

SAFE WELL PROSPEROUS CONNECTED

ANNUAL GOVERNANCE STATEMENT

**Final
2021-2022**

**North
Lincolnshire
Council**

www.northlincs.gov.uk

Executive Summary

The Council has in place strong governance arrangements which we are confident protect the interests of the council and provide necessary assurances to our residents and stakeholders.

Notwithstanding inherent risks facing local government and strategic risks within the local operating environment which are identified and reviewed throughout the year, the Council's governance arrangements provide robust mechanisms to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The council has set out a clear ambition for North Lincolnshire in its Council Plan and will strive to seek continuous improvement. The council will continue to provide effective governance arrangements and will make further improvements in line with good practice and external recommendations accordingly.

The Annual Governance Statement 2021-2022 concludes that there are no significant governance issues that have arisen during the year which require specific reporting apart from the exceptional circumstances of Covid-19.

S Fair

Stuart Fair

Director of Finance & S151 (Interim)

8th January 2024

K Vickers

K Vickers

Chair of Audit Committee

8th January 2024

1. Council's responsibility for good governance

North Lincolnshire Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Local Government Act 1999 requires local authorities to make arrangements to secure continuous improvement in the way in which 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, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

The Accounts and Audit Regulations 2015 require the council to publish with its final accounts an Annual Governance Statement (AGS). The AGS sets out the council's governance arrangements that it has in place and considers their effectiveness.

2. Council's Governance Framework

The council's governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and those 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 to consider whether those objectives have led to the delivery of appropriate services, achievement of desired outcomes and value for money. Key elements of the council's framework are:

- [The Council's Constitution](#) - sets out how the council operates and how it makes decisions. The Constitution says what the council must do to make decisions efficiently, transparently and accountably. Periodic reviews of the Constitution are undertaken to ensure alignment with the Council Plan and strategic objectives as well as incorporating legislative change and developments in case law. Any major changes to the Constitution are reported to Full Council by the Monitoring Officer.
- [Council Plan 2022-2025](#) - approved by Full Council on 18 May 2022 and added to the policy framework. It sets out the priorities the council will focus on and the way it will work in order to deliver better outcomes across North Lincolnshire.
- The system of internal control, which is set by the council's local code of corporate governance and is based on the seven principles detailed below. It ensures that the council carries out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. This is an on-going process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to

evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

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

3. Review of effectiveness of governance arrangements

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review relates to the governance framework which has been in place at North Lincolnshire Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts. Any issues identified as a significant governance issue are reported within the AGS, and the progress made by management in 2021-2022 to address these issues will be reported regularly to the Audit Committee as the body charged with governance.

The review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment; by the Head of Audit and Assurance Annual Report; comments made by External Auditors and other review agencies and inspectorates. The Council Assurance Group is responsible for co-ordinating the review.

The three lines of assurance model is central to this review of effectiveness and is made up as follows.

First Line – (delivery/operational area)

The council has a performance framework to help assess the effectiveness of its arrangements. Performance is monitored at different levels across the organisation and forms part of the Directors' assurance.

Self-assessment at Assistant Director level identifies how assurances are sought to confirm that the services and functions they are responsible for, comply with each of the seven principles. Directors use these to inform their assurance statements within the overall assurance framework. Issues identified at this level include:

- The Adults and Health self-assessment identified a number of challenges moving forward, such as the long term service and funding sustainability,

work force resilience, the implementation of statutory reform, and the introduction of a new Care Quality Commission framework.

- There was an overall budget pressure across Adults and Health for 2021-2022 due to ongoing Covid-19 related costs and the sustained impact on health and social care. This was proactively managed throughout the year utilising all available grant funding.
- Recruitment of solicitors with knowledge and experience of Adult Social Care has been a challenge in year, prolonging the need to use agency solicitors which is not sustainable. A solution being progressed is to recruit non-qualified staff into career progression roles to qualify as solicitors.

The Director assurance statements review against previous years' actions, highlighting areas of good governance actions to further strengthen the control environment. Examples of good governance and improvements progressed include:

- The 'Proud to Care Campaign' has supported recruitment across the social care sector, raising the profile of working in care.
- Embedding new fleet compliance arrangements, ensuring previously identified issues have been addressed.
- Decisions with financial implications taken outside of the budget process are supported by a financial challenge to ensure costs, income and funding are fully considered, understood and accounted for when the decision is taken.
- Whistleblowing policy, process and recording have been reviewed, including communications and training for managers.
- The implementation and review of guidance in relation to Covid-19 and adjusting practice guidance and current working practices at a council wide level, to ensure requirements were met.
- The Children and Families Voice and Engagement governance arrangements have been reviewed and refreshed and the Children and Families Voice and Engagement Steering Group and Operational Group are now in place to provide forums to oversee and co-ordinate all engagement activity across Children and Families and to consider its impact and outcomes.
- The terms of reference for Committees, Cabinet and Cabinet Member delegations and Scheme of Officer delegations and Proper Officer appointments were all reviewed and approved by full Council.
- The Council's Code of Member Conduct was reviewed and approved by full Council following publication of the LGA Model Code of Conduct. A copy of the revised Code has been provided to all town and parish councils.
- The Council's Contract Procedure Rules were reviewed and updated to account for best practice and enable electronic signing and sealing of contracts and with approval by full Council.

In addition, Directors produce reports for Cabinet, Scrutiny and committees which provide assurance on governance and the control environment in specific areas. For example:

- ***Children in Care and Care Leaver Virtual School Headteacher Annual Report 2021*** – reported to Cabinet Children and Families Cabinet Member 10 January 2022. The role of the Virtual School is to promote the educational achievement of children in care. The report provides an overview of the work undertaken to support children and young people throughout their journey and the impacts and successes over the past year.
- ***Local Safeguarding Adults Board Annual Report 2021/22*** – presented to Cabinet 24 January 2022 and Health and Wellbeing Board 21 March 2022. This sets out the activities and work undertaken by North Lincolnshire Safeguarding Adults Board and its members to deliver on the aims and objectives of its Strategic Plan.
- ***Independent Reviewing Service (IRS) Annual Report 2019/20*** – presented to the Children and Families Cabinet Member 9 November 2021. It focuses on the IROs for Looked After Children and sets out a range of information about the service, including the extent to which it complies with regulation and best practice.
- ***Special Education Needs and Disabilities (SEND) Inclusion Plan Annual Report 2020/21*** – reported to Cabinet 26 2022. The report summarises work undertaken by the council and its partners to implement the SEND Inclusion Plan. It also highlights achievements including the roll out of a new digital Education, Health and Care (EHC) Hub to enable children, young people and families to participate more effectively in the statutory special education needs assessment process.
- ***Annual Report of Local Arrangements to Safeguard and Promote the Welfare of Children and Young People 2020/21*** – reported to Health and Wellbeing Board 18 November 2022. The report demonstrates that the local arrangements:
 - effectively meets statutory obligations
 - benefits from strong and consistent leadership
 - has made good progress against its 'shine a light' areas of focus
 - listens and responds to the voices of children and young people
- ***Fostering Annual Business Report 2021/22*** – reported to Children and Families Cabinet Member 26 October 2022. The business report provides the Cabinet Member with information and assurance regarding the effectiveness of the fostering service in North Lincolnshire and the outcomes achieved for children. As at the end of March 2022 192 children were in North Lincolnshire care, of these children 156 were in foster care (81%) and 98% of which were living with in house approved foster families. This is an increase from the previous year.
- ***Local Safeguarding Adults Board Annual Report 2021/22*** – presented to Cabinet 24 January 2022 and Health and Wellbeing Board 21 March 2022.

This sets out the activities and work undertaken by North Lincolnshire Safeguarding Adults Board and its members to deliver on the aims and objectives of its Strategic Plan.

- **Annual report – An Account of Adult Social Care Services 2020/21** – reported to Cabinet 22 November 2021. Informs local people what the Council has been doing over the past year, how they have supported people to meet their outcomes, key developments and sets areas of focus for the coming year.
- **Healthwatch North Lincolnshire Annual Report 2021/22** – presented to Health and Wellbeing Board 26 September 2022. The report highlights ways in which Healthwatch North Lincolnshire has made a difference to local people, services and processes from April 2021-March 2022. This includes case studies on their main projects as well as examples as to how they have acted upon feedback trends highlighted to us by members of the public.

Second Line - (oversight of management activity and separate from those responsible for delivery)

The council's Assurance Group receive a quarterly overview which provides an update on the position against a set of criteria, which help identify whether the council is fulfilling its duties as an organisation and employer. Assurance is evaluated using information and data including management sign-off of critical functions and by referencing specific performance measures.

As part of the process for completing the AGS those responsible for the oversight of management activity, separate from those responsible for delivery, were asked to provide statements on the overall operation of the control environment within their particular areas of oversight and how assurance is sought:

- **Assurance provided by the Monitoring Officer in relation to operating within the rule of the law and constitutional arrangements including member code of conduct** – Having reviewed existing controls mechanisms, procedures and evaluation processes within the Monitoring Officer's areas of responsibility, no significant concerns have been identified. During 2021-21, no judicial reviews were issued against Council decisions; no costs were awarded against the Council in litigation and all council prosecutions were successful and issued in accordance with statutory timescales. Additionally, a review of the council's Members' Code of Conduct was carried out during the year with recommendations approved by Council in December 2021. Although recruitment into the service remains an issue, the council continues to benefit from sound legal advice.
- **Assurance provided by the Head of Human Resources and Organisational Development in respect of human resources policy frameworks and arrangements, including organisational health and safety** – across both human resource and health and safety (H&S) related matters, no issues have been raised. The H&S team use recognised sources

of information to ensure that statutory obligations are met, staff keep abreast of changes in legislation and local/national updates and the council's differing working environments and work styles are regularly monitored, recorded and evaluated for risk (including Covid-19 related considerations).

Human resource related policies are reviewed to ensure compliance with relevant legislation. New staff are inducted appropriately and all staff receive on-going training and awareness packages to ensure continued compliance with employment legislation, with on-going support and guidance available.

- ***Assurance provided by the Deputy S151 Officer on Finance and Procurement policy and procedures*** - the service applies a Business Partnering Model as its main method of engaging with service users to ensure robust budget and financial management and has also adopted a Resource Accountability Framework (RAF) which describes the relevant tasks and responsibilities required in effective financial management. The council's Contract and Procurement Procedure Rules (CPPRs) are reviewed annually to ensure they remain aligned to legislative and best practice updates. During 2021-2022 Internal Audit reviewed: The role of the Chief Finance Officer; Income Controls; Creditors, Debtors and eFinancials and Treasury Management; reporting substantial assurance in all cases. During the year the council operated within its set budget and no challenges to procurement processes were received.
- ***Assurance provided by the Information Governance/Data Protection Officer on information governance arrangements*** – the Council continues to meet the demands of external assessments, with the most significant being the annual NHS Data Security and Protection Self-Assessment. A programme of mandatory Information Governance training is provided for all staff, including new starters, and take-up is high. Reviews are conducted when there are changes to legislation or national good practice, when internal process or system changes take place and when incidents occur. During 2021-2022, three breaches were reported to the Information Commissioner with two requiring no further action and the outcome of the third awaited. Consequently, a high level of assurance exists that current policies and procedures support robust Information Governance and Data Protection across the council.
- ***Assurance provided by the Business Performance and Improvement Manager on performance management arrangements*** - the council has a performance management framework which sets out the approach that is used to assess progress and to measure success and lays out the foundations and approach locally to performance management. The council assurance group and senior leadership team receive quarterly performance reports which focus on matters of exception and the contextual narrative behind the data. This provides assurance that council is managing performance and can demonstrate that it is fulfilling its duties as an organisation and employer and is actively ensuring that it meets nationally laid down standards. Performance is monitored closely within service areas

and therefore any areas of concern are identified at an early stage, the reasons understood and remedial action taken.

- ***Annual Report of the Audit Committee 2021/22*** – this was presented to the Audit Committee 13 July 2022 and Cabinet 26 September 2022. It summarises the activities of the Committee and demonstrates how it has discharged its duties. It also reports on the outcome of the Audit Committee's self-assessment against good practice. No issues of non-compliance were identified.
- ***Annual Information Governance Update*** – this was presented to the Audit Committee 13 July 2022 and outlines the key Information Governance activities undertaken by the Council in 2021. It provides assurance that the Council, across all of its work areas and functions, remains compliant with its legal obligations and follows good practice. Three incidents met the criteria requiring reporting to the Information Commissioner's Office (ICO), who determined that no further action was necessary in two cases.
- ***Annual Report of the Standards Committee 2021/22*** – received by the Standards Committee on 14 July 2022. The annual report highlights the work of the Committee over the period and outcomes from complaints made against the Code of Conduct. Although the number of complaints received has increased, the report does not identify any particular emerging themes or concerns and the Code of Conduct remains fit for purpose.
- ***Attendance Management Annual Review*** – reported to Audit Committee 13 July 2022. The report provided an analysis of 2021-2022 sickness absence and key activities that have taken place to support good levels of attendance and reducing sickness absence and that no systemic issues prevail.
- ***Fraud Annual Report*** - reported to the Audit Committee 23 March 2022. It highlights the work that has been undertaken for the prevention and detection of fraud, corruption and financial misconduct in 2021-2022. The report highlights the work undertaken in relation to business grants, council tax single residency discounts, school admissions and internal allegations. No major frauds were reported.
- ***Risk Management Annual Update Report*** – reported to the Audit Committee 23 March 2022. The report highlighted the work that has been undertaken in relation to risk management, together with an update on the council's strategic and operational risk registers. The report concluded that arrangements for managing risk within the council are appropriate and there is evidence that risk is taken seriously. There is also an understanding of the need to get risk management right and to ensure consistent implementation of the risk management framework.
- ***Regulation of Investigatory Powers (RIPA) 2000 Update*** – reported to Cabinet on 24th January 2022 on the extent to which the council had applied

such powers during 2021-2021 and highlighted that best practice had been followed.

- ***Treasury Management Annual Report*** – reported to Audit Committee 13 July 2022 and Council 11 August 2022. This report provides details of the Council's treasury arrangements, activity and performance during 2021-2022.
- ***Treasury Management Strategy and Practices*** - reported to Audit Committee 26 January 2022. The Statement aligned with Treasury Management regulations and no material breaches were reported.
- ***Value for Money Annual Report*** – reported to Audit Committee 21 September 2022. This report highlights the arrangements in place for securing VFM in the context of financial sustainability, governance and improving economy, efficiency and effectiveness. No issues were identified.
- ***Youth Council and Young Voice Annual Report*** – reported to Cabinet 20 November 2022. This highlights the work undertaken across the Youth Council and wider young voice activities and outlines the impact and outcomes of engagement, predominantly at a service, local, regional and national level. It also sets areas of focus for the coming year. No issues were identified.

Third line (independent oversight)

Head of Internal Audit Annual Report and Opinion 2021-2022

Presented to the Audit Committee on 13 July 2022, the Head of Internal Audit Report provided an overall opinion of satisfactory assurance on the effectiveness of the Council's control framework. The report highlighted that the audit programme identified that capacity within support services as an emerging risk that could potentially impact on the operation of the control environment in future years. It also noted that some developments had been made in the role of scrutiny and this needs to continue.

External Audit

There were no significant issues arising from the external audit of the Council's 2021/2022 financial statements. The Council's external auditors, Mazars, have proposed an unqualified opinion on the financial statements. In relation to the VFM Conclusion, auditors have not identified any significant risks as part of their work to date.

Ofsted

- Adult Community Learning full inspection monitoring in September 2021 – 'Good'
- The Cygnets full inspection in October 2021 – 'Outstanding'

- Joint inspection between OFSTED and Care Quality Commission (CQC) of the local area's provision for children and young people with SEND in December 2021. No judgement was provided, however the report was positive and it was noted that, "... the local area takes purposeful action to address the needs of children with SEND at an early stage."

Other External Inspections/Assessments

Other external inspections and verifications carried out in 2021-2022 are listed below together with their ratings:

- Sexual health inspected January 2022 and rated as 'Outstanding'. (This is a commissioned service and the positive rating points towards the quality of management and oversight of commissioned and contracted services).
- Highways Incentive Fund – Band Three achieved.
- Green Flag Status – Five green spaces/parks meet standards.
- Institute of Cemetery and Crematorium Management Charter for the Bereaved.
- Public Services Network (PSN) – Compliant.
- Gateway Qualifications External Quality Assurer (EQA) Visit: English for Speakers of Other Languages (ESOL) Writing and Reading, - Positive visit with a few actions provided to further improve practice.
- National Council for Further Education (NCFE) CACHE EQA Visit: Level 2 Certificates in Principles of Customer Service, Team Leading and Business Administration - all judgements marked as excellent.
- The terms of reference for Committees, Cabinet and Cabinet Member delegations and Scheme of Officer delegations and Proper Officer appointments were all reviewed and approved by full Council following validation by specialist external solicitors.

Local Government and Social Care Ombudsman

The Ombudsman is responsible for independently investigating complaints that have not been resolved by the organisation. The Annual Letter of the Ombudsman was received in July 2022 and provides a positive narrative about how the council responds to customer complaints.

4. Covid-19

During the year the council has continued to apply the principles of the Covid-19 Mid-Term Recovery Plan in its response and recovery in line with the national guidance. During the course of 2021, a series of Covid-19 recovery update reports were presented to both full Council and Cabinet. These provided assurance that the council's response to a changing operating environment was effective and in turn, progress and achievements in responding to and recovering from Covid-19 were detailed. Particular highlights include:

- Development of the local 'Living with Covid Framework' which sets out the workspace offer to our workforce depending on the current Covid-19 risk level and its impact on workforce resilience.

- Effective implementation and roll out of vaccination programme through partnership approach.
- Continued to run outreach sessions to increase vaccine take up in traditionally hard-to-reach groups.
- North Lincolnshire's integrated approach to the Community Testing Programme, Contact Tracing and Vaccination Outreach has been recognised by the UK Health Security Agency as exceptional.
- Launched public-facing 'North Lincolnshire Covid-19 Daily Report' on the Council website, enabling people to see if rates of infection are high in their area, or in an age group that they mix with.
- Launched various initiatives to support recruitment and retention in the care sector, including the 'Proud to Care' campaign, the development of a 'Proud to Care Recruitment Hub' and a paid 'Introduction to Care' training programme.
- Continued to offer a hybrid approach to engaging with children and families (while maintaining our statutory responsibilities) including face to face and virtual mechanisms, to best meet their needs and circumstances.
- Delivered five units of accommodation for rough sleepers, with a further four units of accommodation due to be completed in 2022-23.
- Saw four projects awarded a total of £1.3m from the Community Resilience Fund to help boost local skills and growth.
- Delivered £0.9m of Omicron Hospitality and Leisure Grants (OHLG) to 290 eligible businesses, while continuing to distribute Additional Restrictions Grant (ARG) funding.
- The 18-24 Youth Hub engaged with 46 young people since the start of December 2021, of which 85% have gone into work. The Youth Hub has contributed, along with Kickstart, to reducing youth unemployment in North Lincolnshire from 12.7% before the pandemic to 3.4% in February 2022.
- Covid-19 Local Support Grant Funding provided food vouchers for a range of groups (including care leavers and families in low-income households with pre-school children) over the Christmas and Easter holidays.

5. Governance Challenges

Governance challenges can arise when something has gone, or is going wrong, which will affect the achievement of the council's objectives. There is a need to respond and often recover from an issue and in financial terms, responding and recovering may add significant cost to the organisation or its processes. An issue may arise unexpectedly or may result from a poorly managed risk. Determining the significance of a governance issue will always contain an element of judgement.

An issue is likely to be significant if one or more of the following criteria applies:

- It has seriously prejudiced or prevented achievement of a principal objective.
- It has resulted in the need to seek additional funding to allow it to be resolved.
- It has required a significant diversion of resources.
- It has had a material impact on the accounts.
- It has been identified by the Audit Committee as significant.

- It has resulted in significant public interest or has seriously damaged reputation.
- It has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer.
- It has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

Based upon the assurance systems in place and the council's approach to continuous learning through external and internal review and the information considered in the AGS, the conclusion is that there are no significant governance issues that have arisen during the year which require specific reporting apart from the exceptional circumstances of Covid-19.

Required improvements in governance arrangements identified at an operational level (first line) and/or second line will continue to be monitored through the Council's Assurance processes.

6. Governance Risks 2020-2021

The following risks were reported in the 2020-2021 AGS. As part of the compilation of the AGS for 2021-2022 the current position in relation to these areas was reviewed and consideration was made as to whether they remain a risk through into 2022-2023.

- The financial impact of Covid-19 on the council during 2020-2021 could be met by the additional funding made available by government. Overall, the net additional cost amounted to £27m (18% of the approved budget). However, the approach taken whilst responding effectively to additional responsibilities mitigated against creating longer term legacy costs or demand and making use of redirected internal resources to minimise costs. This approach contributes to financial resilience for 2021-2022 and beyond as it is anticipated that the longer-term impacts of Covid-19 will require re-prioritisation of investment. An exercise has commenced to review the financial sustainability and assess the medium-term financial plan with adapted assumptions on funding and spend. In addition, the review and renewal of the Council Plan and Health and Wellbeing Strategy will take account of the impact of Covid and prioritise recovery and renewal focus on mitigation and reduction of inequalities

Response: Medium Term Financial Plan 2022-2025 which forecast the on-going financial impact of Covid-19, noted the council's financial resilience and was approved by Council in February 2022. Over the course of 2021, a series of Covid-19 recovery update reports were presented to both full Council and Cabinet. These provided assurance that the council's response to a changing operating environment was effective and in turn, progress and achievements in responding to and recovering from Covid-19 were highlighted. The Council Plan 2022-2025, was framed within the context of recovery and renewal from the pandemic to support increased levels of resilience across all communities.

- At an organisational level there have been changes within the council's statutory roles. Following the retirement of three chief officers, a successful recruitment exercise has completed to appoint a new Chief Executive; while interim arrangements are in place relating to the roles of Director of Children's Services and Director of Public Health.
Response: All senior and statutory roles have now been recruited to and previous interim arrangements have been remedied.
- North Lincolnshire Council will benefit from investment as part of the government's 'Build Back Better: our plan for growth' over the next few years. This will require new and strengthened governance arrangements to operate effectively.
Response: The Council as accountable body for Levelling Up Fund (LUF), Shared Prosperity Fund (SPF), Towns Fund (TF) and Future High Streets Fund (FHSF) has strengthened its governance arrangements incorporating LUF/SPF in the Towns Fund Board (private/public/community sector) – the programme board (internal programme management) and project lead assigned to each project. Full governance and lines of assurance are documented and have been approved by the board.
- The changes to NHS structures and the development of Integrated Care Systems (ICS) will also impact on local governance arrangements. The council are a key stakeholder in the development and design of the new ICS NHS body and place-based partnerships, including the transitional arrangement during 2021-2022.
Response: The place-based partnership has been established to take effect from 1st July 2022 and a NL Strategic intent has been agreed.

Governance Risks 2021-2022

During 2021-2022 a number of issues have arisen relating to breaches of information governance and data protection and two cases have necessitated self-reporting to the ICO. However, the ICO have been satisfied with the Council's response and on-going mitigation with a second case awaiting feedback from the ICO, although internal procedures have concluded with no significant risks identified.

There have been two incidences of administrative errors within council tax. One concerning a direct debit instalment date being taken earlier than scheduled and the other related to the energy rebate payment being made in error to Band E properties. Both were identified quickly and mitigating actions taken, including the recovery of the energy rebate paid in error. An independent learning review was conducted into the rebate matter which identified some key strengths in the way in which the rebate project was managed, along with a number of recommendations to consider reducing the risks of similar difficulties and issues arising in the future. These have formed an action plan which is being worked through to ensure the internal control environment is effective as it can be.

An emerging issue relates to concerns regarding the ability to recruit and retain to professional positions across a number of areas in the council, such as social workers, legal services, planning and building control. Pro-active steps have been taken to recruit to the care sector, while shorter term arrangements are in place across other disciplines. The council's Organisational Development Plan is in renewal and will take on board such matters and with actions evaluated for their effectiveness.

Governance Risks 2022-2023 – The Present and the Future

The year ahead carries a number of significant challenges as a result of local, national and international matters. The council must consider these and evaluate the potential impacts and threats they possess to the fulfilment of the outcomes the council wants to achieve for the people and place of North Lincolnshire.

The on-going situation in Ukraine is contributing to a number of issues, including energy and food security (causing shortages of both commodities, rising prices and directly influencing rising inflation) and the need for a European-wide humanitarian response to provide safe haven for refugees fleeing conflict. The council's role in supporting refugees in all government schemes will continue. The Council must also be cognisant of the impact the rising cost of living will have on local communities and enabling individual and community resilience.

The level of inflation will have a significant impact on the Council's financial resilience. The medium-term financial plan for 2022-25 did not anticipate such high rates of inflation. Although the risk and transformation reserve was increased at the end of 2021-22 providing some level of additional resilience, a further review of the financial plans is being undertaken to identify the extent of the impact and identify mitigations that will ensure that the council remains financially sustainable in the medium term.

This year's AGS has noted that a number of areas within the council have struggled to recruit to professional positions. This gives rise to capacity challenges, which in times of rising demand and higher expectations, presents risks to current high levels of performance, customer satisfaction, budgets and the council's reputation. Solutions are being identified and will be supported by a refreshed workforce strategy and renewed Organisational Development Plan.

The council has been extremely successful in securing central government funding to transform the place of North Lincolnshire. As projects develop, a key focus must be on ensuring effective delivery to realise the impact of strengthened infrastructure and social fabric of North Lincolnshire. This will require the governance and oversight arrangements in place working effectively to evaluate and report on progress in a transparent and timely way.

There is significant national policy change in both Adult Social Care and Children's Services. The council has a strong record of keeping abreast of such changes; planning for and implementing them effectively. This will remain a key focus during 2022-2023.