

Combined Assurance Status Report



West Lindsey District Council

January 2020



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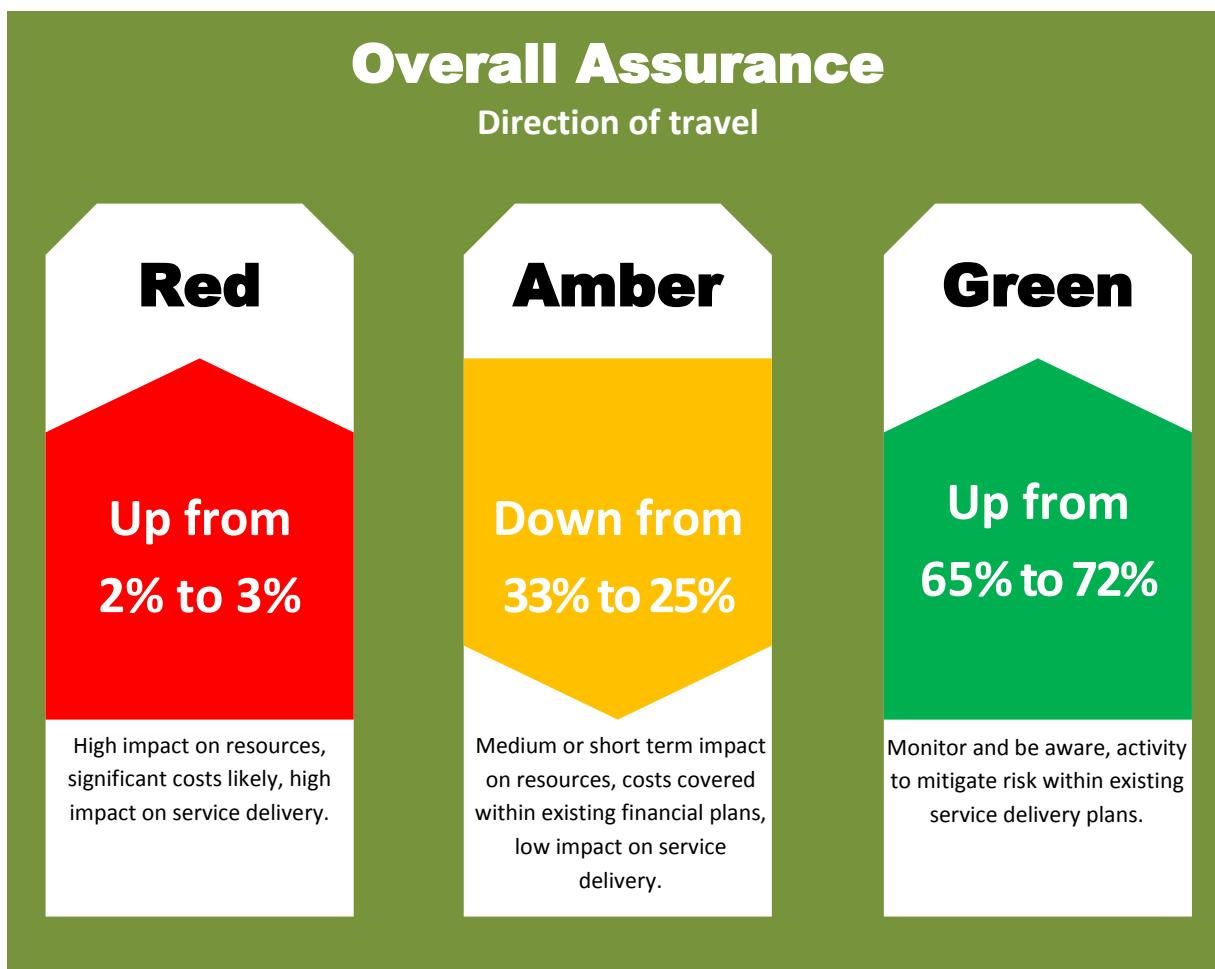
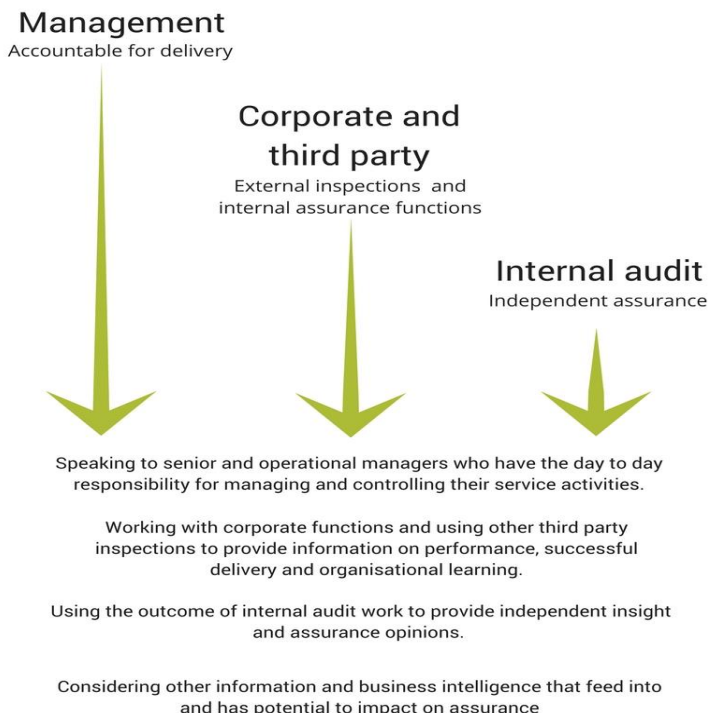
Overview of Assurance

Combined assurance is a structured means of identifying and mapping the main sources and types of assurance in the Council and coordinating them to best effect.

It enhances risk management by providing an effective and efficient framework of sufficient, regular and reliable evidence of assurance on organisational stewardship and management of major risks to the Council's success.

We do this using the three lines of defence model.

How do we assure ourselves about how the council is run?



Summary

We thank Assurance Lincolnshire for producing the Council's latest Combined Assurance Report and also the Council's Team Managers for providing their input into the process. The report is something that we value and recognise as being extremely beneficial in highlighting aspects of Council business that are operating well, while also identifying other areas that require greater focus and/or some level of intervention.

The findings are welcome and represent a comprehensive and accurate view of our assurance position across our services, critical systems, governance processes, ICT arrangements, key projects, partnerships and risk analysis.

The report illustrates that our three lines of defence governance model is operating effectively. Team managers have a good awareness of how their service is performing, are able to identify potential issues and most importantly, are pro-active in implementing remedies or raising to senior management the need for such action. They are empowered to do this and it is pleasing to see that this is taking place.

Almost three quarters of the Council's key service functions and critical activities are deemed to be operating well. This is a good level of performance within the current context of on-going financial pressures and rising customer expectations.

During 2019/20 a significant range of activity across the Council was undertaken. This included the production and approval of the Council's new Corporate Plan covering the period 2019-2023. This sets the strategic framework for the Council over the next four year period and coincides with the terms of office of the new Administration which was elected in May 2019.

The Council elections in themselves were a key consideration. All new and returning Members were inducted, provided with ICT devices and

supported by an initial training and awareness programme. A longer-term training programme has been devised to provide on-going development opportunities for Members.

The Council's risk management strategy and strategic risks were also revised during the year. This involved positive engagement with both Members and officers to assess the Council's overall 'risk appetite' and appreciation of risk.

Progress has been made against delivery of the Council's Executive Business Plan for 2019/20 and key capital projects have progressed satisfactorily. The new Crematorium facility is on track to open in early 2020. The dry-side Market Rasen leisure facility is going to plan with opening due in May 2020 and work has progressed to deliver a new Council Waste Depot in late 2020 or early 2021. Industrial units have been developed in Saxilby and similar development is underway in Caistor.

Day to day service delivery has been conducted to a high standard. Customer satisfaction levels report that over 70% of customers are satisfied, or highly satisfied, with the service they have received.

The Council is also currently preparing for a Corporate Peer Challenge in January 2020, which it has requested from the LGA. This exercise will be useful in assessing how the Council is structured and governed, acts as a community leader, ensures it has sufficient capacity and capability to meet corporate objectives and also how it performs across its range of service areas.

Challenges lie ahead; not least the future funding arrangements for the Council, issues in recruiting to specialist positions and how to maintain impetus in the growth agenda, which the Council has worked hard to stimulate and support over recent years.

Strategic Risks

Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This puts us in a stronger position to deliver our goals and provide excellent services.

The Council approved a new Risk Management Strategy (2019-2023) in October 2019. This sets the framework within which the Strategic Risk Register is regularly reviewed and supports the effective management of risks.

Risk	Actions for Improvement	Current risk rating	Target risk rating
Health and Wellbeing of the District's residents does not improve	Health partnership is under review and there is a need to develop a Wellbeing strategy.	9	6
Inadequate support is provided for vulnerable groups and communities	Produce a baseline of district demography and cross-reference data. Produce detailed understanding of housing need (Gainsborough). Build on success of alchemy event and secure access foundation award. Gainsborough South West Ward and Hemswell strategies. Financial assistance and poverty reduction schemes to be implemented.	9	6
Inability to raise local educational attainment and skills levels	Measure effectiveness of existing actions and draw learning. Deliver against West Lindsey Employment and Skills Strategy and Delivery. Consider role WLDC as an employer can play in further supporting this agenda.	12	9
The local economy does not grow sufficiently	Planning for growth initiative with Greater Lincs. Review of planning policies in general and the review of the Local Plan in particular.	9	6
The local housing market and the Council's housing related services do not meet demand	Review the need for strategic capacity within the service.	9	6
Insufficient action taken to create a cleaner and safe district	Review of available technology to support enforcement action. Ensure permanent resource is in place to prevent enviro crime.	8	4
Inability to set a sustainable balanced budget	Business plan for Crematorium to be reviewed/refreshed. Financial resilience to be assessed.	8	8
The quality of services do not meet customer expectations	Implement actions from the Governance Review – Culture and values. Hold Peer Review – January 2020	8	8

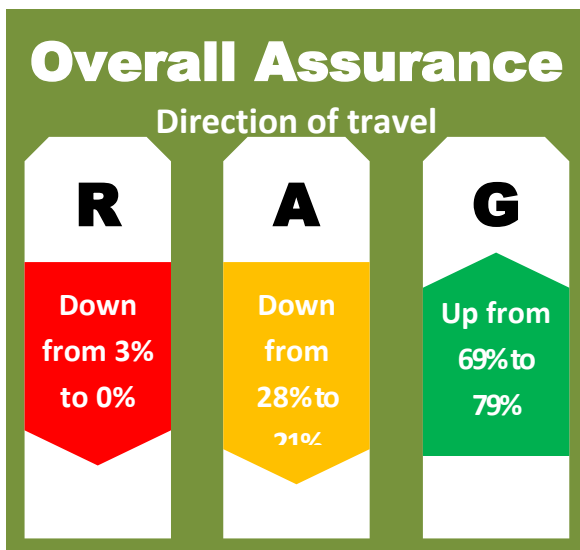
Risk	Actions for Improvement	Current risk rating	Target risk rating
Inability to maintain critical services and deal with emergency events	Draw up schedule of testing of relevant internal plans.	8	8
Failure to comply with legislation including Health and Safety matters	Approve and deliver new waste services depot to provide a safer working environment.	8	8
ICT Security and Information Governance arrangements are ineffective	Deliver against 10 year infrastructure development plan.	12	8
Key	Risk		
Red	High impact on resources, significant costs likely, high impact on service delivery		
Amber	Medium or short term impact on resources, cost covered within existing financial plans, low impact on service delivery		
Green	Monitor and be aware , activity to mitigate the risk within existing service delivery plans / management arrangements		

Key Messages

Transactional Services

Objectives – Transactional services refer to the agreed set of services and functions run by the Council. Each service area should have clarity of its purpose, an understanding of their stakeholders and clear processes for delivery and managing performance.

Our transactional services are in the main ‘front-facing’ and the delivery of excellent performance and high levels of customer satisfaction are key pre-requisites. These two components contribute in a large part to the reputation of the Council amongst residents and Members. The report has found that almost 80% of the Council’s transactional services are performing well and none are rated as ‘red’ in nature.



Critical Activities
Amber
Environmental Protection
External Health & Safety
Gainsborough Markets
Wellbeing Contract
Community Safety and ASB
Building Control
Local Land Charges
Licensing

The areas classified as amber within the report are all on the radar of senior management. Remedial or improvement actions are being implemented, or close monitoring is underway to establish if further action is necessary. Further information related to each of the amber rated areas is set out below.

Environmental Protection and External

Health & Safety: Both of these areas have suffered from capacity issues recently. While this has been addressed, the focus is on ensuring that staff skills are developed and policies are updated.

Gainsborough Markets: Following new initiatives to attract greater footfall and new traders, the performance of this service has improved since last year’s report. The on-going sustainability and effectiveness of the initiatives are being monitored.

Wellbeing Contract: This is not functioning as well as expected so it is being re-visited.

Community Safety & ASB: While now operating at full capacity and the team structure stabilised, performance of the service, being high profile in nature, is being monitored to ensure it is fully effective.

Building Control: This service has lost key personnel over the recent past with recruitment proving difficult. The good reputation of the service must be maintained and impacts on its income generating capabilities are being reviewed.

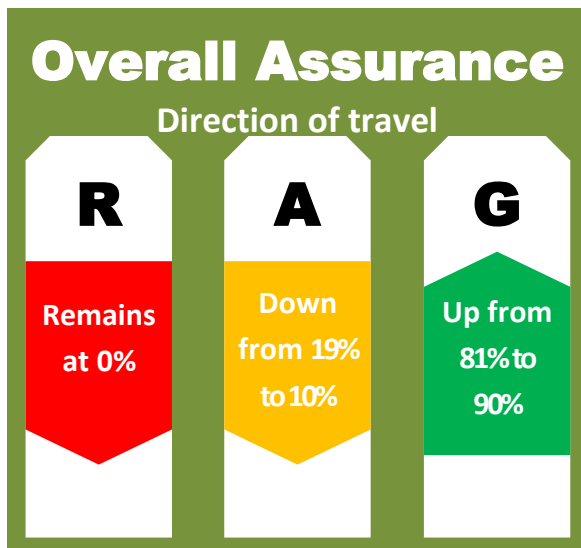
Local Land Charges: The ability to meet targets and staff shortages means that this service is being monitored. Achieving a sustainable level of staffing level is a priority and regular performances reports are prepared for senior management.

Licensing: An experienced manager has recently retired resulting in a new structure being currently trialled.

Key Messages

Governance

Objectives – This section includes areas such as corporate governance, risk management, partnerships, information governance, procurement and contract management, Human Resources, project management and Member and Democratic Services.



Critical Activities
Amber
Procurement
Equality and Diversity

Similar to recent years the findings of the report show that the vast majority of our governance elements are deemed to be operating effectively.

Again, the emphasis concerning governance related matters is to ensure that the Council's arrangements are robust yet proportionate and support effective decision making.

Two areas of focus have been identified within the report, Firstly the Council's procurement procedures are deemed to be in need of review. During 2019/20, there have been instances whereby procurement has not operated as

effectively as desired and has led to delay in the delivery of projects. The Council's current arrangements and procedures are reviewed each year. It is therefore essential that concerns or issues are raised during the review process so as to make the procedures more effective. For high value or technical procurements, the Council draws on expertise provided by Procurement Lincolnshire. In the main this arrangement works effectively and over the last two years has helped to generate over £150k of savings, on like for like contract/procurement renewals.

Furthermore, while it is expected that from time to time challenges to procurement decisions will be received on the part of unsuccessful bidders, no challenges received by the Council have been upheld. This demonstrates that in the main, our procedures are effective and compliant.

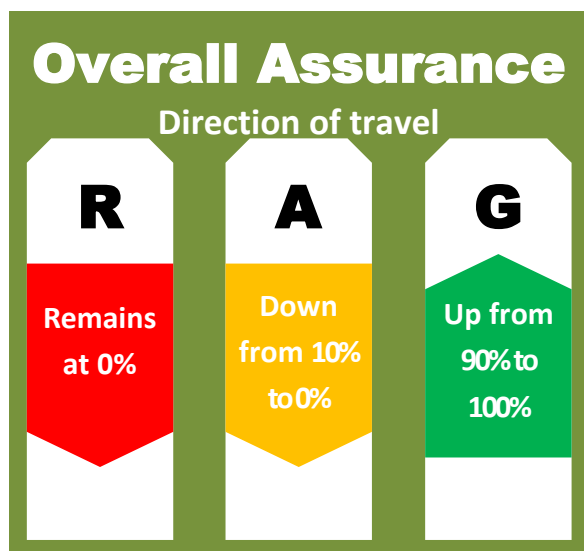
To look further into procurement related matters, a survey of users of the procurement service is to be undertaken and any issues identified will be considered.

Secondly the Council's approach and consideration of Equality & Diversity requires a fresh look. The current policy and principles require a refresh and training for staff would also be beneficial. There is no evidence however, to suggest that in the course of its operations, the Council acts in a discriminatory manner.

Key Messages

Resources

Objectives – This aspect relates to the functions that support the running of the Council and ensure compliance with policies and set procedures.



The findings across this section of the report are extremely welcome. Our arrangements overseeing Council Tax, National Non-Domestic Rates (NNDR), Housing Benefits, financial management controls and the governance of grants are all performing well.

The findings were ascertained after due consideration had been given to a range of indicators against which individual areas could be assessed. These indicators included performance, costs of delivery, the quality and breadth of project and risk management within the area and any conclusions from recent audits.

Many of the areas included under the Resources heading are subject to annual audits due to statutory requirements. The results of these audits during 2019/20 have all provided substantial or full assurance conclusions. This demonstrates that the Council's processes to support financial and budgetary management

and governance are robust and operating effectively.

A further key success in this category was the receipt, for the second year running, of an unqualified audit finding in respect of the Council's Housing Benefit subsidy claim. Only around one in five Council's receive this rating in any year.

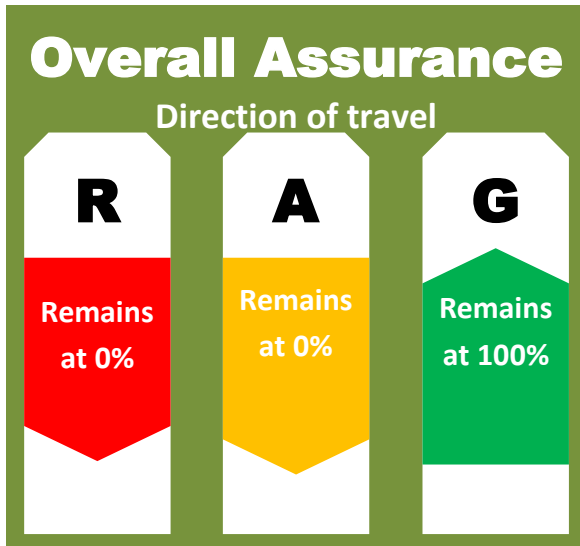
In last year's report, NNDR was flagged as a concern. This was due to instances of poor communication between the service provider and the Council. This led to a lack of awareness of some NNDR initiatives outside of normal performance reporting activities. These matters have been addressed and the function is now operating more effectively.

Additionally, last year's report assessed the Council's CCTV service as amber. This service had expanded its coverage over recent times, but last year the appropriate level of resource to support it had yet to be fully established and as such, hindered the prospect of any further growth. Again, action has been taken to enable the service to expand coverage to additional locations across the District.

Key Messages

ICT

Objectives – The ICT aspect of the report focuses on governance arrangements within the



service, the infrastructure, day to day operations, projects, compliance and applications and systems. All aspects have been rated 'green' in nature and are therefore deemed to be performing well.

The shared ICT partnership with North Kesteven District Council continues to operate effectively. It has overseen the production of a 10 year infrastructure development plan, which has been costed and identifies opportunities for rationalisation and efficiencies across the partnership. Similar work is underway in respect of the ICT systems being used at each Council.

During 2019/20 an audit into the capacity and capability of the ICT service was completed. This provided a substantial assurance rating for the service and also provided pointers as to where this position could be further strengthened. Work is in progress to action these.

The service has delivered a number of key projects during the year. One related to the provision of new and returning Members, (following elections in May) with Council issued ICT devices. This replaced the previous policy of Members purchasing their own devices. The

whole project ran extremely well and feedback from the vast majority of Members involved has been positive. Internal audit have reviewed this work and are due to report their findings imminently.

ICT security remains a key priority. Once again during 2019/20 no major security breaches or successful attacks on ICT systems were reported. The need for vigilance and staff awareness is an on-going message.

The ICT infrastructure, which the Council operates in conjunction with North Kesteven, has been audited by Internal Audit during 2019/20 and a substantial assurance rating was given. Additionally the LGA provided an external assessment of the infrastructure. Again a high level of assurance was provided, placing the Council in the top 4% of all Councils.

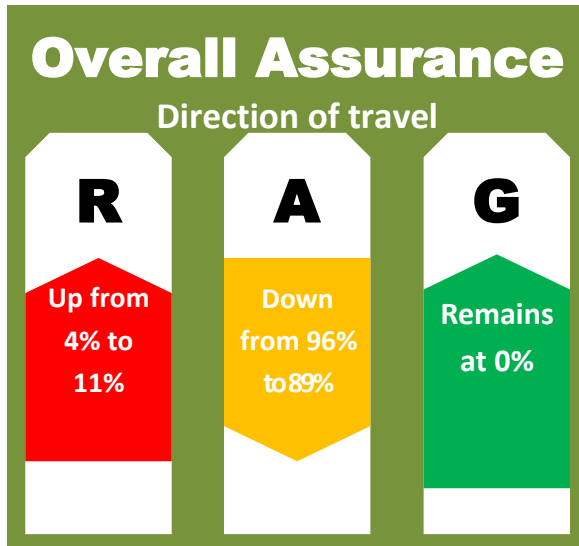
A robust internal system of reporting potential data security breaches in place. This enables officers to record any such instances and instigates action on the part of the Council's Data Protection Officer and the officers involved. A number of instances have been reported throughout the year with a small number referred on to the Information Commissioner's Office (ICO) for consideration. While these reports have been acknowledged by the ICO, no further action has been required.

The Council's Corporate Information Governance Group (CIGG) oversees information governance related matters. It looks for trends within reported breaches and draws up arrangements for on-going communication and awareness messages and also staff training.

Key Messages

Emerging Risks

Objectives – it is impingent on all managers to undertake effective risk management and attempt to minimise the impact of any risks



should they materialise. Looking ahead and horizon scanning to identify any emerging risks is a pre-requisite and it is encouraging that this activity is undertaken across the Council.

Critical Activities	
Red	Amber
Strategic Capacity	ICT in projects
	Green Space Development
	Food Waste
	Information at Work upgrade
	Operational Resilience
	Growth Agenda
	Development Management ICT
	Housing related support Contract

During conversations with Team Managers, a number of emerging risks have been identified and have been categorised as detailed above. Commentary against each risk is provided:

Strategic Capacity: A concern was raised that at the same time as managing day to day service delivery, Team Managers are also involved in the delivery of key projects. The

capacity to effectively do this is a concern. To address the matter, a review of roles and capacity requirements at the second tier of management is underway.

ICT in Projects: A number of projects requiring ICT input have not identified or communicated this at the scoping stage. The Projects Team will be re-iterating the need to identify and communicate with all stakeholders at the outset of project development.

Green Space Development: There is currently little capacity to develop this theme. However, the review of the Central Lincolnshire Local Plan and work underway to provide the Council with a greater insight into its green spaces across the District will begin to address this matter and also contribute to the development of a co-ordinated response to health and wellbeing priorities.

Food Waste: A pilot providing food waste collections is underway in South Kesteven to look at the implications of this EU directive. The Council is keeping fully abreast of developments and potential implications.

Information at Work Upgrade: Testing has shown that the system is not functioning as required. Discussions regarding contractual arrangements are underway with the providers.

Operational Resilience: The Council has single points of failure where certain expertise is held by individual officers.

Growth Agenda: While there has been considerable recent success to stimulate and deliver growth, external funding streams are currently limited.

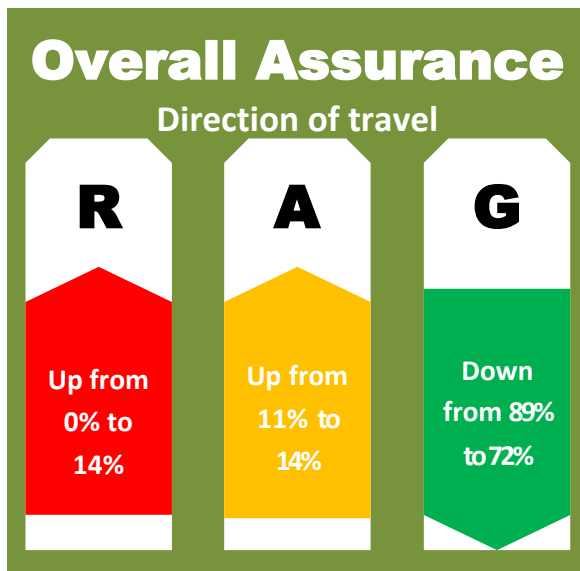
Development Management ICT: The current system does not facilitate efficient working. Work is underway to deliver new systems across the Council as part of the Customer First Programme.

Housing Related Support Contract: The impact of recent changes to thresholds and a new provider have to be fully assessed.

Key Messages

Key Projects

Objectives – During the Combined Assurance



mapping exercise, project management was deemed to be working effectively across the Council.

Currently the Council has seven key projects underway and they are at various stages of delivery. Of these, five are progressing as planned. These are:

The Crematorium: on plan to open January 2020

Gainsborough Growth Programme: Development partner secured and additionally work progressing to deliver housing and cinema projects in Gainsborough.

Skills: Made in Gainsborough (MIG) initiative working well and the West Lindsey Employment & Skills Partnership (WLESP) is effective

Leisure: Dry-side facility in Market Rasen on track for delivery in May 2020

Strategic Community Programme: Delivery is good and key support has been provided for a number of vulnerable communities.

Two projects (detailed below) have been rated red or amber.

Critical Activities	
Red	Amber
Agri-Food Sector	Customer First Programme

The Agri-Food Sector project has been moved back to a pipeline project as it cannot currently proceed. The reason for this is the current marginal viability of the local market which poses a significant commercial risk to the private sector.

The Customer First Programme is ambitious and cross-cutting in nature and is a key forward-looking initiative that the Council has embarked upon. It carries significant risk and has suffered delays based on procurement issues related to the purchase of a new ICT system and sponsorship of the programme has also changed. Sponsorship is now fully determined and progress is being made on the procurement matter.

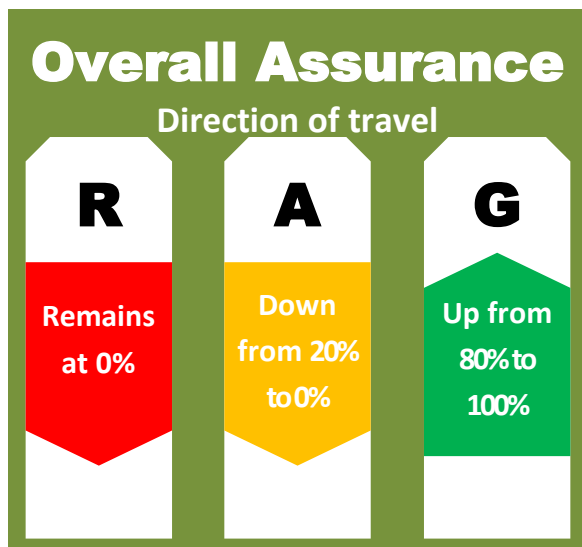
Programme and project management is a key discipline for managers across the Council to demonstrate. Great strides have been made in this area over recent years through the development and implementation of a relevant project management methodology, training for staff and the creation of a team to provide expertise and support for colleagues and also representation on project boards.

Further enhancements are planned through the introduction of an ICT system to support project management and reporting and to also respond to any recommendations arising out of a, soon to be concluded, audit into this subject matter.

Key Messages

Key Partnerships

Objectives - The Council recognises that effective partnership working is key to the achievement of many of its goals and desired



outcomes. In that regard it is essential that any partnerships entered into, or are currently in operation, deliver and their on-going relevance and effectiveness are continually evaluated.

Although no issues were raised during the assurance mapping exercise (all partnerships within the scope of the exercise assessed as operating well), there has previously been a recognition that management/corporate oversight and regular review of partnership management could be improved. To that extent, during 2018/19 a review of all of the Council's partnership working arrangements was undertaken. This provided a set definition of partnership working and helped to strip out arrangements that did not fit with this definition. Consequently the key strategic partnerships which the Council is involved in were identified and their effectiveness and on-going relevance have been assessed.

During 2019/20, a further review has taken place with officers involved in partnerships to update the information obtained the year before. In this way, the Council as a corporate body can retain regular oversight and obtain assurance that its

partnership working arrangements remain effective.

All key partnerships are recorded and updated on a central register. This provides an accurate record at any given time of such arrangements.

Within this assurance mapping exercise, five key strategic partnerships were assessed. The findings were as follows:

Partnership	Comments
WL/NK ICT Partnership	Recent audit gave positive assurance, continues to work well. There are regular partnership meetings. Strategic work plan in place.
Central Lincs Local Plan	Plans approved and adopted. Revision process commenced.
Muse - the Growth Programme	Five year contract in place, but delivery currently problematic due to viability thresholds limiting current projects. On-going dialogue and exploration of options.
South West Ward	Effective work taking place to regenerate the area and bring about social change
Lincolnshire Waste Partnership	Continues to work well