

**PRESENT: COUNCILLOR MRS S RAWLINS (CHAIRMAN)**

Councillors M G Allan (Vice-Chairman), S Bunney, P E Coupland, P A Skinner and A N Stokes

Also in attendance: Mr A Middleton (Independent Added Member)

Officers in attendance:-

Debbie Barnes OBE (Chief Executive), Andrew Crookham (Deputy Chief Executive and Executive Director - Resources), Andy Gutherson (Executive Director - Place), , Glen Garrod (Executive Director - Adult Care and Community Wellbeing), Heather Sandy (Executive Director - Children's Services), Lucy Pledge (Head of Internal Audit and Risk Management, Mark Baxter (Chief Fire Officer), Michelle Grady, (Assistant Director - Finance) and Thomas Crofts (Democratic Services Officer)

34 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J King.

35 DECLARATIONS OF MEMBERS' INTEREST

There were no declarations of interest made at the meeting.

36 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 14 NOVEMBER 2022

RESOLVED

That the minutes of the meeting held on 14 November 2022 be signed by the Chairman as a correct record.

37 COMBINED ASSURANCE REPORT

A report was submitted to the Committee on the Council's combined assurance status, with the Chief Executive and Executive Directors assessing critical service delivery activities, key risks, key projects, and key partnerships. This provided the Council with an effective framework to assess risk, which in turn provided an overall assurance level for the Council. The following matters were reported:

- The Council had experienced many pressures over the past 12 months, including increased demand in many Place based services, Children and Adults services; many health related services due to the pandemic; inflationary and cost-of-living pressures; and the increase of refugees, evacuees and migrants requiring settlement.

- The Government's financial settlement for 2022/23 was better than expected and has helped maintain service delivery and fund cost pressures .
- IT infrastructure was improving under the transformation programme and significant changes were underway in moving towards a cloud-based system, but more work to address capacity and capability was in progress
- The external audit report found good governance to be in place.
- Workforce markets had stabilised within social care. Work was underway to target international labour such as international university students, refugees, settled foreign nationals and foreign nationals struggling to move to the UK.
- Audits had found the Council's debt management to offer substantial assurances. Debts currently stood at £7-9 million.
- The backlog experienced by the Office of Public Guardian contributed to the Council's non secured debts and constituted a risk to the Council's financial situation.
- Pay inflation and fee rates were financial concerns for the coming year.
- Council contacts with SMEs in some areas had increased, which resulted in shorter-term contracts and greater administration. Short-term contracts also meant that many contract expiration dates would fall over the coming year, and fee increases were anticipated.
- The Council had been integrating services with the NHS via the newly established Integrated Care Board (ICB) and had established a good working relationship.
- There was a national shortage of public health nurses and social workers, and the Council had to take measures to remain a competitive employer in this area of work – prioritising flexibility and benefits.
- Costs had risen in the placement of children in care.
- Lincolnshire Fire and Rescue (LFR) had implemented an action plan for improvements in the protection function, business resilience and equality and diversity – with work underway to update policies and procedures alongside dedicated staff training and a culture review of accepted behaviours.
- LFR was facing challenges in staff retention.
- A business continuity plan had been specially devised to mitigate disruption to services as a result of industrial action in LFR.

Responses were made to questions from Members of the Committee on the following topics:

- Medium-term contract inflation was anticipated with significant impacts on value for money. Risk management around value for money was a priority looking ahead over the next 2-4 years.
- Energy price inflation was anticipated to tail off in 2025.
- Social Workers had been employed by the Council via agencies to meet service needs due to adverse labour markets – with agency employed staff proving to be more costly.
- The flat rate pay settlement granted a greater proportional increase in pay to low grade posts within the pay spine.

- The Council did not currently use all of the apprenticeship levy, but had arrangements in place to increase uptake
- The Council's IT transformation was progressing in moving internal networks to a cloud-based system. IT services were to be brought in house at the end of the current contract with Serco to ensure greater control and integration.
- The new highways reporting systems ensure that previous reporting methods continued to exist alongside the new online tool. Reports had increased as a result of the implementation of the new system. The level of reporting presented a staff capacity issue.
- A business case had been drafted to aid joint working between the Council and the NHS under the ICB. Existing models were being investigated – including the Somerset, Leeds and Northumbria models.
- The Healthy Minds initiative was being rolled out across schools throughout the county as well as greater support for SEND in mainstream educational settings.
- As the school system moved towards academisation, the Council was to take on a coordinator and influencer role as the education authority.
- Overall, the Council's risks had been reduced due to the Government's funding settlement, and the availability of Levelling-up and net zero grant monies. However, uncertainty remained concerning devolution and economic factors.
- Members welcomed the culture review underway in LFR and resolution to the previously existing leadership gap.
- It was clarified that on-call firefighters had to live within 5 minutes of the fire station, whether that be on foot or by vehicle.

## RESOLVED

1. That the Combined Assurance Report be noted.
2. That adequate assurance following consideration of the Combined Assurance Report be recorded by the Audit Committee.

*Cllr P Skinner gave apologies and left the meeting at this point.*

38 DRAFT AUDIT COMMITTEE ANNUAL REPORT 2022

Consideration was given to a report which presented the proposed Annual Report of the Audit Committee for 2022 and sought approval for the Chairman to present this report to Council.

The Committee suggested that 'Independent Persons' be changed to 'Independent Added Persons' for clarity.

## RESOLVED

That the Audit Committee Annual Report 2022 be presented to the Council for approval.

**4**  
**AUDIT COMMITTEE**  
**6 FEBRUARY 2023**

39      WORK PROGRAMME

RESOLVED

That the work programme be agreed.

The meeting closed at 12.42 pm