AUDIT AND GOVERNANCE COMMITTEE

DATE   29/01/2026
REPORT OF   Assistant Director Law and Governance
SUBJECT   Local Code of Corporate Governance and Annual
                    Governance Statement Update
STATUS   Open

CONTRIBUTION TO OUR AIMS

Effective corporate governance arrangements provide a framework to support the delivery of the Council's strategic aims.

EXECUTIVE SUMMARY

This report provides the Audit and Governance Committee with the following:

- A revised Code of Governance which takes account of any changes to the Council's governance arrangements since it was previously approved in January 2025.
- Progress as of 14 January 2025 in respect of issues raised in the 2024/2025 Annual Governance Statement (AGS) which was approved by the Audit Committee in October 2025.

RECOMMENDATIONS

The Audit and Governance Committee is asked to:
- approve the updated Code of Governance for inclusion in the Council's Constitution; and
- note the action which has to be taken to respond to the issues raised in the 2024/25 Annual Governance Statement

REASONS FOR DECISION

The Committee's responsibilities include monitoring the effectiveness of the Council's governance arrangements and related control environment. As part of discharging its responsibilities it receives updates on revisions to the Council's Code of Corporate Governance and progress in implementing the actions relating to the previous year's Annual Governance Statement.
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1.   BACKGROUND AND ISSUES

Code of Governance

1.1   In April 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Government Chief Executives (SOLACE) issued their document *"Delivering Good Governance in Local Government: a Framework"*. It is based on the following seven principles underpinning the framework.

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

1.2   In May 2025 an addendum to the Framework was issued. This addendum is the first update of the guidance since 2016 and relates mainly to the Annual Governance Statement (AGS). Whilst the seven principles remain unchanged the addendum suggests that additional areas of governance should be reflected in the Code e.g.:

- Taking account of best value statutory guidance
- Additional information on ethical behaviours
- Application of the Code of Practice on Good Governance for LA Statutory Officers
- Arrangements to achieve fair access to services
- Authority's approach to commissioning across the entity
- Health and wellbeing arrangements
- Cyber and AI arrangements
- Asset Management arrangements
- Procurement and Contract Management arrangements
- Assurance frameworks

The changes to the Code are in bold italic.

1.3   The revised Code shows that overall, the Council continues to comply with the principles outlined in the CIPFA/SOLACE Framework. The effectiveness of these arrangements will be reported in the Annual Governance Statement.

AGS Update

1.4   The AGS was presented to the Audit and Governance Committee in October 2025. The position as of 14 January 2026 on the issues identified as areas of focus for 2025/26, as reported by the relevant officers, is as follows:

Children's Services

Building on the progress to date, we have and continue to maintain our focus on embedding practice developments to ensure consistency across children's outcomes, and creating the conditions for our workforce, and for children, young people and families to flourish and thrive. Taking account of our self-assessment, the outcomes of our assurance framework and local and national policy drivers, we identified a range of specific actions and workstreams focussed around several areas for which we have and continue to make progress.

At the time of publication of the outcomes of the Ofsted Inspection of Local Authority Children's Services (ILACS), North East Lincolnshire Children's Services were the fastest transforming Children's Services in the country, and as a result of this profound and positive change, many children, young people and care leavers are now benefitting from help when their needs are first identified and throughout their social care experience. In addition, noteworthy cultural changes across the service have stablished and galvanised the workforce to have ambition to deliver impactful services that are helping more children, and their families, to thrive.

Our improvement and transformation journey has been and continues to be underpinned by our commitment to continuous listening, learning, reviewing, and adapting, through the simplification and ongoing implementation of our practice approach, and on integrated working. As a result, there has also been significant, and transformative progress in the relationships between Children's Services, the wider Council, and the wider Partnership, which are now built on trust, transparency, high support and high challenge, with children, young people and families first, centre and last in all we do.

We continue to work with our Sector Led Improvement Partners (SLIP) to learn, review and adapt, and there is an amplified focus on co-designing and developing our local response to significant national policy drivers, including but not exhaustive the children's reforms, which will have an impact on our systems, processes and practice across the scope of the children's system.

Health and Social Care (Section 75 agreement)

The section 75 continues to be fully enacted. A joint audit of the governance arrangements of the s75 has been carried out by both NELC and the ICB. Recommendations were reviewed by the relevant governance boards and all actions have been completed with the exception of one where it was agreed a proportionate approach to reporting of s75 activity to other governance boards within NELC be taken.

Homelessness and Temporary Accommodation

Housing has recently moved under the Director of Adult Social Care and a new Assistant Director for Housing and Communities started at the beginning of December 2025.

Procurement and Contract Management

The Procurement Act 2023 placed increased responsibility on councils in 2025 particularly regarding transparency and reporting in contract management. However, NELC has responded well, developing a mandatory procurement training programme for all NELC managers, a new contract management toolkit and have recently (December 2025) recruited a Commercial Contracts and Relationships Manager. This new role is focused on overseeing the development of the Council contract management approach and offering expert advice to managers with contract management responsibilities, thereby strengthening our assurance that all contracts are managed effectively and our statutory obligations are met.

The 2025 in-sourcing of the Equans contract further enhanced NELC Procurement and Contract Management capacity, as a small procurement team, with varying levels of CIPS qualification joined the Council. The Council is committed to supporting all of its Procurement staff in achieving full professional accreditation and, only where necessary, continue to use qualified agency staff to provide additional capacity for specific projects.

Early in 2026, following engagement with our teams, we will further strengthen our arrangements, ensuring resilience and sustainability in our procurement function. In doing so we remain committed to supporting staff development through the CIPS programme and to embedding best practice across the organisation.

In summary, NELC has made significant progress in strengthening its procurement and contract management arrangements during 2024/25. The implementation of new legislation, targeted investment in staff training and qualifications, the development of contract management toolkit, establishment of mandatory procurement training for all NELC managers, and the creation of a dedicated commercial contract management role demonstrate our ongoing commitment to robust governance, compliance, and effective stewardship of public resources.

Corporation Road Bridge

There have been well rehearsed issues in the completion of the works on Corporation   Road Bridge. The Council has appointed bridge restoration experts Taziker Ltd to carry out the remaining works, The appropriate scrutiny panel is being kept updated on project progress.

EQUANS Post - Transfer Governance Arrangements After 1st July 2025

On 1st July 2025, all services previously outsourced through the Equans contract, transferred back in-house to the council, including TUPE transfer of c270 staff, transfer of equipment and assets and novation of multiple contracts. Project management and exit board arrangements have been in place for the past 18 months to oversee a smooth transition to contract close. Transition has gone well, most risks from the initial project plan have now

been closed, albeit some on-going risks remain relating to final accounts sign-off (due end of January 2026).

Since 1st July 2025, the Equans Scrutiny Working Group has been monitoring service implementation and business continuity issues, as well as considering the initial service transformation plans. These will be reviewed by the working group as they develop over the next six to twelve months. To assist in that process, the Working Group has requested a fourth Gateway Review, which will be held in March 2026, to receive feedback from Commercially Public on delivery of the transformation plans.

Local Government Reorganisation (LGR)

Since the publication in December 2024 of the English Devolution White Paper, setting out the government's ambition to proceed with devolution and local government reorganisation at pace, a position statement was reached by this Council in March 2025 to the extent that the Council should continue to operate within its current administrative boundaries. A proposal was developed around this notion and duly submitted to government in November 2025. At the time of writing a decision as to the preferred direction of government is awaited and all indications point to this being communicated in the Spring/Summer 2026. Work continues post-submission to gear up the Council to a position of general preparedness should the preferment of government be to reorganise. Whilst this poses a challenge in terms of resource and capacity, that matter will be closely reviewed at appropriate levels of the Council including Leadership.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

Ineffective corporate governance arrangements have a number of inherent risks in the context of organisational management, the use of resources and service delivery. Designing a Code of Governance based on national frameworks and responding to the issues raised in the 2023/24 AGS is a means of mitigating such potential risks. In addition the issues raised in the 2023/24 AGS are included in the Council's risk register.

3. OTHER OPTIONS CONSIDERED

Not applicable - there is an expectation that councils update their Code of Governance to reflect changes in the CIPFA/SOLACE framework. In addition the Audit and Governance Committee is required to regularly monitor issues in relation to governance, including the progress in addressing issues identified in the 2023/24 Annual Governance Statement.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

Ineffective governance arrangements could lead to failures in internal control which in turn could lead to reputational, financial and service impacts.

Each of the issues identified in the 2024/25 Annual Governance Statement could have a potential reputational impact if not addressed.

5. FINANCIAL CONSIDERATIONS

The Code of Corporate Governance refers to key financial documents such as financial regulations, contract procedures rules and the Medium-Term Financial Strategy.

6. CHILDREN AND YOUNG PEOPLE'S IMPLICATIONS

Children and Families has been identified in the Annual Governance Statement as an area of focus for 2025/26.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

None directly arising from the recommendations in this report.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

Following its approval by full Council in December 2025, the Health and Well Being Strategy 2025-35 has been incorporated into the Code of Governance. The Annual Public Health Report is part of the Council's Assurance Board.

9. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

10. LEGAL IMPLICATIONS

There are no specific legal implications raised in this report which are not considered within the text of the report. References are made within the report to best practice guidelines and principles aimed at enabling the Council to discharge its functions within an appropriate governance framework.

11. HUMAN RESOURCES IMPLICATIONS

Whilst there are no direct HR implications arising from the contents of this report, the ongoing governance of the framework and principles may lead to matters being dealt with through appropriate HR procedures if required.

12. WARD IMPLICATIONS

Applicable to all wards.

13. BACKGROUND PAPERS

"Delivering Good Governance in Local Government: A Framework"- CIPFA/ SOLACE (2016) and Addendum May 2025
Code of Governance (January 2025)
Annual Governance Statement (October 2025)

14. CONTACT OFFICER(S)

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North East Lincolnshire Council

Local Code of Corporate Governance

2026

Stronger Economy: Stronger Communities. **Together we can be stronger.**

INTRODUCTION

Corporate Governance is a term used to describe how organisations direct and control what they do. As well as systems and processes this includes culture and values. For councils this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate governance provides structure through which strategic objectives are set and performance monitored. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Council has developed and adopted a local Code of Corporate Governance which brings together in one document all the governance and accountability arrangements the Council currently has in place. The Code is based on best practice guidance set out in CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

Governance is about our organisational frameworks, responsibilities, systems, processes, culture and values. Good governance happens when these things come together to make us an effective organisation – doing the right things in the right way for the right people. Good governance is also about ensuring what we do is done in a timely, inclusive, honest and accountable manner.

The Code is written around the seven core principles set out in the CIPFA/SOLACE best practice guidance. The aim of the principles is that the local authority achieves its intended outcomes while acting in the public interest at all times. The principles are shown in the diagram below:
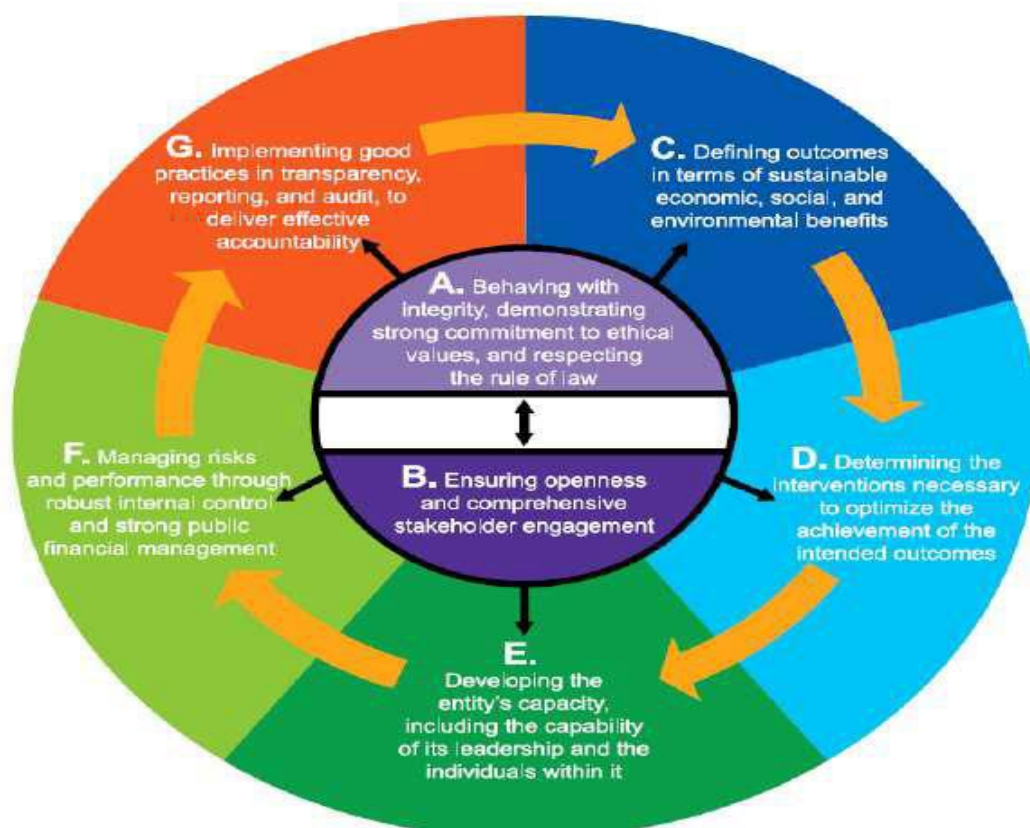
The design and content of the Code of Corporate Governance is subject to annual review by the Audit and Governance Committee and updated to reflect changes in the Council's policies and processes.

The effectiveness of the governance arrangements are assessed annually and reported in the Annual Governance Statement (AGS). The Council has adopted the "three lines of assurance model" as oiutlined below.
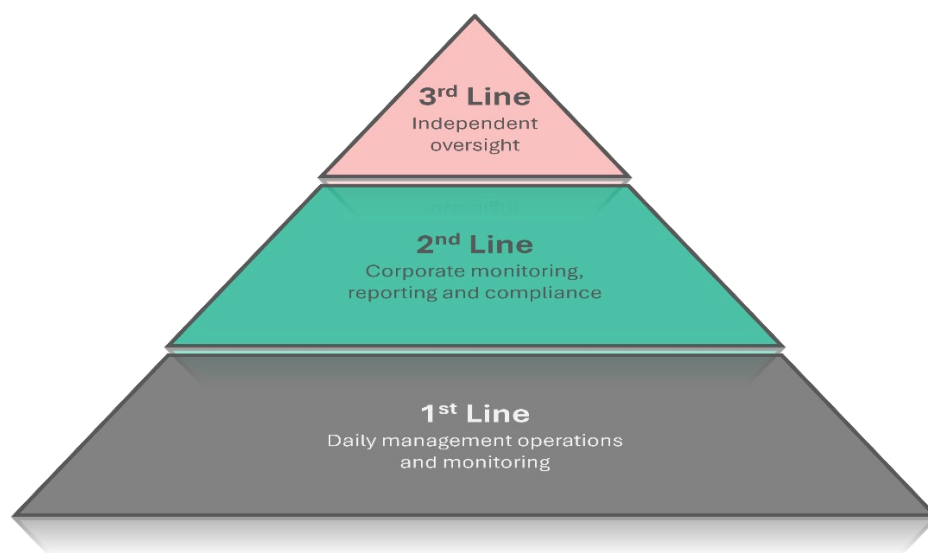
Role of First Line of Assurance: The first line of assurance refers to operational management and staff who directly own and manage risks within their day-to-day activities. They are responsible for designing and implementing effective internal controls, maintaining compliance with organisational policies, and embedding risk management into routine processes.

Each Assistant Director is annually required to complete an annual self-assessment as to how they seek assurance that their services/functions comply with each of the seven principles. In addition, Directors, Assistant Directors and Statutory Officers produce reports for Cabinets, Scrutiny and the Audit and Governance Committee which provide assurance on governance and the control environment in specific areas.

Role of the Second Line of Assurance: The second line provides oversight and guidance to ensure that risks are managed effectively and compliance is maintained across the Council. It consists of specialist functions such as risk management, finance, information governance, legal, procurement, and performance teams. These functions develop and promote policies, frameworks, and procedures to support strategic objectives, monitor adherence to laws and regulations, and challenge the first line where necessary. Their role is to set standards, provide tools and advice, and track compliance, thereby acting as a control layer that strengthens governance.

In addition, a range of reports are produced annually or throughout the year which provide assurance from a second line perspective e.g. Annual Scrutiny Report, Information and Security Governance Annual Report and Risk Management Annual Report.

Role of the Third Line of Assurance: The third line provides independent and objective assurance on the effectiveness of governance, risk management, and internal controls across the organisation. Its key characteristic is its independence. Unlike the first and second lines (which are part of management), the third line operates independently from operational and oversight functions. This independence ensures unbiased evaluation.

It includes the following activities:

- *Internal Audit: Provides assurance and advice on the Council's systems for governance, risk management, and internal control.*
- *External Audit: Provides an independent annual opinion on the Council's financial statements and its arrangements for securing value for money, thereby being a source of assurance in the proper use of resources.*
- *External Inspectorate such as Ofsted and the Care Quality Commission: Provides assurance on a council's systems of internal control by independently evaluating the effectiveness of governance, safeguarding, and service delivery arrangements against statutory duties and quality standards.*
- *Peer reviews: Provides independent, sector-led evaluation that benchmarks governance, risk management, and service delivery against best practice, highlighting strengths and areas for improvement to support transparency and continuous improvement.*
- *The Ombudsman: Provides assurance by independently investigating complaints about maladministration or service failure, identifying systemic weaknesses, and recommending corrective actions to improve governance, accountability, and compliance with statutory duties.*

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

SUMMARY: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Behaving with Integrity
• Code of Conduct (members and officers) to ensure that high standards of conduct are maintained. • Established procedures for dealing with breaches of the Member Code of Conduct. • Standards and Adjudication Committee responsible for overseeing the conduct of members. • Declaration of interests at meetings. • Standard decision-making report format to ensure that all those responsible for taking decisions have the necessary information on which to do so. • Key decisions where appropriate are supported by an Equalities Impact Assessment. • A static induction day for all new officers has been introduced, which delivers a consistent induction programme for all. All members receive an induction shortly after being elected. • ***All managers attend a managers induction day which provides an overview on the key people policies and procedures, delivering a consistent approach across the organisation on management expectations and requirements.*** • Feedback Policy for the handling of complaints, compliments and suggestions that is published and promoted on the website. • Reporting a Concern (Whistleblowing) Policy in place to enable individuals to raise concerns about malpractice or wrongdoing and understands how they will be handled.
SUB PRINCIPLE: Demonstrating Strong Commitment to Ethical Values
• ***Senior officers and members are trained on ethical governance, covering codes of conduct, managing conflicts of interest, and principles of mutual respect and integrity. The Monitoring Officer plays a key role in enforcement and promoting ethical behaviour.*** • A regularly reviewed Constitution which sets out how the council operates and how it makes decisions. • A group of elected members and officers charged with governance of the organisation meet to discuss and take forward recommendations in relation to the Constitution.

- ***Policies such as the Anti-Fraud & Corruption Strategy, Whistleblowing Policy, and regular reviews of People and Culture policies underpin leadership commitment to ethical standards.***
- ***The Audit and Governance Committee monitors compliance with published standards and controls, ensuring that governance reflects the risk environment and ethical principles.***
- Terms of Reference for all committees and decision-making meetings.
- Declaration of Interests policies for members and officers.
- Gifts and Hospitality policies for members and officers with regular monthly reminders via email, subject to review by the Monitoring Officer.
- Policies and procedures that are reviewed and updated, to ensure adherence to ethical standards including People and Culture policies and Contract Procedure Rules. ***Contract Procedure Rules designed to deliver robust and fair procurement processes, supported by anti-fraud and anti-bribery policies, ensuring ethical behaviour in all external engagements.***
- ***Framework contracts are recommended as good practice because they ensure suppliers meet pre-approved benchmarks and agree to appropriate terms and conditions in advance. This approach provides assurance that procurement complies with the Procurement Act 2023 and the Council's Contract Procedure Rules, safeguarding ethical standards and commercial integrity.***

SUB PRINCIPLE: Respecting the Rule of Law

- ***The Monitoring Officer, in concert with the Section 151 Officer, advises on lawfulness, probity, and compliance with the budget and policy framework for all Cabinet decisions. This includes maintaining registers of interests and ensuring decisions do not incur unlawful expenditure.***
- ***The Council has a strongly embedded Business Development Group, with senior participants from across the organisation, to assess capital calls/challenge on key projects and workstreams with decision making and escalation processes through Assistant Directors and Leadership Team.***
- ***Legal Services oversee relevant procurement exercises to ensure compliance with statutory obligations and internal rules, including the Council's Contract Procedure Rules and the Procurement Act 2023.***
- An Anti-Fraud & Corruption Strategy that is supported by a Fraud Response Plan, Anti-Money Laundering Policy, Anti-Bribery Policy and Whistleblowing Policy and a hotline for employees and customers to report irregularity and fraud.
- Information Governance and Security roles ***including Caldicott Guardians, Senior Information Risk Owner (SIRO), Deputy Senior Information Risk Owner, Data Protection Officer and Cyber Security Technical Specialist.***

Examples of how the Council receives assurance

- Annual report of the Standards and Adjudication Committee
- Annual review of the Constitution – reported to Full Council
- Annual Fraud Report – reported to the Audit and Governance Committee
- Information Governance and Security Annual Report – reported to the Audit and Governance Committee
- Children's Social Care Statutory Complaints and Compliments Annual Report
- Adult Social Care and National Health Service Statutory Complaints and Compliments Annual Report
- Corporate Parenting Board – ensures the Council is fulfilling its duties towards looked after children corporately and in partnership with other statutory agencies

Third Line of Assurance
• Ombudsman Annual Review Letter

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

SUMMARY: Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Openness
- A statement of accounts which are published annually.   - A Publication Scheme, based on the ICO model Publication Scheme template which sets out the kinds of information we proactively make available and provides guidance about how to access our information through the Freedom of Information Act request.   - A Council Plan that sets out the vision and priorities for North East Lincolnshire and strategic direction for the Council.   - Systems in place to ensure that relevant decisions taken by officers are published in accordance with legislative requirements – Officer Decision Record.   - A standard decision-making report template is used to help ensure that readers are provided with information that is accurate, complete and unbiased.   - Agendas, reports and minutes, for all committees of the Council (including Scrutiny, Cabinet and Full Council) are published on the Council's website and widely circulated.   - Council meetings are open to the public unless there are good reasons for not doing so on the grounds permitted by statute. The broadcasting of full Council meetings was introduced in December 2024.   - Equality Impact Assessment guidance and forms are used for key decisions (where appropriate) and helps ensure that the decisions taken consider a range of potential impacts/risks.   - Equality Impact Assessments are undertaken when People and Culture policies are reviewed and developed.   ***All People and Culture polices are reviewed by the People Policy Review group which includes representatives from all services and the Trade Unions.***   - Key decisions to be taken by Cabinet and Portfolio Holders are published in advance with the Forward Plan of Key Decisions.   - The Council actively welcomes peer challenge   - In October 2024, Full Council, upon the recommendation of Cabinet, resolved to voluntarily recognise lived care experience (children and adults) as a protected characteristic under the equality agenda. This is now being embedded in organisation wide policy and the Constitution.
SUB PRINCIPLE: Engaging Comprehensively with Institutional Stakeholders
Established strong partnerships with the public sector, business and community and voluntary sector across North East Lincolnshire, including statutory arrangements for Community Safety, Health and Wellbeing and Safeguarding.

- Mechanisms in place to consult where necessary. Consultation activity is evaluated throughout each consultation and upon completion.
- A Community Engagement Toolkit that lays out how consultation with employees, partners, residents, businesses and other stakeholders should take place.
- A Partnership Protocol in place and subject to regular review.

SUB PRINCIPLE: Engaging Stakeholders Effectively, Including Individual Citizens and Service Users

- Community Engagement Strategy that sets out how the Council will talk, listen and work with the community.
- The Council has arrangements to engage with all sections of the community including seldom heard groups.
- ***The council has appointed a VCSE relationship manager and co-ordinator.***
- Greater use of social media to communicate with residents and wider communities.
- Community Safety Partnership regularly engage and consult with the community about their priorities and progress towards achieving them.
- A Volunttary and Community Sector (VCS) forum is a conduit for the Council and the Healthand Care Partnership (HCP) to understand, challenge and share key issues.

Examples of how the Council receives assurance

- The Audit and Governance Committee receive reports about the design and operation of the Council's key partnerships at least annually
- The Sustainable Communities Board - a multi-agency board focussed on place solutions to issues impacting on communities, chaired by the Director Adults, Housing and Communities

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits

SUMMARY: The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Defining Outcomes
- The Outcomes Framework that sets out vision and priorities for North East Lincolnshire. The Council Plan articulates the Council's strategic priorities and the intended actions to deliver our aims. A new Council Plan *was* adopted for 2025-28 *and is subject to annual refresh.*   *The Council operates a robust governance framework to ensure decisions are transparent, evidence-based, and aligned with statutory obligations. Key features include:*   *Integrated Financial and Business Planning: All decisions are supported by medium-term financial plans and service strategies, ensuring alignment with corporate priorities.*   *Business Case Appraisal: Major projects and investments follow HM Treasury's Five Case Model, incorporating cost-benefit analysis and risk assessment.*   *Scrutiny and Challenge: Star Chamber sessions and Audit & Governance Committee oversight provide independent challenge to ensure VFM principles are embedded.*   *Benchmarking and Performance Monitoring: Use of LGA Inform and comparative data ensures services are cost-effective and competitive.*   *External Assurance: Annual VFM conclusion from external auditors under the NAO Code of Audit Practice.*   *The authority is committed to equitable service delivery through:*   *Community Engagement: Regular consultation with residents and stakeholders to identify needs and remove barriers to access.*   *Data-Driven Planning: Socio-economic and demographic data inform resource allocation to ensure fairness and inclusivity.*   *Environmental and Social Considerations: Strategies incorporate sustainability and resilience objectives, supporting fair access across all communities.*   **Commissioning is guided by a strategic framework that ensures efficiency, collaboration, and accountability:**

- o **Alignment with Council Plan: Commissioning decisions reflect corporate priorities and long-term objectives.**
- o **Collaborative Governance: Partnerships operate under clear governance arrangements, ensuring coordinated and prudent decision-making.**
- o **Compliance with Procurement Act 2023: All procurement activity adheres to statutory requirements, promoting transparency and best value.**
- o **Risk and Performance Management: Regular monitoring of commissioned services and partnership outcomes ensures delivery against agreed standards.**

SUB PRINCIPLE: Sustainable Economic, Social and Environmental Benefits

- The Council has a published Environmental Policy Statement highlighting its commitment to sustainable environment and an Air Quality Strategy.
- Carbon Road Map adopted that sets a pathway for meeting Carbon Net Zero targets for the Council and the Borough.
- Natural Asset Plan that outlines the Council's strategy for managing and enhancing natural environment.
- Impact Assessment guidance that is used for all key decisions helps ensure that the decisions taken consider a range of potential impacts/risks.
- A Social Value Policy that is designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement.

Examples of how the Council receives assurance

- Performance Reports to Cabinet and Scrutiny
- *Annual procurement report to Audit and Governance Committee includes social value information.*
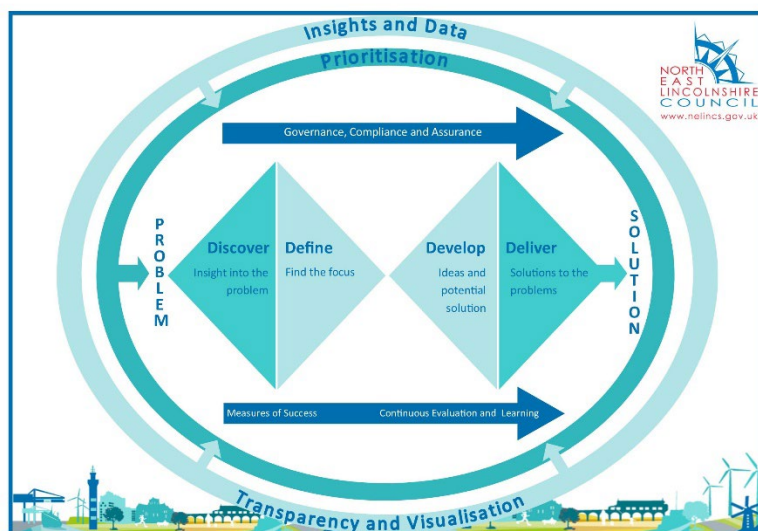
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes

SUMMARY: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Determining Intervention

- The standard format of decision-making reports to ensure that all relevant information is considered such as analysis of options, risks, resource implications, and outcomes of Equality Impact Assessment etc.
- A financial planning process that determines level of resources to achieve council priorities and outcomes and meet statutory duties.
- A model for discovery of issues, definition and development of new solutions developed in 2022 and is shown below. This continues to be embedded.

SUB PRINCIPLE: Planning Interventions
- The Council Plan (2025-28) states the Council's strategic priorities and actions to deliver them and is subject to regular review. An appendix to the plan shows the Key Performance Indicators that are agreed to monitor progress, these will continue to be developed. These are reported to Cabinet and Scrutiny on a quarterly basis.   - More detailed service specific performance information that are reported to relevant Scrutiny panels at agreed intervals.   - As part of the budget setting process, on an annual basis each area of the business produces a Business Plan that outlines proposals for delivery within budget.

SUB PRINCIPLE: Optimising Achievement of Intended Outcomes
- The annual budget is prepared in line with agreed Financial Strategy. The Council's Financial Plan reflects a three-year cycle in conjunction with a detailed one-year budget. This is intended to include realistic estimates of revenue and capital expenditure. The Financial Plan is subject to review by formal and informal Scrutiny before being considered by Cabinet for approval.   - A Social Value Policy that is designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement.   ***The Health and Well-Being Strategy 2025-35 was approved by Full Council in December 2025.***   ***Self-assessment against the "Code of Financial Management" reported to Audit and Governance Committee.***   ***Annual Value for Money report that is reported to Audit and Governance Committee.***

Examples of how the Council receives assurance
- Safeguarding Children's Partnership Annual Report - reported to Children & Lifelong Learning Scrutiny Panel   - Safeguarding Adults' Board Annual Report - reported to the Health and Adults Social Care Scrutiny Panel   - Public Health Annual Report – reported to Cabinet   - Council Plan Finance and Performance Quarterly Report – reported to Cabinet and referred to all scrutiny panels for further oversight   - Council Plan Quarterly Report – reported to Cabinet   - Community Safety Board - oversees the role of the Community Safety Partnership   - Special Education/Disability Board – an overarching strategic forum for a wide range of partners to discuss areas of common interest for children and young people with special educational needs or disability

Third Line of Assurance
- Peer Challenges   - External inspectorates, such as Ofsted and the Care Quality Commission

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

SUMMARY: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills. and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Developing the Entity's Capacity
- Producing value for money focused analysis on an annual basis to inform whether the right outputs and outcomes are being delivered by the financial input (costs). This information is used to support the budget setting process.   - Fostering effective relationships, collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services.   - A People Strategy consisting of agreed approaches and activities that is targeted at supporting all aspects of the organisation in ensuring we attract, retain and develop our workforce.
SUB PRINCIPLE: Developing the Capability of the Entity's Leadership and Other Individuals
- A Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules.   *It also notes that protocols are in place governing the working relationships between Members and statutory officers. For instance, the Constitution includes a Member–Officer Protocol which delineates how elected members (including Cabinet and Scrutiny chairs) engage with the Head of Paid Service, CFO, and Monitoring Officer*   *Portfolio Holder remits and officer delegations are set out clearly, so everyone knows who is empowered to make decisions or give advice in specific areas.*   *North East Lincolnshire Council (NELC) demonstrates strong compliance with the* CIPFA/SOLACE Code of Practice on Good Governance for Local Authority Statutory Officers (June 2024).   *Arrangements are in place for the discharge of the monitoring officer function e.g. Constitution.*

- ***Arrangements in place for the discharge of the head of paid service function.***
- A Scheme of Delegation that is reviewed in light of legal and organisational changes ***(reviewed May 2025).***
- A static induction day for all new officers has been introduced which delivers a consistent induction programme for all. All members receive an induction.
- ***All managers attend a managers induction day which provides an overview on the key people policies and procedures, delivering a consistent approach across the organisation on management expectations and requirements.***
- Training for employees is made available through the annual Corporate Training process as well as the apprenticeship levy and the Academy NEL.
- Supporting Positive Performance framework that enables staff to take charge of their own development and supports managers to have quality conversations that recognise individual needs and incorporates corporate supervision procedure.
- Grow your own programmes offering work experience, training, skills and experience in Local Government from under 16 work experience to post graduate opportunities ***as well as care experienced young people and veterans.***
- ***Leadership and management programmes (Achieve and Aspire) are in place to support aspiring managers and leaders, in understanding the organisation and its role in the place.***
- A Workforce Planning Toolkit is available and helps managers through the Workforce Planning process.
- ***We operate a comprehensive Health, Safety and Wellbeing framework with clear roles and responsibilities (e.g., Senior Leadership, line managers, Health & Safety reps), mandatory risk assessment and training, first aid and emergency arrangements, and incident/near-miss reporting — supported by straightforward routes to raise concerns. All colleagues are expected to be familiar with and follow the Council's Health, Safety and Wellbeing Policy.***
- ***We provide proactive support for employee health and wellbeing through Occupational Health and a dedicated team of wellbeing officers, early intervention and rehabilitation, reasonable adjustments, phased returns, and a fair, consistent Absence Management framework — underpinned by wellbeing discussions and case management from People & Culture***

Examples of how the Council receives assurance

- ***Quarterly Human Resources People Panels, SJCC and JCC reports***
- Annual Value for Money (VFM) report – reported to Audit and Governance Committee
- Annual review of the Constitution – reported to Full Council

PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management

SUMMARY: Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Managing Risk
- Risk Management Policy and approach including robust systems of identification, evaluation and control of risks that threaten the Council's ability to meet its objectives to deliver services to the public. This was refreshed 2025.   - Responsibilities for managing individual risks are contained within the Risk Management Policy.   - The Assurance Board and the Audit and Governance Committee regularly reviews the strategic risk register and seeks assurances that it is kept up to date and actions to mitigate risks are implemented.
SUB PRINCIPLE: Managing Performance
- Key indicators have been identified which support the Council Plan. Assigned leadership team members are responsible for the monitoring of the delivery of performance measures in support of the outcomes.   - The format of decision-making reports ensure that all relevant information is considered.   - The Constitution, through its Overview and Scrutiny Procedure Rules, gives opportunities for the scrutiny panels to challenge and debate policy and objectives before and after decisions are made with the ability to refer matters back to the decision-making forum with recommendations or escalation to Full Council.   - Agenda and minutes of scrutiny meetings and any associated reports with recommendations to the Executive are published on the Council's website.   - Contract Procedure Rules and Financial Regulations set out the Council's arrangements and ensure that processes continue to operate consistently.

SUB PRINCIPLE: Managing Procurement and Contract Management
• *The Contract Procedure Rules (CPRs) have been updated to align with the requirements of the Procurement Act 2023 (PA23).* • *A NELC procurement eLearning package has been developed and rolled out as part of mandatory training. In addition, templates, guidance and SharePoint pages have been refreshed to reflect the new procedures.* • *Awareness sessions on the PA23 regulations have been delivered across the Senior Leadership Team, Assistant Director Group, and Senior Management Teams.* • *The contract management toolkit has been developed based on best practise templates and guidance to support effective contract management practise. Guidance has been developed and cascaded to reflect the requirements of the PA23 transparency requirements.*
SUB PRINCIPLE: Managing Asset Management
• *A new Land and Property Strategic Asset Management Plan (SAMP) has been implemented which covers the period 2025 to 2028 to align with the Council Plan. The new SAMP was approved by Cabinet on 11th June 2025.* • *In 2025 the Council formed a Strategic Asset Review Group which has been established to deliver the Strategic Asset Management Medium Term Transformational Priorities which were set out in the approved Budget and Medium Term Financial Plan for 2024/26 to 2027/28.* • *The Council also has an Estates Programme Board which reviews and maintains oversight of Council projects which have associated land and property asset implications.*
SUB PRINCIPLE: Robust Internal Controls
• An Assurance Board (made up of the senior leadership team) seeks assurance on the operation of the Council's control environment. • Corporate Governance Group (made up of officers responsible for key aspects of the control environment) considers corporate and operational governance matters and escalates any issues of significance to the Assurance Board. • Head of Internal Audit who provides an opinion on the council's control environment. • The Managers' "Guide to the Internal Control" provides guidance to managers on the control environment and their responsibilities in relation to it. • *Assurance Framework around the three lines of assurance is in place*. • The Council is subject to External Audit and inspection regimes that require action plans that are assigned to officers. • Anti-Fraud and Corruption Strategy that is subject to regular review. • Annual Governance Statement that provides a high-level summary of how the Council is meeting the principles of good governance. • Internal Audit prepares and delivers a risk-based audit plan which is kept under review to reflect changing priorities and emerging risks. • The Audit and Governance Committee, which is independent of Cabinet (and has an independent chair and a second independent member), oversees the management of governance issues, internal controls, risk management and financial reporting. Its performance is subject to annual self-assessment. • *Peer reviews both council-wide and individual functions are carried out.* • *The Council's scrutiny arrangements are well established and provide challenge and review and promote service improvement.*

- ***Annual Scrutiny report produced and presented to Full Council.***

SUB PRINCIPLE: Managing Data

- Procedures for the effective, lawful, fair and transparent processing of data are set out in the Council's Record Management Policy and Information Governance Framework and Data Protection Policy.
- The Council's ICT and Information Security Policy provides guidance on the arrangements that must be in place and followed to ensure personal and confidential data is kept protected and secure.
- Effective information sharing is undertaken in accordance with the UK's General Data Protection Regulation, Data Protection Act and the Council's Data Protection Policy. Information Sharing Agreements, which are reviewed on a regular basis, are in place to document the sharing of information using either national agreements or the template in the Humber Information Sharing Charter.
- Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the annual mandatory information governance training and supported with regular refresher and update activities including intranet postings, e-mails and articles in Vision.
- Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices and service specific notices published on the Council website as well as through individual Privacy Statements on forms, in booklets etc.
- Data verification and validation processes are integrated within systems and processes.

SUB PRINCIPLE: Strong Public Financial Management

- The Medium-Term Financial Plan makes a realistic assessment of the resource that growth allows and allocates that resource to create a sustainable council capable of delivering council priorities and outcomes.
- Financial procedures are documented in the Financial Regulations.
- With effective financial management secured through budget planning and control using a system of devolved budget management.
- Financial accountability applied through a hierarchy of reporting arrangements up to council level.
- ***Self-assessment against the "Code of Financial Management" reported to Audit and Governance Committee.***

Examples of how the Council receives assurance

- Risk Management Annual Report – reported to the Audit and Governance Committee
- Annual Scrutiny Report – reported to Full Council
- Performance Reports to Cabinet and Scrutiny
- Annual Fraud Report – reported to Audit and Governance Committee
- Annual report of the Audit and Governance Committee which provides assurance that it operates in good practice
- Self-assessment against the "Code of Financial Management"
- Information Governance and Security Annual Report – reported to Audit and Governance Committee
- Annual Treasury Report – reported to Cabinet

• Information Security and Assurance Board – provides leadership and direction on information governance and security
Third Line of Assurance
• Head of Internal Audit Annual Report and Opinion • 5 yearly external quality assessment of Internal Audit • External Audit Annual Report • NHS Data Security & Protection Toolkit • Public Services Network (PSN) compliance

> ## PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
>
> **SUMMARY:** Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

North East Lincolnshire Council demonstrates this by:
SUB PRINCIPLE: Implementing Good Practice in Transparency
- Agendas, reports and minutes are published on the Council's website.   - Reputation section included in reports template.   - A style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear.   - Publication of officer decisions on the Council's website.   - Compliance with the National Transparency Code.   - The broadcasting of full Council meetings from December 2024.
SUB PRINCIPLE: Implementing Good Practices in Reporting
- Annual Financial Statements are compiled, published to timetable and included on the Council's website.   - A review of VFM activities reported to the Audit & Governance Committee annually.
SUB PRINCIPLE: Assurance and Effective Accountability
- The Annual Governance Statement that sets out the Council's governance framework and the results of the annual review of the effectiveness of the council's arrangements. The Annual Governance Statement includes areas for improvement/focus.   - An effective internal audit service is resourced and maintained.   - Head of Internal Audit report which includes a self-assessment of its arrangements against the public sector internal audit standards.   - External Audit provides an annual opinion on the Council's financial statement and arrangements for securing Value for Money.   - The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies.   - The Council's scrutiny arrangements are well established and provide challenge and review and promote service improvement.
Examples of how the Council receives assurance
- Statement of accounts   - Annual Value For Money report

• Annual Scrutiny Report
Third Line of Assurance
• Head of Internal Audit Annual Report & Opinion • External Audit Annual Report • Peer Challenges • External inspectorates, such as Ofsted and the Care Quality Commission