

## **Annual Governance Statement 2022/23**

### **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 describes our governance arrangements and 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, , t the Governance and Audit Committee and the Internal Audit Function.

The External Audit function is undertaken by Mazars 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 Annual Audit and Inspection Letter. The Council received an unqualified audit opinion on its 2022/23 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 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 (2016), in producing this AGS.

## **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. Strategic risks are reported to the Governance and Audit Committee bi-annually.

The governance framework has been in place at the Council for the year ended 31st March 2023, and up to the date of approval of this Statement.

## **3. Financial Management Code**

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and introduced a framework of assurance.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the management team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

The council has undertaken an assessment of compliance with the principles of the FM Code. This assessment has confirmed the council's compliance.

#### **4. The Governance Framework and Annual Review of Effectiveness**

The Council held Elections on the 4<sup>th</sup> May 2023 with all 36 seats on the Council up for election. A total of 19 new Councillors have been elected and the overall results, broken down below, mean that no single political party holds a majority. The Liberal Democrat group has partnered with the Independent member for Hemswell to form a minority administration. An alliance of Conservative Councillors and the Independent member for Dunholme and Welton make up the opposition group, while the third group comprises of two Lincolnshire Independent Councillors.

<b>Group</b>	<b>Number of Members</b>
Liberal Democrat Administration	19
The Opposition Group	15
Lincolnshire Independents	2

West Lindsey District Council operates a Committee model form of Governance under the Localism Act 2011. This has ensured that there is a more democratic approach to decision making with no elected member having any individual executive power to make decisions and requiring committees to be politically proportionate. The Council's Constitution sets out how the Council operates.

The Council uses its Constitution as a basis from which decision making, delegations and matters relating to the ability to meet legislative and statutory requirements are considered. Following legislative changes in May 2021 the Council returned to face-to-face Committee meetings.

The Council is working to its Corporate Plan covering the period 2019-2023. 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 major projects:

## **Our People**

- Implementing a framework for co-ordinating and delivering cultural activity across the district.
- Supported the Jubilee programme of events across the district
- Delivered an events programme for Townscape Heritage and Mayflower 400
- Extended the Viable Housing Scheme to meet the accommodation needs of those not eligible for social housing
- Enabled the delivery of extra care housing to support those with specific needs
- Implemented the First Homes affordable housing scheme
- Extended the Employment and Skills Partnership

## **Our Place**

- Continued to implement projects associated with the 'Thriving Gainsborough' Programme, delivered via the Levelling Up Fund
- Maintained delivery of projects outlined in the Council's Growth Programme
- Developed and delivered the Open and Green Space Strategy

## **Our Council:**

- Progressed the Council's transformational Together 24 Programme, incorporating people led change and technology enabled service reviews
- Implement and embed phase one of the 'One Council' system incorporate finance and performance management
- Delivered separate paper and card kerbside collections as part of the Lincolnshire Waste Partnership

The Constitution of the Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements.

The Constitution is reviewed annually to ensure it continues to be fit for purpose.

The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Chief Financial Officer and Monitoring Officer are described, together with their contributions to provide robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Council's Management Team.

The council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. The Council has successfully concluded its LGA Peer Review Challenge which began in January 2020.

The Council is pleased that the Peer Challenge follow-up recognises the significant progress that has been made since 2020 to implement the recommendations and, in many cases, go beyond these to deliver further improvements to service delivery, ensure greater strategic alignment, secure a highly skilled and resilient workforce and ensure financial resilience, all of which puts residents at the heart of Council activity in-line with its core values. The Council remains ambitious in its plans and recognises there is always more to do.

West Lindsey's next full peer challenge is scheduled to take place in 2024 and officers are working to prepare for this in collaboration with key stakeholders and decision makers.

The Internal Audit Plan 2022-23 was agreed by the Governance and Audit Committee and has 2 outstanding audits. These are the Key Control Testing and Key Project – CRM audits. All of the audits completed in year achieved either High or Substantial assurance.

Officer training needs are identified through development appraisals and reviews, enabling individuals to undertake their present roles effectively and have the opportunity to develop to meet their own and the Council's current and future needs.

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 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. The Annual Review of Fraud
7. The Head of Internal Audit's Annual Report
8. Review of Strategic Risks
9. Comments made by external auditors and other review agencies

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this AGS. As a result, the arrangements are deemed as being fit for purpose.

## **5. Significant Governance Issues**

No significant governance issues have been identified in 2022-23 t

## **6. Governance Risks - Areas for Improvement during 2023-24 (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 issues have been identified for improvement as part of the 2022-23 Annual Governance Statement process.

An action plan will be implemented to ensure activity takes place to bring about the improvements.

- Need to recruit a permanent Monitoring Officer. An interim is currently in place.
- Loss of key staff – ensure that processes are fully documented, succession plans are in place where appropriate, identify activities which are overly reliant on one individual.
- Financial settlement – continue to update the MTFS as we gain greater certainty on the level of funding for future years.
- Continue the review of corporate procurement procedures (carried forward from last year). The Council historically has bought in services from Lincolnshire Procurement but due to recruitment issues they can only provide a limited service.

## **7. Approval of the Annual Governance Statement 2022-23**

The council is satisfied that appropriate and effective governance arrangements have been in place for 2022-23.

### **Signed by:**

Ian Knowles  
Chief Executive, West Lindsey District Council  
**Xx/xx/2023**

Councillor Trevor Young  
Leader, West Lindsey District Council  
**Xx/xx/2023**