equipment. The lease term is 8 years for each site, representing the estimated useful economic life of the asset. The gross investment in the lease is made up of the minimum lease payments expected to be received over the remaining term. There is no residual value anticipated for the gym equipment when the lease comes to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the equipment acquired by the lessee and finance income that will be earned by the authority in future years while the debtor remains outstanding.

Transactions under leases

The authority incurred the following gains and losses as a lesser during the year:

Finance Leases:

2024/25 £'000		2025/26 £'000
0	Selling (gain) or loss	0
(7)	Finance income on the net investment in the lease	**(5)**
0	Income relating to variable lease payments not included in the measurement of the net investment in the lease	**0**

Operating leases

2024/25 £'000		2025/26 £'000
(2,183)	Total lease income	(2,225)
0	Share of lease income relating to variable lease payments that do not depend of an index or a rate	0

Net investment in finance leases

The authority experienced the following changs in the carrying amount of its net investment in finance leases during the year:

2024/25 £'000		2025/26 £'000
210	Net investment at 1 April	154
0	New leases entered into	0
(55)	Payments by lessees	(57)
0	Lease modifications	0
0	Impact of changes in unguaranteed residual values	0
0	Movements in impairments loss allowances	0
154	**Net Investment at 31 March**	**97**

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

	Finance leases		Operating leases	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Less than one year	63	63	1,895	1,861
One to two years	63	20	1,801	1,641
Two to three years	20	20	1,555	1,449
Three to four years	20	0	1,360	1,406
Four to five years	0	0	1,324	1,358
Five to six years	0	0	5,404	4,416
Total undiscounted receivables	166	103	13,339	12,131

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows:

2024/25 £'000		2025/26 £'000
166	Total undiscounted lease receivables	102
(12)	Unearned finance income	(5)
0	Discounted amount of unguaranteed residual values	0
154	**Net Investment in Leases**	**97**

The Local Government Pension Scheme (LGPS) is a funded, defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations 2013, as amended. Benefits accrued prior to 1 April 2014 continue to be governed by earlier LGPS regulations, including the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

The LGPS was historically contracted out of the State Second Pension; however, contracting-out ceased for all schemes from 6 April 2016 following the introduction of the single-tier State Pension.

The Pension Fund is administered by Lincolnshire County Council who contracted the day to day administration of the fund to West Yorkshire Pension Fund (WYPF). Lincolnshire County Council continue to undertake the investment of the pension fund assets.

The key risk to the Council is the future payments that need to be made to pensioners under the defined benefit scheme and making sure these are adequately funded. Therefore, a professional Actuary is engaged by the County Council to assess the likely asset returns and future liabilities of the Council's sub fund within the overall Lincolnshire Pension Fund. The current Actuary is Barnett Waddingham. The following notes are based on the assumptions and reports received from the Actuary as at 31 March 2026. A full revaluation exercise is undertaken every 3 years, and this exercise was undertaken as at 31 March 2025, the next triennial review being due 31 March 2028. The 2025 Valuation assessed that the Council has a 93.2% funded scheme.

The Council can also make discretionary enhancements in accordance with its agreed policies. The additional costs resulting from historically awarding such discretions are included in the tables below.

Participation in Pension Schemes:

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Lincolnshire County Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The Lincolnshire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Lincolnshire County Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the Fund are appointed by the Committee and are detailed in Pension Fund Annual Report and Accounts, which can be found on the Pension Fund website: www.lincolnshire.gov.uk/pensions

The principle risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

Discretionary Post-retirement Benefits:

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There's no plan assets built up to meet these pension liabilities, therefore the Council is required to meet the costs of any early retirements awarded.

Transactions Relating to Post-employment Benefits:

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement (MIRS) during the year:

2024/25: £'000	**Local Government Pension Scheme**	**2025/26: £'000**
	Comprehensive Income/Expenditure Statement - Cost of Services	
1,612	Current Service Cost	1,255
64	Administration Expenses	60
355	Net Interest Expense	481
2,031	**Total Post-employment Benefits charged to the (Surplus) or Deficit on the Provision of Services**	**1,796**
	Other Post-employment Benefits charged to the Comprehensive Income/Expenditure Statement - Remeasurement of the net defined benefit liability comprising	
(848)	Return on plan assets (excluding the amount included in the net interest expense)	2,967
193	Actuarial Gains/(Losses) arising on changes in demographic assumptions	(2,297)
9,691	Actuarial Gains/(Losses) arising on changes in financial assumptions	3,003
0	Other actuarial Gains/(Losses) on assets	542
164	Experience Gains/(Losses) on defined benefit obligation	(4,578)
(9,680)	Changes in effect of Asset Ceiling	**3,602**
(480)	**Total Charged to Other Comprehensive Income and Expenditure**	3,239
1,551	**Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**5,035**
	Movement in Reserves Statement	
(2,031)	Reversal of net charges made to the (Surplus) or Deficit for Provision of Services for post-employment benefits in accordance with the Code.	(1,796)
2,984	Employers' contributions payable to the scheme	3,053
91	Retirement benefits payable to pensioners	90
1,044	**Net Movement in Reserves Statement (Note 10)**	**1,347**

Pensions Assets and Liabilities Recognised in the Balance Sheet:

The amount included in the Balance Sheet arising from the Councils obligation in respect of its defined benefit scheme is as follows:

2024/25 £'000	Balance Sheet	2025/26 £'000
(63,578)	Present value of the defined benefit obligation - Funded	(69,095)
72,509	Fair value of plan assets (bid value)	80,476
8,931	**Deficit / (Surplus)**	**11,381**
(749)	Present value of the defined benefit obligation - Unfunded	(1,170)
(18,013)	Impact of asset ceiling	(15,456)
(9,831)	**Net liability arising from the defined benefit obligation**	**(5,245)**

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets:

2024/25: £'000	Reconciliation of Fair Value of Scheme (Plan) Assets	2025/26: £'000
69,790	**Opening fair value of scheme assets at 1 April**	**72,509**
3,557	Interest Income	4,214
	Remeasurement (Gains)/Losses	
(848)	The return on plan assets, excluding the amount included in the net interest expense	2,967
0	Other actuarial gains/(losses)	542
2,984	Employer Contributions	3,053
636	Contributions paid by scheme participants	670
(3,546)	Benefits paid	(3,419)
(64)	Administration Expenses	(60)
72,509	**Closing fair value of scheme assets at 31 March**	**80,476**

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Funded Liabilities 2024/25 £'000	Reconciliation of present value of the scheme liabilities (defined benefit obligation)	Funded Liabilities 2025/26 £'000
72,256	**Opening present value of scheme liabilities at 1 April**	**64,327**
1,534	Current service cost	1,255
3,508	Interest cost	3,650
636	Contributions from scheme participants	670
	Remeasurement (Gains)/Losses	
(193)	Actuarial (Gains)/Losses arising on changes in demographic assumptions	2,297
(9,691)	Actuarial (Gains)/Losses arising on changes in financial assumptions	(3,003)
(164)	Experience (Gains)/Losses on defined benefit obligation	4,578
78	Past service costs	0
(3,637)	Benefits paid	(3,509)
64,327	**Closing present value of scheme liabilities at 31 March**	**70,265**

Year to 31 March 2025 £'000	Reconciliation of asset ceiling	Year to 31 March 2026 £'000
7,929	**Opening impact of asset ceiling**	**18,013**
404	Interest on impact of asset ceiling	1,045
9,680	Actuarial losses/(gains)	(3,602)
18,013	**Closing impact of asset ceiling**	**15,456**

The asset ceiling represents the present value of any economic benefit available to the council, such as refunds or reductions in future employer contributions, in accordance with IFRIC 14. Based on the actuary's interpretation, the potential economic benefit from reduced future contributions has been assessed as nil. As this is less than the unadjusted net asset of £11,381k, the impact of applying the asset ceiling is to restrict recognition of the surplus to £11,381k. The council is currently paying deficit contributions towards a funding shortfall, which constitutes an onerous funding commitment under IFRIC 14. Consequently, an additional liability of £4,075k is recognised to reflect this obligation. This liability does not arise from the asset ceiling itself but from the requirement to account for the funding deficit.

Local Government Pension Scheme Asset Categories:

Fair Value of Scheme Assets 2024/25: £'000	Percentage of Total Assets 2024/25: %	Local Government Pension Scheme Asset Categories	Fair Value of Scheme Assets 2025/26: £'000	Percentage of Total Assets 2025/26: %
		Real Estate		
5,132	7	UK Property	6,937	9
		Investment Funds & Unit Trusts		
34,310	47	Equities	39,267	49
10,514	15	Bonds	11,505	13
3,353	5	Infrastructure	3,745	5
16,701	23	Absolute Return Fund	17,367	22
		Cash & Cash Equivalents		
2,499	3	All	1,655	2
72,509	**100**	**Total Assets**	**80,476**	**100**

All scheme assets have quoted prices in active markets.

Basis for Estimating Assets and Liabilities:

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been provided by Barnett Waddingham, an independent firm of actuaries, estimates for the Lincolnshire County Council Fund being based on the latest formal valuation of the scheme as at 31 March 2025.

Significant Assumptions used by the Actuary:

The significant assumptions used by the actuary have been:

2024/25:	Local Government Pension Scheme	2025/26:
	Mortality Assumptions (years)	
19.5	Longevity at 65 for current pensioners - Men	21.6
22.7	Longevity at 65 for current pensioners - Women	23.5
20.8	Longevity at 65 for future pensioners - Men	23.2
24.1	Longevity at 65 for future pensioners - Women	25.3
	Financial Assumptions (%)	
3.2	Rate of Inflation	3.3
3.9	Rate of increase in salaries	3.9
2.9	Rate of increase in pensions	2.9
5.8	Rate for discounting scheme liabilities	6.1
	Take up option to convert pension into maximum retirement lump sum - within HMRC limits (%)	
50	Pre April 2008 service - Maximum additional tax-free cash	50
50	Post April 2008 service - Maximum tax-free cash	50

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that only the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. In September 2025 the government published proposed amendments to the Pension Schemes Bill that would allow retrospective actuarial validation to confirm whether historic changes to contracted-out benefits complied with statutory requirements. This will apply to LGPS. The bill is expected to receive Royal Assent in 2026. In January 2026 the FRC published technical guidance for scheme actuaries to help them apply the retrospective-validation process under the Pension Schemes Bill. For the LGPS, the Scheme Actuary is the Government Actuary Department (GAD). GAD are reviewing the historic amendments to LGPS in this contract and the Scheme Advisory Board are liaising with GAD on whether the relevant certificates were available for past scheme changes. It is unlikely that there will be an impact on the LGPS liabilities, however Lincolnshire County Council will continue to monitor developments.

Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. These may affect the value of the liabilities in respect of accrued benefits and therefore an allowance may need to be included in an employer's report. An allowance for the McCloud remedy will have been made in the liabilities which is consistent with the method adopted at the last actuarial valuation.

Sensitivity Analysis - Change in Assumptions at 31 March 2026	Approx. Increase to Employer Liability (%)	Approx. Monetary Amount - £'000
0.1% decrease in Real Discount Rate	1.39	977
1 Year increase in Member Life Expectancy	3.83	2,690
0.1% increase in Salary Increase Rate	0.09	64
0.1% in the Pension Increase Rate (CPI)	1.38	971

The Lincolnshire County Council fund has approved a Funding Strategy Statement (FSS), the purpose of the FSS is:

- to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- to support the regulatory framework to maintain as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities

The objectives of the Fund's funding policy include the following:

- to ensure the long-term solvency of the Fund using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;
- to ensure that employer contribution rates are reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (NB this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

Impact on the Council's Cash Flows:

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 15 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2028.

The scheme will need to take account of the notional changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council expects to pay £2.277m in contributions in 2026/27.

Notes to the Accounts (33): Contingent Liabilities

Grant Claims:

The Council submits grant claims for substantial amounts each year. From time to time interpretation of legislation may be a matter of professional and technical judgement. In this context it may lead to possible grant qualifications by external auditors. It is not possible to produce a reliable forecast for the cost of any grant qualifications.

The Council also acts as the Accountable Body for a range of grant funding that is or has been paid for the benefit of third parties. In the role of Accountable Body, the Council has to agree to the repayment of grant should there be a breach of the terms and conditions of the grant. Whilst every effort is taken to administer the grants to minimise any risk of financial loss to the Council, this risk cannot be eliminated. However, it is not possible to make a reliable forecast of any grant claw back arising from Accountable Body status.

Thurrock Council (APSE)

The Council faces a potential financial liability due to Thurrock Council issuing legal proceedings against 23 council members of the Association for Public Service Excellence (APSE). Thurrock Council allege that APSE provided “negligent” valuations of solar farm assets that Thurrock Invested in. The claim is currently paused following an agreement between the parties to stay the proceedings with the intention to allow Thurrock to reach a final determination against a separate claim.

Notes to the Accounts (34): Contingent Assets

Right to Buy Sharing Agreement:

As with other agreed stock transfers, the Council has entered into an agreement with ACIS relating to any future sales of the transferred housing stock to existing tenants.

The Council will receive capital receipts each year up to 2028 for any properties sold. The value of the receipt is calculated using a formula that takes the net income forgone from the total proceeds from the sale of dwellings. It is therefore difficult to ascertain how much the Council might receive each year (during 2025/26 the Council received £0m from 0 property sales).

HIF Grant

A Grant Funding agreement exists between the Council and Homes England for a Housing infrastructure Fund £2.193m. The grant will assist in the the delivery of 796 homes in the Southern Neighbourhood by Keepmoat Homes. The HIF Grant must be fully recovered by the Council and a legal charge has therefore been placed on the land.   A roof tax of £2,755.25 per property will be payable, due when blocks of 45 properties are completed. As the roof tax is dependent on completion of properties, it is uncertain how quickly this money will be repaid to the Council (as at 31/03/2026 £0.740m has been received). The Council continue to make bi-annual returns to Homes England, reviewing progress with the grant reclamation.

S106 Agreements

There may be S106 developers agreements and consequently contributions payable to the Council in the future. However,it is not possible to accurately determine when or the value of any such sums due since they are often dependent upon planning conditions and development dates.

Notes to the Accounts (35): Nature and Extent of Risks arising from Financial Instruments

Key Risks:

The Council's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk -** the possibility that other parties might fail to pay amounts due to the Council
- **Liquidity risk -** the possibility that the Council might not have funds available to meet it's commitment to make payments.
- **Re-financing risk -** the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous rates or terms.
- **Market risk -** the possibility that financial loss might arise for the Council as a result of changes in measures as interest rate movements and stock market movements.

Overall procedures for managing risk:

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by officers in the Financial Services team, under policies approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

Credit Risk:

Credit risk arises from deposits with banks and financial institutions, as well as any credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

The Council uses creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counter parties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counter parties from only the most creditworthy countries
- Banks 1 - good credit quality, the Council will only use banks which :-
  - are UK banks: and/or
  - are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA

and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- Short Term F1
- Long term A

- Banks 2 – Part nationalised UK banks – Royal Bank of Scotland. (These banks can be included if it continues to be part nationalised or it meets the ratings in Banks 1 above).
- Banks 3 – The Councils own banker for transactional purposes. If the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
  Bank subsidiary and treasury operation – The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

- Building Societies – The Council will use all societies which meet the ratings for banks outlined above
- Money Market Funds – AAA
- Enhanced Money Market Funds - AAA
- UK Government (including gilts, treasury bonds and the DMADF)
- Local authorities, parish Councils etc.
- Supranational institutions
- Local Authority Property Asset Fund
- Corporate Bond Funds
- Covered Bonds

A limit of £2m per counter party will be applied to the use of Non-Specified investments largely determined by the long term investment limits.

Except for Local Authority Property Asset Fund which will have a limit of £4m.

The full Investment Strategy for 2025/26 was approved by Full Council on 3 March 2025 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to its investments in financial institutions of £7.5m (£7.5m 2024/25) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Council's deposits.

Amounts Arising from Expected Credit Loss:

The changes in the loss allowance for each class of financial instrument i.e. investments at amortised cost, trade receivables etc:

Asset Class (amortised cost)	12 Month expected credit loss (£'000)	Lifetime expected credit losses - not credit impaired (£'000)	Lifetime expected credit losses - credit impaired (£'000)	Lifetime credit losses - simplified approach (£'000)	Total £'000
Opening Balance at 1 April 2025	0	0	(62)	(572)	(634)
Individual financial assets transferred to lifetime expected credit losses credit impaired	0	0	0	0	0
Amounts Written off	0	0	17	0	17
Changes in models/risk parameters	0	0	30	24	54
Other Changes	0	0	0	0	0
At 31 March 2026	0	0	(15)	(548)	(563)

Credit risk exposure:

The Council has the following exposure to credit risk at 31 March 2026:

	Credit Risk Rating	Gross Carrying amount (£'000)	
		31 March 2025	31 March 2026
12-Month expected credit losses	AAA - Very Low AA - Very Low Very Low	19,280 0 500	12,445 6,000 200
Significant increase in credit risk since initial recognition	Very High High Medium Low Very Low	5 0 0 698 0	0 0 0 688 0
Credit-impaired at 31 March	Standards Debtors - High Risk	62	15
Simplified Approach	Standard Debtors - Medium Risk Benefit Debtors - Medium Risk	181 837	407 712
At 31 March		21,563	20,467

Excludes statutory debtors Council Tax and NNDR.

The Council initiates a legal charge on property where, for instance, clients can not afford to pay immediately, usually in cases where the Council has carried out works carried out to buildings in default of the owner. The total collateral at 31 March 2026 was £0.111m (£0.119m 31 March 2025)

Liquidity Risk:

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the authority will be bound to replenish a proportion of its borrowing at a time of unfavourable interest rates.

The maturity analysis of the Council's financial assets is as follows:

31 March 2025 £'000	Maturity Analysis of Financial Assets	31 March 2026 £'000
24,745	Less than 1 year	23,724
0	Between 1 and 2 years	0
0	Between 2 and 3 years	0
2,823	More than 3 years	1,765
27,568	**Total**	**25,489**

Refinancing and Maturity Risk:

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk.

The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and

- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of the council's financial liabilities is as follows:

31 March 2025 £'000	Maturity Analysis of Financial Liabilities	31 March 2026 £'000
19,312	Less than 1 year	15,668
1,198	Between 1 and 2 years	4,597
3,000	Between 2 and 5 years	0
2,500	Between 5 and 25 years	2,500
8,500	Between 25 and 50 years	8,500
34,510	**Total**	**31,265**

Market Risk:

Interest Rate Risk:

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

Borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise

Borrowing at fixed rates - the fair value of the liabilities borrowings will fall

Investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise

Investments at fixed rates - the fair value of the assets will fall

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balances. Movements in the fair value of fixed rate investments that have quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk.

The Council's approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

At 31 March 2026, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest receivable on variable rate investments	0
Increase in interest receivable on variable rate investments	(12)
Impact on Surplus or Deficit on the Provision of Service	**(12)**
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(297)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the **Note 19 –** Fair Value of Assets and Liabilities carried at Amortised Cost.

Price Risk:

The Council, excluding the Pension Fund, does not generally invest in equity shares or marketable bonds.

However, the Council holds £1m in the CCLA property fund that has a carrying value as at 31 March 2026 of £0.999m. However, any movements in price will not impact on the General Fund Balance as regulations are currently in force to remove the impact of the fair value movements on the tax payer.

Foreign Exchange Risk:

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Notes to the Accounts (36): Cash Flow Statement - Operating Activities

The cash flow for operating activities include the following items:

2024/25: £'000		2025/26: £'000
1,266	Interest received	849
(606)	Interest paid	(507)
660	**Total**	**342**

Notes to the Accounts (37): Reconciliation of Liabilities arising from Financing Activities

			Non-cash changes		
Reconciliation	**As at 1 April 2025 £'000**	**Financing Cash Flows £'000**	**Acquisition £'000**	**Other £'000**	**As at 31 March 2026 £'000**
Long-term borrowings	14,000	0	0	0	**14,000**
Long-Term Leases	0	0	0	32	**32**
Short-term borrow-ings..					
Lease Liabilities	0	(47)	143	(19)	**77**
Other Short Term borrowing	10,000	0	0	0	**10,000**
Total liabilities from financing activities	**24,000**	**(47)**	**143**	**13**	**24,109**

Notes to the Accounts (38): Agency Services

In accordance with the Code, the collection and distribution of National Non-Domestic Rates (NNDR) and Council Tax is deemed to be an agency arrangement. The costs of collection of NNDR and the surplus or deficit on the Collection Fund for the year, are shown in the Collection Fund Statement.

Notes to the Accounts (39): Group Accounts

The Council judged that the preparation of Group Accounts is not necessary under the Code of Practice and is of no material benefit to users of the Statement of Accounts in understanding the Council's financial position. Details of entities controlled or significantly influenced by the Council can be found in Note 29.

Notes to the Accounts (40): Trust Funds

The Council acts as a custodian for funds of Hemswell Resident Company Ltd whose purpose is to supply estate management and other services to a private estate at Hemswell Cliff. The funds are held as a bare trust known as the Reserve Account with West Lindsey District Council acting as Trustee and Hemswell Resident Company Ltd as beneficiary. The Council takes no decision on the funds use, however is contracted to provide services to the Company. The fund is currently £0.035m which is held as cash with a corresponding creditor liability on our balance sheet.

The Collection Fund:

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Business Rates (NNDR).

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund therefore is to isolate the income and expenditure relating to Council Tax and Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

In 2013/14, the Local Government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme is to give Council's a greater incentive to grow businesses in the district. It does, however, also increase the financial risk due to non-collection and the volatility of the Business Rates tax base.

The scheme allows the Council to retain a proportion of the total Business Rates received. In 2025/26 the Council's Share was 40%, Lincolnshire County Council 10% and Central Government 50%.

Business Rates Surpluses and Deficits declared by West Lindsey District Council in relation to Collection Fund are apportioned to the relevant bodies in the subsequent financial year in their respective proportions.

The Code of Practice followed by Local Authorities in England stipulates that the Collection Fund Income and Expenditure Account is included in the Council's accounts. The Collection Fund Balance Sheet meanwhile is incorporated into the Council's Balance Sheet.

Details of Related Parties can be found at Note 29

2024/25				2025/26		
Council Tax £'000	Business Rates £'000	Total £'000		Council Tax £'000	Business Rates £'000	Total £'000
72,783	0	**72,783**	Net Council Tax Receivable (Note 1)	76,147	0	**76,147**
33	0	**33**	Section 13A 1C Transfer from General Fund	33	0	**33**
0	19,544	**19,544**	Net Business Rates Receivable (Note 2)	0	20,740	**20,740**
0	620	**620**	Transitional Protection Payments receivable	0	173	**173**
72,816	**20,164**	**92,980**	**Total Income**	**76,180**	**20,913**	**97,093**
			Expenditure - WLDC			
10,453	7,369	**17,822**	Precepts, Demands & Shares	10,999	7,894	**18,893**
290	116	**406**	Distributed Surplus/(Deficit)	276	699	**975**
			Expenditure - LCC			

50,666	1,842	**52,508**	Precepts, Demands & Shares	53,257	1,973	**55,230**
1,381	29	**1,410**	Distributed Surplus/(Deficit)	1,335	175	**1,510**
			Expenditure - Lincs PCC			
9,763	0	**9,763**	Precepts, Demands & Shares	10,422	0	**10,422**
268	0	**268**	Distributed Surplus/(Deficit)	257	0	**257**
			Expenditure - Central Gov			
0	9,211	**9,211**	Precepts, Demands & Shares	0	9,868	**9,868**
0	145	**145**	Distributed Surplus/(Deficit)	0	874	**874**
0	108	**108**	Cost of Collection Allowance	0	108	**108**
0	0	**0**	Write offs of uncollectable amounts	0	0	**0**
177	239	**416**	Increase/(Decrease) in Impairment Allowance	248	645	**893**
0	291	**291**	Increase/(Decrease) in Provision for Appeals	0	511	**511**
0	0	**0**	Transitional Protection Payments	0	0	**0**
0	330	**330**	Disregarded Amounts	0	429	**429**
0	0	**0**	Prior Year Adjustments	0	0	**0**
72,998	**19,680**	**92,678**	**Total Expenditure**	**76,794**	**23,176**	**99,970**
2,037	801	**2,838**	Surplus or (Deficit) b/fwd 1 April	1,855	1,285	**3,140**
(182)	484	**302**	Surplus or (Deficit) arising during the year (Note 3)	(614)	(2,263)	**(2,877)**
1,855	**1,285**	**3,140**	**Surplus or (Deficit) c/fwd 31 March**	**1,241**	**(978)**	**263**

Notes to the Collection Fund Account (1): Council Tax

'Council tax income derives from charges raised according to the value of residential properties that have been classified into eight Valuation Bands (A to H). Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Lincolnshire County Council, Lincolnshire Police and Crime Commissioner and West Lindsey District Council together with each Parish requirement. This is then divided by the Council Tax base i.e. the number of properties in each valuation band for 2025/26, this was then converted to an equivalent number of Band D dwellings and adjusted for discounts. The basic amount of Council Tax for a Band D property excluding an average parish charge is £2,192.76 (£2,124.44, 2024/25) and is multiplied by the ratio specified for the particular band to give an individual amount due.

'The Council Tax Base for 2025/26 was 32,756.75 (32,093.99 2024/25). This increase between financial years is as a result of the reduction in long term empty properties, and new properties added to the rating list. The tax base for 2025/26 was approved by the Council meeting in January 2025 and was calculated as follows:

Valuation Band	No of Dwellings on Valuation List		Equivalent Dwellings after discounts, exemptions/reliefs and Local Council Tax Support Scheme		Ratio to Band D	Number of Band D Equivalent Dwellings	
	2024/25	2025/26	2024/25	2025/26		2024/25	2025/26
Disabled	0	0	27	32	5/9	15	18
Band A	17,082	17,265	11,139	11,534	6/9	7,426	7,689
Band B	8,543	8,665	7,066	7,218	7/9	5,496	5,614
Band C	8,085	8,187	7,066	7,179	8/9	6,281	6,381
Band D	6,203	6,284	5,680	5,757	9/9	5,680	5,757
Band E	3,887	3,958	3,629	3,698	11/9	4,435	4,520
Band F	1,657	1,690	1,564	1,584	13/9	2,259	2,288
Band G	544	545	509	518	15/9	848	863
Band H	66	66	57	62	18/9	114	124
Total	**46,067**	**46,660**	**36,737**	**37,582**		**32,554**	**33,254**
Deduction for non-collection, new build, demolition and other adjustments						(553)	(565)
Band D Equivalent for Council Tax Base						**32,001**	**32,689**
Band D Equivalent for Contributions in Lieu						**93**	**68**
Council Tax Base (Band D equivalent)						**32,094**	**32,757**

Business Rates (NNDR) are determined on a national basis by Central Government which sets an annual non-domestic rating multiplier amounting to 55.5p in 2025/26 (54.6p in 2024/25). The non-domestic rate multiplier for small businesses is 49.9p in 2025/26 (49.9p in 2024/25). Subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by this multiplier. Local rateable values totalled £54.287m at 31 December 2024 and were used to calculate the Business Rates Retention scheme amounts for 2025/26 (£53.587m in 2024/25). The Local rateable values totalled £54.887m at 31 March 2026. (£54.297m at 31 March 2025).

The introduction of the Business Rates Retention Scheme in 2013/14 resulted in local authorities retaining a proportion of the total collectible rates due rather than paying the whole Business Rates to the central pool (WLDC 40%, Lincolnshire County Council 10% and Central Government 50%.)

The business rates shares payable for 2025/26 were estimated before the start of the financial year as £1.974m (£1.842m 2024/25) to Lincolnshire County Council, £9.868m (£9.211m 2024/25) to Central Government with £7.894m (£7.369m 2024/25) retained by West Lindsey District Council. These sums have been paid in 2025/26 and charged to the Collection Fund in year.

When the scheme was introduced, Central Government set a baseline level for each authority identifying the expected level of retained business rates and a top up or tariff amount to ensure that all Authorities receive their baseline amount.Tariffs due from Authorities are payable to Central Government or if the authority is part of a Business Rates Pool, to the administering authority. The tariff is used to finance the top ups to those authorities who do not achieve their targeted baseline funding. In this respect the Council paid a tariff of £4.013m in 2025/26 (£3.976m 2024/25) to the Lincolnshire Business Rates Pool.

The total income from business rate payers collected in 2025/26 was £20.740m (£19.544m 2024/25).

In addition to the tariff, a 'safety net' figure is calculated at 92.5% for 2025/26 (92.5% for 2024/25) of baseline amount which ensures that authorities are protected to this level of Business Rates income. The safety net figure for the Council is £3.035m (£3.007m 2024/25). The comparision of business rate income to the safety net uses the total income collected from business rate payers and adjusts for losses in collection, losses on appeal, transitional protection payments, the cost of collection and the revision to Small Business Rate Relief.

Notes to the Collection Fund Account (3): Collection Fund Surpluses and Deficits

The year-end surplus or deficit on the Council Tax Collection Fund is to be distributed between billing and precepting authorities on the basis of estimates made on the year end balance. The calculation is made on the 15 January each year and was taken into consideration when setting the Council Tax 2025/26. In 2025/26 the Council received £0.276m (£0.290m in 2024/25), its share of the 2024/25 Council Tax estimated surplus and this amount is reflected in the CIES, Taxation and Other Grant Income.

The actual cumulative Collection Fund surplus of £0.263m at 31 March 2025 (£3.140m surplus 31 March 2025). This is made up of NNDR deficit of £0.978m (£1.285m at 31 March 2025) and Council Tax Surplus of £1.241m (£1.855m 31 March 2025) There has been an increase in the provision for appeals in 2024/25 with the total provision at £1.296m. (£0.786m 2024/25)

For the purpose of these accounts the accumulated surplus/(deficit) is attributed in relevant amounts for both Council Tax and Business Rates to the precepting bodies' (debtor)/creditor accounts and the billing authority (WLDC) as follows:

2024/25			2025/26		
Council Tax £'000	Business Rates* £'000		Council Tax £'000	Business Rates £'000	Total £'000
274	515	West Lindsey District Council	183	(391)	(208)
1,326	128	Lincolnshire County Council	885	(98)	787
255	0	Lincolnshire Police and Crime Commissioner	173	0	173
0	642	Central Government	0	(489)	(489)
1,855	**1,285**	**Balance at 31 March**	1,241	(978)	263

*The amount of Business Rates in 2024/25 was allocated incorrectly against the various preceptors. This has been corrected and the overall total is not affected.

Audit Report 2025/26 to be shown here when the audit is completed

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ACCOUNTING POLICIES

Those principles, basis, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising
- Selecting measurement bases for, and
- Presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or loss is to be recognised, the basis on which it is to be measured, and where in the revenue account or Balance Sheet it is to be presented.

ACCRUALS

Sums included in the final accounts of the Council to cover income or expenditure attributable to the accounting period for which payments have not been received/made in the financial year. Local authorities accrue for both revenue and capital expenditure.

AMORTISATION

The measure of the consumption or other reduction in the useful life of an intangible asset, charged annually to service revenue accounts.

AUTHORISED LIMIT

This represents the legislative limit on the Council's external debt under the Local Government Act 2003.

BALANCES

Surplus of income over expenditure that may be used to finance expenditure. Balances can be earmarked in the accounts for specific purposes. Those that are not, represent resources set aside for such purposes as general contingencies and cash flow management.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at a specific date at the end of an accounting period.

BILLING AUTHORITIES

Those authorities that set the Council Tax and collect the Council Tax and Non-Domestic Rates.

BUSINESS RATES/NATIONAL NON DOMESTIC RATES (NNDR)

See National Non Domestic Rates (NNDR).

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account contains the amounts which are required by statute to be set aside from capital receipts and revenue for the repayment of external loans, as well as amounts of revenue, usable capital receipts and contributions which have been used to fund capital expenditure and to repay borrowing (Minimum Revenue Provision). It also accumulates depreciation impairment and write off of fixed assets on disposal.

CAPITAL CHARGES

Annual charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services, an example being depreciation.

CAPITAL EXPENDITURE

Spending that produces or enhances an asset, like land, buildings, roads, vehicles, plant and machinery. Definitions are set out in Section 40 of the Local Government and Housing Act 1989. Any expenditure that does not fall within the definition must be charged to a revenue account.

CAPITAL PROGRAMME

The capital projects a Council proposes to undertake over a set period of time. The usual period covered by a capital programme is five years.

CAPITAL RECEIPTS

The proceeds from the sale of fixed assets such as land and buildings. Capital receipts can be used to repay any outstanding debt on fixed assets or to finance new capital expenditure within rules set down by Government. Capital receipts cannot, however, be used to finance revenue expenditure.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The professional accountancy body concerned with local authorities and the public sector.

COLLECTION FUND

The Collection Fund is a statutory fund set up under the provisions of the National Local Government Finance Act 1988. It includes the transactions of the charging Council in relation to Non-Domestic Rates and Council Tax and illustrates the way in which the fund balance is distributed to Central Government, preceptors and the General Fund.

COMMUNITY ASSETS

These are fixed assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings not used in the direct provision of services.

CONTINGENT LIABILITIES

Potential losses for which a future event will establish whether a liability exists and for which it is inappropriate to set up a provision in the accounts.

CONSTRUCTION CONTRACTS

A contractual obligation for the construction or enhancement of Property, Plant and Equipment.

COUNCIL TAX

The main source of local taxation to local authorities. Council Tax is levied on households within its area by the billing Council and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

COUNCIL TAX BASE

The Council Tax Base of an area is equal to the number of band "D" equivalent properties. It is calculated by counting the number of properties in each of the eight Council Tax bands and then converting this into an equivalent number of band "D" properties (e.g. a band "H" property pays twice as much Council Tax as a band "D" property and therefore is equivalent to two band "D" properties). For the purpose of calculating Formula Grant, the Government assumes a 100% collection rate. For the purpose of calculations made by a local Council of the basic amount of Council Tax for its area for each financial year, the Council makes an estimate of its collection rate and reflects this in the tax base.

CREDIT RISK EXPOSURE

The value of the position exposed to default. Credit Risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfil its financial obligations in a timely manner.

CURRENT EXPENDITURE

Expenditure on running costs such as that in respect of employees, premises and supplies and services.

DEFERRED CREDITS/DEFERRED CAPITAL RECEIPTS

These transactions arise when fixed assets are sold and the amounts owed by the purchasers are repaid over a number of years, e.g. mortgages or finance leases out. The balance is reduced by the amount repayable in any financial year.

DEPRECIATION

Charges reflecting the wearing out, consumption or other reduction in the useful life of a fixed asset.

DLUHC

Department for Levelling up, Housing and Communities.

EARMARKED RESERVES

These are reserves set aside for a specific purpose or a particular service or type of expenditure.

EMOLUMENTS

All sums paid to or receivable by an employee and any sums due by way of expenses allowance (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by either employee or employer are excluded.

EXPECTED CREDIT LOSS

The utilisation of historic, current and forward-looking information to assess the expected impairment of a financial instrument that are possible with 12 months of the reporting date or lifetime of the financial instrument.

EXTERNAL AUDIT

The independent examination of the activities and accounts of local authorities to ensure that the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as the measurement date.

FEES AND CHARGES

Income raised by charging users of services for the facilities. For example, Councils usually make charges for the use of leisure facilities, car parks and the collection of trade refuse etc.

FINANCE LEASE

Arrangement whereby the lessee is treated as owner of the leased asset and is required to include such assets within fixed assets on the Balance Sheet.

FINANCIAL INSTRUMENT

Contracts which give rise to a financial asset of one organisation and a financial liability.

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

An account that holds the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Account and the accumulated financing costs required in accordance with regulations to be charged to the General Fund Balance.

FINANCIAL REPORTING STANDARDS (FRS)

A statement of accounting practice issued by the Accounting Standards Board.

FINANCIAL YEAR

The Council's financial year commences on 1 April and ends on 31 March the following year.

FIXED ASSET

Tangible asset that yields benefits to the Council and the services it provides for a period of more than one year.

GENERAL FUND

The main revenue fund of a billing Council. Day to day spending on services is met from this Fund.

GROSS EXPENDITURE

The total cost of providing Council services before taking into account income from government grants and fees and charges for services.

HERITAGE ASSETS

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

IMPAIRMENT

Impairment occurs when that value of an asset has reduced. This can be either as a result of a general fall in prices or by a clear consumption of economic benefits such as by physical damage to the asset. Examples of factors which may cause such a reduction in value include evidence of obsolescence or physical damage to the asset.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Accounting standards adopted from 1 April 2010 for Local Government entities.

INFRASTRUCTURE ASSETS

Expenditure on works of construction or improvement but which have no tangible value, such as construction of or improvement to highways.

INTERNAL AUDIT

An independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of resources. Every Council is required to maintain an adequate and efficient internal audit. A review of the effectiveness of the internal audit function of a Council has to be considered and approved by the Council's Members each year.

INTANGIBLE ASSETS

Capital expenditure which does not result in the creation of a tangible fixed asset but which gives the Council a controllable access to future economic benefits, e.g. software licences.

INVESTMENTS

Deposits with approved institutions.

LONG TERM DEBTORS

Amounts due to the Council more than one year after the Balance Sheet date.

MINIMUM REVENUE PROVISION (MRP)

The minimum annual provision from revenue towards a reduction in a Council's overall borrowing requirement.

MAIN ACCOUNT STATEMENTS

- Comprehensive Income and Expenditure Statement (CIES)

A financial statement which records the day to day activity of the Council

- Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council.

- The Balance Sheet

This statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

- Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Council during the reporting period.

NATIONAL NON-DOMESTIC RATE (NNDR)/BUSINESS RATES

Business rates is the common term used for national non domestic rates (NNDR) which is the levy on business property. It is based on a national rate in the pound applied to the 'rateable value' of the property. The Government determines a national rate poundage each year which is applicable to all Local Authorities. Local Authorities collect the non-domestic rate but the proceeds are apportioned on a % basis (currently 50% Central Government, 40% Council, 10% County Council).

NET EXPENDITURE

Gross expenditure less gross income.

NON-OPERATIONAL ASSET

Fixed assets held by the Council but not directly used or consumed in the delivery of its services. This would include properties and land that are Held For Sale or Surplus.

OPERATIONAL ASSET

Fixed assets held by the Council and used or consumed in the delivery of its services.

OPERATING LEASE

An arrangement whereby the risks and rewards of ownership of the leased asset remain with the leasing company, or lessor.

OPERATIONAL BOUNDARY

This reflects the maximum anticipated level of external debt consistent with budgets and forecast cash flows.

PENSION FUND

An employees' pension fund maintained by a Council, or a group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing Council, the employee and investment income.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

PRECEPTING AUTHORITIES

Those authorities that are not billing authorities (i.e. do not collect Council Tax or NDR) and precept upon the billing Council, which then collects it on their behalf. Lincolnshire County Council, Lincolnshire Police Authority/Police and Crime Commissioner, Lincolnshire Fire and Rescue Authority and Parish Councils all precept upon West Lindsey District Council.

PROVISIONS

Sums set aside to meet future expenditure where a specific liability is known to exist but that cannot be measured accurately.

RELATED PARTIES

Two or more parties are related parties when at any one time in the financial period:
- One party has direct or indirect control of the other party;
- The parties are subject to common control from the same source;

- One party has influence over the financial or operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests;
- The parties, in entering a transaction are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- Examples of related parties of a Council include:
- UK Central Government;
- Local authorities and other bodies precepting or levying demands on the Council Tax;
- Its subsidiary and associated companies;
- Its joint ventures and joint venture partners;
- Its Members;
- Its Senior Officers.
- For individuals identified as related parties, the following are also presumed to be related parties:
- Members of close family, or the same household;
- Partnerships, companies, trusts and other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

REPORTING STANDARDS

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a local authority. It is based on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS) including Statements of Standard Accounting Practice (SSAP).

REVALUATION RESERVE

This records unrealised revaluation gains arising since 1st April 2007 from holding assets. It also records any reductions in the value of assets subject to the limit of any previous increases in the value of the same asset. It should be noted that this reserve and the Capital Adjustment Account are matched by fixed assets within the Balance Sheet. They are not resources available to the Council and are therefore termed 'Unusable'.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure of a capital nature for which there is no tangible asset acquired by the Council. This would include capital grants or renovation grants to private persons.

REVENUE SUPPORT GRANT (RSG)

This funding is the Government Grant provided by the Department of Communities and Local Government (DCLG) that is based on the Government's assessment as to what should be spent on local services. The amount provided by the DCLG is fixed at the beginning of each financial year, and is announced as part of the Comprehensive Spending Review.

SEGMENTAL

An analysis of income or expenditure over the Council's reporting service clusters.

SOFT LOANS

A "soft loan" is where a loan has been made for policy reasons, rather than as a financial instrument. These loans may be interest free or at rates below prevailing market rates. Commonly, such loans are made to local organisations that undertake activities that the Council considers will have benefit to the local population.

STATEMENT OF ACCOUNTS

Local authorities are required to prepare, in accordance with proper practices, a Statement of Accounts in respect of each financial year, which contains prescribed financial statements and associated notes. Members of the Council must publish and issue the Statements for Audit by 31 May and approve the Statements by 31 July following the end of the financial year.

STATEMENT OF RECOMMENDED PRACTICE (CODE)

The accounts have been produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice.

TOTAL COST

The total cost of a service or activity includes all costs that relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and depreciation charges. This includes an appropriate share of all support services and overheads that need to be apportioned.

TRADING OPERATIONS

Services provided to users on a basis such as quoted price or schedule of rates and within a competitive environment.

UKSPF

United Kingdom Shared Prosperity Fund.

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

Amounts set aside in the accounts for future purposes that fall outside the definition of provisions. They include general balances and reserves that have been earmarked for specific purposes. Expenditure is not charged directly to a reserve, but to the appropriate service revenue account.

UNUSABLE RESERVES

Represent gains and losses yet to be realised and which are not available to support services.

Executive Summary:

Governance is about how local government bodies ensure that they are doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This includes complying with legislation, making evidence-based decisions within a clear framework, displaying a healthy culture, behaviour and values, whilst ensuring transparency, equity and accountability, engaging with and where appropriate, leading their communities.

The Annual Governance Statement (AGS) is a public report by the Council on the extent to which it complies with its governance code, legislation, directives and regulations and its performance and effectiveness of its governance arrangements during the year, and any planned changes in the coming period following assessment by external bodies including auditors, other regulators and peers.

The Council expects all members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the Officer and Member Code of Conduct, Constitution, Corporate Vision and Values, and Corporate Priorities as well as applicable statutory requirements.

This document provides an overview of our governance arrangements which are set out in more detail in the Council's Local Code of Governance and our assessment of their effectiveness. This document is drawn from a number of assurance mechanisms which includes external audits of accounts and funding arrangements, our overall governance and decision-making framework, the Scrutiny function, the work of advisors and regulators, the Governance and Audit Committee and the Internal Audit Function.

The External Audit function is undertaken by KPMG LLP; this provides an opinion of the Financial Statements and the Value for Money Opinion. Any weaknesses identified by the external auditor are highlighted in the Auditors Annual Report. The Council received an unqualified audit opinion on its 2025/26 accounts and Value for Money opinion and no significant recommendations.

1. Scope of Responsibility

West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, incorporating the system of internal control. This includes arrangements for the management of risk. The Council has a Local Code of Governance which details these arrangements and is structured around the seven CIPFA/Solace Principles of Good Governance, which are as follows:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement. Further, we have followed the CIPFA (Chartered Institute of Public Finance and Accountancy)/ SOLACE guidance entitled: Delivering Good Governance in Local Government Framework (updated 2025), in producing this AGS. A review of compliance against these seven principles is provided at section 4 of this Statement.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also comprises the activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services that represent value for money.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievements of the Council's policies, priorities, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control, reenforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner
- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;
- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The Financial Management Code identifies risks to financial sustainability and introduced a framework of assurance. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework and including the system of internal control.

The review is informed by:

1. The Combined Assurance report – made up from:
   a. Feedback from senior managers within the authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas.
   b. The findings from the Annual Internal Audit work plan
   c. Third Party assessment e.g., peer review, external consultancy
2. The Annual Review of Comments, Compliments and Complaints
3. The Annual Monitoring Officer Report and Review of the Constitution
4. The Annual Review of the Effectiveness of Internal Audit
5. Reviews of Whistleblowing
6. Independent Fraud Risk Assessment.
7. The Head of Internal Audit's Annual Report
8. Review of Strategic Risks
9. Comments made by external auditors and other review agencies.

3. Review of compliance against the principles detailed within the Council's Local Code of Governance

The governance framework is consistent with the principles provided by the CIPFA/SOLACE framework for good governance, and these principles are detailed and considered within the Council's Local Code of Governance. Each principle is considered below and our assessment against compliance with a RAG rating provided:

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Compliance with this principle is deemed green

The Council is compliant with this principle having strong financial regulations in place and making the relevant changes to its Contract procedure rules to comply with new legislation, including providing training to staff regarding procurement requirements.
Legal implications are considered in all reports and clear terms of reference are provided online for Committees. The Council has access to legal advice through a shared service arrangement with Lincolnshire County Council and seeks external legal advice as required. The Council has approved an updated, refreshed member/officer protocol with political awareness training planned for officers and members into the 2026 year.
The Council is currently conducting an overall health check exercise of its information governance framework with a view to strengthening existing policies and procedures.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Compliance with this principle is deemed as green

The Council complies with this principle by webcasting Council meetings (unless exempt), publishing agendas and minutes, allowing public questions at the full
Council meeting and having clear Freedom of Information processes in place. 9 public consultations were carried out in the year 2025/26 and following the Pride in Place announcement from central government the Council has been instrumental in ensuring the Pride in Place board is established and that public engagement is encouraged as much as possible. This can be seen through the 9 engagement and consultation exercises which have already been carried out relating to the Pride in Place workstream, with more planned as we move into 2026/27. The Council has strong relationships with public and private sector, for example the Central Lincolnshire Joint Strategic Partnership.

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental benefit

Compliance with this principle is deemed amber.

The Council is compliant with principle as it has a Corporate Plan and Medium Term Financial Plan. The strategic risk register is considered by the Management Team and also by the Governance and Audit Committee. The operational risk register is regularly reviewed by managers across the organisation.

The Council has reviewed its strategic risks and these will continue to be monitored and considered through the Council's internal governance processes.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Compliance with this principle is deemed as green

The Council complies with this principle by having a detailed performance management framework which ensure reports are provided to Leadership Team and Committees to ensure member oversight. Performance improvement plans are put in place if required. The Council has memberships with the LGA, LLG, Solace, and CIPFA to ensure good practice, high standards and up to date information from the local government sector is obtained. The Council has engaged with the LGA peer review process as outlined earlier in this statement which evidences the Council has listened to and applied the recommendations of the LGA team. The Council operates a Programme Board framework and produces a state of the district report.

The Council has undertaken a review of its internal governance framework and its policy committees to align it with the refreshed Corporate Plan, reflecting the three themes of Thriving Council, Thriving People and Thriving Place.

The Council's has a strong performance monitoring framework with performance regularly been reported on and considered through the Council's internal governance structures and through reporting of performance to relevant committees

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Council will continue to monitor this throughout the year and therefore this principle is deemed as amber

The Council complies with this principle by providing training as required to officers, apprenticeship schemes, corporate inductions and member induction and training. The Senior Management restructure has been completed which will provide capacity and resilience for the organisation, especially as moves through the various stages of local government reorganisation. Officer briefings are provided to elected members on strategic issues such as RAF Scampton and local government reorganisation. Wider management team meetings and staff corporate updates are held regularly to ensure information is distributed to the wider organisation.

Staff are encouraged to attend conferences and wider community events to develop leadership skills across the organisation. Staff across the organisation have also enrolled on ILM courses and will progress these throughout 2026.

The Council is conscious of the uncertainty Local Government Reorganisation will bring to staff and therefore is procuring external support as necessary to ensure staff feel supported and prepared for the challenges, opportunities and changes which will result from reorganisation.

Principle F: Managing risk and performance through robust control and strong financial management.

Compliance with this principle is deemed as green

The Council is well managed financially as outlined within the recent LGA peer review findings and also in the recent external audit of the Council's 2024/25 accounts. The Council has also recently received a positive value for money assessment. There is adherence to the Constitution, which is regularly scrutinised by the Council's governance and audit committee who receive training prior to scrutinising the Council's annual accounts and treasury management strategy. Regular meetings of the statutory officers are held to ensure high standards of governance and financial management are maintained. Budget monitoring is carried out by team managers during the year so the Council is fully aware of its financial position each month. There is also a full programme of internal audits, the results of which are reported to the Council's governance and audit committee and follow up actions implemented. The Council is in a strong financial position with a good level of reserves and currently has a balanced budget for the next three years.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Compliance with this principle is deemed as green

The Council complies with this principle by ensuring internal and external auditors are appointed, meet with the senior management and report directly to the Governance and Audit Committee. The Council has Information governance and RIPA policies in place, and the progress and delivery framework reports regularly to the Committee. The Council's website provides much information and details all reports, agendas, minutes and forthcoming meetings.

4. Update on governance issues identified in 2024/2025 Annual Governance Statement

Loss of key staff –

- The Council has put in a place a comprehensive training scheme for staff who are now progressing through ILM5 and ILM 7 leadership and management programmes.
- The Council has appointed to its Chief Executive post on a permanent basis
- The Council has statutory officers in place who are in permanent positions
- Staff updates and communication channels have been refreshed to encourage maximum engagement
- Staff are encouraged to attend courses and conferences that will further their professional development and benefit the organisation

Financial Settlement

- The financial position was closely monitored throughout the year and the result is that currently the Council is in a strong financial position (as outlined above in this Statement) with adequate financial reserves in place.

Local Government Reorganisation

- Has continued to progress across Lincolnshire and the Council has provided regular briefings to members and staff and presented formal reports through the committee process.
- Engagement has continued with senior lead officers across the Lincolnshire local government organisations, resulting in 7 distinct workstreams being formalised, each being attended by a senior officer of the Council.
- The Chief Executive and Leader of the Council have engaged actively with central government to ensure the Council and its residents are represented strongly as the local government process continues to move forward into 2026, including a visit to West Lindsey being planned by the relevant government department to take place in June 2026.

Greater Lincolnshire Combined County Authority

- The Chief Executive and Leader have continued to attend the District Joint Committee, ensuring that representation at a district authority level is provided at the boards and meetings of the Greater Lincolnshire Combined County Authority.

5. Significant Governance Issues

Have previously inserted any Audit concerns, this draft statement will be considered by internal and external auditors prior to final publication.

6. Governance Risks - Areas for Improvement during 2026-27 (year ahead)

Whilst we are satisfied with the effectiveness of the corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance, the following actions have been identified as part of the 2025-26 Annual Governance Statement process.

Principle	Actions	Responsible Officer	Target Date
A-integrity, ethical values, rule of law	A1- Promote shared understanding of member/ officer relations through training and awareness sessions A2-Promotion of Whistleblowing policies and procedures A3-Promotion of Fraud/bribery policies and procedures A4-Complete health check programme of Information Governance framework and review and consider findings and recommendations made	Assistant Chief Executive Governance/ Director of Corporate Services	All September 2026
B- Ensuring openness and	B1 – to continue to engage with local authorities across Lincolnshire to consider progress and workstreams relating to LGR, ensuring streamlined working and preparedness for the transition. B2- To continue to work with officers and Members of the Greater Lincolnshire Combined County Authority as required, including engagement with Lead Policy Officers.	Assistant Chief Executive Policy and Performance/ Leadership Team	Ongoing throughout 26/27
D-determining interventions necessary to optimise achievement of outcomes	D1-Development of Corporate Governance Group to consider various governance items including the progress of this action plan D2- Review the effectiveness of the Council's Governance and Audit Committee through internal audit processes.	Assistant Chief Executive Governance Assistant Chief Executive Governance	Ongoing throughout 26/27
E- develop council's capacity and capability	E1- Complete recruitment process for Director vacancy E2-continue to promote and encourage attendance at external forums and training courses E3-continue to support staff cohort through ILM accreditations E4- Enhance and promote staff networks and wider staff communications E5- consider development needs through the revised appraisal process E6- Develop and enhance Member/Officer training and development, having due regard to LGR needs. E7- Monitor staff resource and capacity through the LGR process and consider organisation resilience	Head of People Services/ Leadership Team/all Heads of Service Head of Communications and Engagement Leadership Team/Heads of Service Assistant Chief Executive Governance Leadership Team	August 2026 Ongoing throughout 26/27

Principle	Actions	Responsible Officer	Target Date
F- risks and performance, robust control, strong financial management performance, robust control, strong financial management	F1-to keep under review the Council's strategic risk register through the Strategic Delivery Panels, ensuring alignment with corporate plan themes F2- Enhanced reporting framework to Members aligned with the Corporate Plan themes, through the Council's three Policy Committees F3-Continue to monitor the financial position, particularly as the impacts and pressures of LGR remain an unknown. F4-Keep under consideration the legislative timeline in respect of LGR as regards financial decisions	Leadership Team/Heads of Service Assistant Chief Executive Policy and Performance Director of Corporate Services Director of Corporate Services	All ongoing throughout 26/27

7. Approval of the Annual Governance Statement 2025-26
The council is satisfied that appropriate and effective governance arrangements have been in place for 2025-26.

Signed by:

Paul Burkinshaw
Chief Executive,
West Lindsey District Council

Date:
XXX

Councillor Jackie Brockway
Leader,
West Lindsey District Council

Date:
XXX

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West Lindsey DISTRICT COUNCIL

Governance and Audit Committee Work Plan (as at 1 July 2026)

Purpose:
This report provides a summary of items of business at upcoming meetings.

Recommendation: That members note the contents of the report.

Date	Title	Lead Officer	Purpose of the report	Date First Published
Governance & Audit				
21 July 2026				
21 Jul 2026	Strategic Risks	Katy Allen, Corporate Governance Officer	Outlining the new Strategic Risks and how the process will work starting 2026-27	20 May 2026
21 Jul 2026	Internal Audit Progress Report	Aaron Macdonald, RSM UK Consulting	Latest progress against the Internal Audit Plan	22 June 2026
21 Jul 2026	Internal Audit Follow up report	Aaron Macdonald, RSM UK Consulting	Follow up report from Internal Audit on outstanding actions	20 May 2026
21 Jul 2026	Unaudited Statement of Accounts 2025/26	Caroline Capon, Corporate Finance Team Leader	The 2025/26 Unaudited Statement of Accounts is presented for Scrutiny.	20 May 2026
21 Jul 2026	National Scheme of Delegation for planning decisions	Russell Clarkson, Head of Planning	To undertake preparations for the commencement of a national scheme of delegation for planning decisions, expected to come into force in September 2026	20 May 2026
21 Jul 2026	Draft Annual Governance Statement	Lisa Langdon, Assistant Chief Executive - Governance (Monitoring Officer)	To present the draft AGS for comment.	20 May 2026
21 Jul 2026	Internal Audit Annual Report 2025.26	Aaron Macdonald, RSM	Annual report outlining progress during	20 May 2026

		UK Consulting	2025/26 by Internal Auditors RSM UK Consulting.	
21 Jul 2026	Member Training and Development Annual Report	Jenna Comins, Civic Engagement and Member Development Officer	To review Member training and development for civic year 2025/26 and plans for civic year 2026/27. To approve the updated terms of reference for the Member Development Group To approve the revised Member Training and Development Plan	11 June 2026
21 Jul 2026	VFM Commentary	Debra Chamberlain, KPMG	Update report on the Value For Money (VFM) commentary.	
29 September 2026				
29 Sep 2026	Internal Audit Progress Report	Aaron Macdonald, RSM UK Consulting	Latest progress report on completed audits for information	11 June 2026
29 Sep 2026	Final AGS	Lisa Langdon, Assistant Chief Executive - Governance (Monitoring Officer)	To present the final Annual Governance Statement for approval	11 June 2026
24 November 2026				
24 Nov 2026	Annual External Audit Report 2024/2025	Caroline Capon, Corporate Finance Team Leader	To present to Members with the Annual External Audit report summarising all external work carried out pertaining to 2025/26 financial statements and other returns.	20 May 2026
24 Nov 2026	Audited Statement of Accounts 2025/26	Caroline Capon, Corporate Finance Team Leader	The 2025/26 Statement of Accounts are presented for Scrutiny and adoption.	20 May 2026
24 Nov 2026	Internal Audit Progress report	Aaron Macdonald, RSM UK Consulting	Latest progress report on completed audits for information	11 June 2026
24 Nov 2026	Report to those charged with Governance - EXTERNAL AUDIT COMPLETION REPORT -	Sue Leversedge, Head of Finance (Deputy Section	To present to those charged with governance, the External Audit report	

	ISA 260	151)	on the quality of the Statement of Accounts and Annual Governance Statement 2025/26.	
24 Nov 2026	Procurement Exceptions	Sue Leversedge, Head of Finance (Deputy Section 151)	To present a list of procurement exceptions granted under delegation between 1 October 2025 and 30th September 2026 to Governance and Audit Committee.	
19 January 2027				
19 Jan 2027	Six monthly Strategic Risk Report	Katy Allen, Corporate Governance Officer	Overview of the Strategic Risk Register	11 June 2026
19 Jan 2027	Internal Audit progress report	Aaron Macdonald, RSM UK Consulting	Latest progress report on completed audits for information	11 June 2026
13 April 2027				
13 Apr 2027	Accounts Closedown 2026/27 Accounting Matters	Caroline Capon, Corporate Finance Team Leader	To review and approve the accounting policies, actuary assumptions and materiality levels that will be used for the preparation of the 2026/27 accounts.	20 May 2026
13 Apr 2027	Internal Audit progress report	Aaron Macdonald, RSM UK Consulting	Latest progress report on completed audits for information	11 June 2026