

Annual Governance Statement 2024/25

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, 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 2024/25 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. A review of compliance against these seven principles is provided at section 5 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. Strategic risks are reported to the Governance and Audit Committee quarterly.

The governance framework has been in place at the Council for the year ended 31st March 2025, 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

West Lindsey District Council operates a committee model 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.

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) 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.

In June 2023, the Council adopted "Moving Forward Together: Our Vision for West Lindsey" a new Corporate Plan which sets out priorities for Our People, Our Place and Our Council over the next four years. The Vision is supported by an ambitious Executive Business Plan, which includes delivery of major projects, programmes and initiatives that support delivery of strategic priorities. Throughout the year 2024/25, we have:

Our People

- Continued to support local communities including almost £100k of funding to improve community facilities at Hemswell Cliff, opening a new cycle park and play area in Keelby, refurbishing the Saxilby footbridge,
- Appointed a Sports & Physical Activity Development Officer who is leading on the development of a Sports and Physical Activity Strategy which will deliver and promote a sports development programme across the district.

- Hosted sporting events including the inaugural North Lincolnshire Women's Classic Cycle Race, an elite women's race which is the National B season opener for women in the UK.
- Progressed plans to improve access to healthcare across the district, including setting up a working group with the ICB and other health partners to ensure progress continues.
- Continued to deliver our Cultural Strategy for the district, including a highly successful events programme which delivered popular events to local communities such as the Illuminate Festival, the Christmas Lights Festival, GO Festival, WordFest and the Heritage Skills Fair.
- Supported the opening of a new Banking Hub in Market Rasen, bringing much needed banking services back to the town and regenerating a historic building in the process.
- Held a Young Traders Market, supporting young entrepreneurs to showcase their talents at Gainsborough Market.

Our Place

- Collaborated in an Economic Impact Assessment in relation to the STEP Fusion Programme which highlighted the transformative benefits the Programme will bring to West Lindsey in respect of significant economic growth, jobs and investment over a period of 45 years.
- Moved further towards completion of projects within the Thriving Gainsborough Programme, funded by the Levelling Up Fund, including the flagship cinema site, redevelopment of Baltic Mill and Whittons Gardens, all of which are due to be completed by Summer 2025.
- Restored historic shop fronts in Gainsborough town centre and created high quality residential units above the shops through the Townscape Heritage Initiative.
- Continued to use UK Shared Prosperity Funding to support businesses and local communities across the district.

Our Council:

- Submitted our interim plan to government outlining the Council's initial proposals for Local Government Reorganisation in Lincolnshire.
- Collaborated with Lincolnshire Districts to ensure the creation of the District Joint Committee to enable the District Council's voice to be heard at the Greater Lincolnshire Combined County Mayoral Authority.
- Refreshed the Whistleblowing Policy and provided a training and awareness session to team managers.
- Refreshed the Council's Environment & Sustainability Strategy, alongside an updated action plan and a renewed commitment to becoming carbon net zero by 2050. This includes work to progress the installation of solar panels on Council owned buildings such as Gainsborough Leisure Centre following a successful trial of solar panels at the Caenby Corner Waste Depot.
- Launched a new commercial Food Waste Collection Service for businesses across the District to help local businesses meet new government regulations on recycling of food waste.
- Launched a successful 'Big Bin Hire Service', providing residents with a convenient solution for managing excess waste.

- Council services were finalists in a number of national awards including the Central Lincolnshire Local Plan, which was recognised as one of the best in England; Lea Fields Crematorium, which won a bronze award for outstanding environmental sustainability practices. The Council was also shortlisted for three Destination Lincolnshire Awards, as well as winning national awards for excellence in delivering our Waste Services.
- Continued to transform and modernise our services, including the implementation of a new Planning System to improve the way the Council processes planning applications; and the roll-out of a QR code on Council bins across the district to make it easier for customers to report damaged or overflowing bins to the Council.

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 was subject to an external health check review which found that it is a legally compliant document, and recommended it could benefit from some changes to reflect good practice and legislative updates. Reports have proceeded through Governance and Audit Committee and Full Council which have resulted in changes being made to some Articles and Committees in accordance with the advice received.

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. Officer training needs have been 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.

Two of the Council's statutory officers, (the Section 151 Officer and the Head of paid Service), resigned from the organisation in 2024/25. The Section 151 Officer post has been appointed to on a permanent basis and that process is now complete. The Chief Executive recruitment process took place in 2024/25 with the new Chief Executive starting with the organisation in October 2025.

A peer challenge was carried out in January 2025 and the report has been published on the Council's website. The key findings were that the Council is constantly learning and improving, has a positive relationship with its partner organisations and committed and enthusiastic staff. The report found the Council supports, works with

and celebrates the diversity of its communities and staff in various ways and that the work for and with its communities and partner organisations is driven by the corporate plan. The report noted that council's most immediate, challenging issues are its changing Management Team and the implications of possible local government reorganisation in Lincolnshire. It was noted that the council appears to be managing its finances well through good financial governance and a comprehensive planning and monitoring approach with built in contingencies and reserves but the council has identified budget gaps from 2026/27 which the council needs to address. The report noted that internal and external auditors have not identified any significant weaknesses. There were a number of recommendations made to the Council which were:

- 1- Review your management structure as a priority
- 2- Prioritise the filling of your new management structure-especially your Head of Paid Service and Section 151 Officer
- 3- Continue discussion with the peer team and the LGA on the best way to resolve the identified councillor/officer relationships
- 4- Refresh your business planning
- 5- Develop plans to address the gap in your medium-term financial plan
- 6- Design and implement a new continuous improvement/change programme
- 7- Review the number and frequency of your meetings
- 8- Develop internal communications to address issues raised throughout the findings

The Council is developing an action plan to address the recommendations of the peer challenge and will be inviting the LGA peer team to visit the Council again once this plan has been implemented.

The Internal Audit Plan 2024/25 was agreed by the Governance and Audit Committee.

The Annual Internal Report for 2024-25 will be presented to the Governance and Audit Committee in June 2025. The report stated that for the twelve months ending 31 March 2025 the organisation has an adequate and effective framework for risk management, governance and internal control. The internal Auditors have identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

The substantial assurance awards in areas such as purchasing and creditors, project and programme management, and customer experience strategy demonstrate the strength of commitment to deliver strong internal financial controls and excellent customer experience. Following a limited assurance in procurement being received, the Council has taken steps to improve this and these are detailed in Section 6 of this statement. The 2024-25 has been fully completed and of the 27 actions identified, 19 were of a low priority and 8 of a medium priority. The Auditors considered the Council has demonstrated reasonable progress in implementing the agreed management actions.

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.

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. 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 a RAG rating provided:

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

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. Training has been provided to District and Town and parish Councillors on the application of the Standards regime.

Compliance with this principle is deemed **green**

Principle B: Ensuring openness and comprehensive stakeholder engagement

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. 7 public consultations were carried out in the year 2024/25 and a refreshed Consultation strategy was adopted. The Council has strong relationships with public and private sector, for example the Central Lincolnshire Joint Strategic Partnership. Compliance with this principle is deemed as **green**

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

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.

Compliance with this principle is deemed **amber** due to the Council intending to take a holistic review of all strategic risks.

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

The Council complies with this principle by having a detailed performance management framework which ensure reports are provided to Management Team and Committee 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 operates a Programme Board framework and produces a state of the district report.

The Council is undertaking a review of its internal governance framework with the intention of aligning this with the work being carried out to refresh the Corporate Plan, therefore compliance with this principle is deemed as **amber**

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

The Council complies with this principle by providing training as required to officers, apprenticeship schemes, corporate inductions and member induction and training. It is recognised following the feedback from the LGA peer review that a refresh of the senior structure is needed to ensure capacity and resilience for the organisation, especially as moves towards 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.

The Council is in the process of reviewing its senior officer structure and therefore this principle is deemed as **amber**

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

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 is currently looking to balance the medium term financial plan once the government's fair funding review is complete.

Compliance with this principle is deemed as **green**

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

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.

Compliance with this principle is deemed as **green**

6. Significant Governance Issues

The Council received one limited assurance internal audit review in 2024-25, which related to the Council's procurement provision. The Audit highlighted that the Council's contract and procurement rules needed updating, that the Council needed to ensure adequate resources are in place, and document management needed improving. Following this the Council has updated its rules and policies in accordance with the legislative requirements, updated its constitution, provided training sessions to staff and strengthened the relationship with Procurement Lincolnshire. A further Audit of the Council's procurement processes was carried out in February 2025 resulting in a reasonable audit assurance opinion.

7. Governance Risks - Areas for Improvement during 2025-26 (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 as risks or areas for improvement as part of the 2025-26 Annual Governance Statement process.

An action plan will be implemented to ensure activity takes place to monitor the following risks and monitor improvements required:

- 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.
- Local Government Reorganisation – continue to work with elected members, partner organisations and central government to ensure West Lindsey District Council is well prepared for future reorganisation.
- The Greater Lincolnshire Mayoral County Combined Authority – This organisation is still relatively new, holding its inaugural meeting in March 2025. Whilst the Council has ensured District Representation at this Authority through the District Joint Committee mechanisms, the Council needs to continue to work with members of the Combined Authority and the District Joint Committee to ensure the interests of West Lindsey District Council and its residents are represented in these forums.

8. Approval of the Annual Governance Statement 2024-25

The council is satisfied that appropriate and effective governance arrangements have been in place for 2024-25.

Signed by:

Paul Burkinshaw
Chief Executive, West Lindsey District Council
Xx/xx/2025

Councillor Jackie Brockway
Leader, West Lindsey District Council
Xx/xx/2025