

Tuesday, 21 October 2025

AUDIT COMMITTEE

A meeting of **Audit Committee** will be held on

Wednesday, 29 October 2025

commencing at **2.00 pm**

The meeting will be held in the Banking Hall, Castle Circus entrance on the left corner of the Town Hall, Castle Circus, Torquay, TQ1 3DR

Members of the Committee

Councillor Penny (Chair)

Councillor Brook (Vice-Chair)

Councillor Fellows

Councillor Long

Councillor Maddison

Mr Hawkes (Independent Person)

A Healthy, Happy and Prosperous Torbay

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Governance Support, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

AUDIT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 5 - 8)
To confirm as a correct record the Minutes of the meeting of the Audit Committee held on 8 September 2025.
3. **Declarations of interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **2025/26 Treasury Management Mid-Year Review** (Pages 9 - 30)
To consider a report on the Treasury Management Mid – Year Review 2025/26.
6. **Audit Committee Progress Report and Sector Update (Grant Thornton) - Verbal update**
To receive a verbal update on the above.
7. **2024/25 Draft Statement of Accounts** (Pages 31 - 32)
To consider a report on the above.
8. **Whistleblowing Complaints and HR Investigations** (Pages 33 - 54)
To note the report on the above.

- 9. Internal Audit Report and Management Action Plan on Counter Fraud (Risk Assessments)**
To consider a report on the above.
- 10. Counter Fraud and Error - 6 monthly Update** (Pages 55 - 68)
To consider a report that provides an update on counter fraud activity for the period 1 April 2025 to 30 September 2025, including progress against the 2024/26 Counter Fraud Plan.
- 11. Strategic and Corporate Risk Report** (Pages 69 - 90)
To note a report that provides an update on the Council's current risk position and notable information with regards to the Council's overall risk management arrangements.
- 12. Audit Committee Workplan** (Pages 91 - 94)
To note the Audit Committee's work plan for the remainder of the 2025/2026 Municipal Year.

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Minutes of the Audit Committee

8 September 2025

-: Present :-

Councillor Penny (Chair)

Councillors Brook (Vice-Chair), Fellows, Long and Tolchard

Independent Person Mr Kristian Hawkes

(Also in attendance: Councillors Tyerman)

10. Apologies

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Tolchard.

11. Minutes

The Minutes of the meeting of the Audit Committee held on 28 May 2025 were confirmed as a correct record and signed by the Chair.

12. Declarations of interests

No interests were declared.

13. Internal Audit - Annual Report 2024/2025

Members received the Annual Internal Audit Report for the financial year 2024/25, which provided a comprehensive overview of audit activity and assurance across the Council. The Internal Audit Plan had been approved in March 2024 and was delivered by the Devon Assurance Partnership.

The Head of Internal Audit had issued an overall 'Reasonable Assurance' opinion on the adequacy and effectiveness of the Council's internal control environment.

Members noted the audit report on planning enforcement gave a very different impression to that presented at the recent Overview and Scrutiny Board. Members were advised that the audit on planning enforcement was undertaken in the first quarter of the last financial year and therefore the situation may have improved since.

Members queried whether there were any recurring themes with regards to findings of limited assurance. In response the Deputy Head of Devon Assurance Partnership

advised that staffing levels were a recurring theme in limited assurance reports, both within Torbay and across other local authorities. Interest and concerns regarding artificial intelligence was also a common theme across other local authorities and had been included in the audit plan for the current year. Members were also informed that the IT Asset and User Management audit had returned a limited assurance due to insufficient progress. A follow-up audit was planned, as previous reviews had not led to improvement. It was clarified that the issue was not related to cyber security.

The Committee noted the report and acknowledged its role in informing the Annual Governance Statement and supporting effective oversight.

14. Draft Annual Governance Statement 2024/25

The Committee received the Annual Governance Statement for 2024/2025, which had been prepared in accordance with the Accounts and Audit Regulations. The Statement provided assurance on the effectiveness of the Council's internal control systems and governance arrangements. It was noted that following the feedback from the Audit Committee in May 2025. The Director of Corporate Services, in consultation with the Chairman and Group Leaders, had updated the draft to more accurately reflect group arrangements, audit recommendations and responses, completed actions, and references to the Devon Assurance Partnership.

On the whole Members acknowledged that the draft Annual Governance Statement 2024/2025 fulfilled statutory requirements and should be submitted to the External Auditors alongside the draft Statement of Accounts.

Resolved:

That the draft Annual Governance Statement for 2024/2025 be agreed, included in the draft Statement of Accounts, and forwarded to the External Auditors for comment.

15. Statement of Accounts 2024/25 - Update on Progress

The Committee noted a report on the progress made towards completing the Statement of Accounts for 2024/25. Members were advised that the Council had not met the statutory deadline of 30 June 2025 for publishing the draft accounts due to complex technical accounting issues. A public notice had been issued to acknowledge this delay. In consultation with Grant Thornton, a revised deadline was agreed, with the draft accounts to be completed by the end of September and the external audit scheduled to begin in early October.

The Committee noted that the accounts had been prepared in accordance with the Code of Practice on Local Authority Accounting 2024/25, which is based on International Financial Reporting Standards. Officers had taken into account recommendations from Grant Thornton's previous audit findings and had sought external advice to support the finance team in ensuring accuracy and compliance. Improvements included a full review of accounting policies and notes, reconciliation of opening balances and financial statements to the ledger, and the development of a financial model to automate the production of primary statements. The adoption of

International Financial Reporting Standard 16 Leases had also been addressed, with necessary adjustments made for both the Council and its subsidiaries.

Members were advised that the draft accounts would be published on the Council's website at the end of September, initiating the 30-day public inspection period. The draft Statement of Accounts would be presented to the Audit Committee on 29 October 2025. The Committee acknowledged the progress made and the steps taken to ensure the robustness of the financial reporting process.

16. Audit Progress Report and Sector Updates

Members noted a report that set out progress in delivering Grant Thornton's responsibilities as the Council's external auditors. Julie Masci, Key Audit Partner for Grant Thornton informed Members that the external audit for the 2024/25 financial statements had been delayed from 15 September to 6 October at the Council's request, allowing more time for quality assurance. A key focus was the implementation of IFRS 16, which had posed challenges across the sector. Ms Masci explained that the sector continued to face challenges from the audit backlog, with new guidance from the National Audit Office expected to support recovery efforts.

17. 2024/2025 Treasury Management Outturn

Members considered the annual outturn report on the treasury management activities undertaken during the year 2024/25, which was compared to the 2024/25 Treasury Management Strategy. Members were informed that net borrowing stood at £301 million, with no new loans taken and £7.7 million maturing without replacement. The Council's credit rating and liquidity targets were achieved, and long-term investments remained within approved thresholds. The statutory override for pooled fund accounting was expected to extend to 2029, covering the Council's existing property fund investment.

Resolved:

That the Audit Committee recommends to Council:

That the Treasury Management decisions made during 2024/25, as set out in the submitted report be noted.

18. Performance Update: Collection of Council Tax & Non-Domestic Rates

The Audit Committee noted a report that provided an update on the performance in relation to the collection of Council Tax, Non-Domestic Rates and Benefits. Members were advised that processing times remained stable at around seven weeks, with delays often due to awaiting further information. The Revenues and Benefits Service continued its transformation through new systems and workflows, with further performance improvements anticipated.

£1.6 million of legacy debt was recovered during the year. Operational changes were introduced to improve collection, though the impact of the changes typically lagged.

Members requested future iterations of the report include annual debt levels to aid comparison.

19. Risk Assurance Report for Our Integrated Adult Social Care Services

Members noted a report that set out a summary of both Audit Assurance South West (ASW) and Devon Assurance Partnership (DAP) views and audit plans for 2024/25 on Adult Social Care (ASC) services. The report followed the governance process approved in 2022/23, recognising that while the Council held statutory responsibility for ASC, operational delivery had been delegated to Torbay and South Devon NHS Foundation Trust (TSDFT) since 2005. Members were advised that the Assurance work was split between Devon Assurance Partnership (DAP) for Council governance and ASW Assurance for Trust operations.

ASW provided a 'Limited' overall assurance opinion for 2024/25, based on audits of Deprivation of Liberty Safeguards and Advocacy. DAP reviewed the ASC Transformation Plan and the use of social care grants, with findings included in the Internal Audit Annual Report. Future audits planned for 2025/26 included a review of new software implementation and client debt follow-up by DAP, and safeguarding protocols and direct payments by ASW.

Members were informed that the Director of Adult and Community Services had requested the report also be presented to the Section 75 Executive Committee. Members requested the opportunity to review the full Statement of Assurance that ASW provided, officers advised that they would seek permission from the Trust and ASW.

20. Audit Committee Work Programme

Members noted the Audit Committee work programme and the addition of the following items:

- ASW's full Statement of Assurance to be added to the January 2026 meeting of the Audit Committee;
- Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt to be added to the March 2026 meeting of the Audit Committee; and
- External Audit Annual report be added to the March 2026 meeting of the Audit Committee.

Chair

Meeting: Audit Committee **Date:** 29 October 2025

Wards affected: All wards in Torbay

Report Title: Treasury Management Mid – Year Review 2025/26

When does the decision need to be implemented? Immediate

Cabinet Member Contact Details: Councillor Alan Tyerman, alan.tyerman@torbay.gov.uk

Director/Divisional Director Contact Details: Malcolm Coe, Director of Finance, malcolm.coe@torbay.gov.uk and Paul Matravers, Head of Corporate Finance, paul.matravers@torbay.gov.uk

1. Purpose of Report

- 1.1 This report provides Members with a review of Treasury Management activities during the first part of 2025/26. The Treasury function aims to support the provision of all Council services through management of the Council's cash flow and debt and investment operations.
- 1.2 The report has been prepared based on performance and data at 30th September 2025.
- 1.3 The key points in the Treasury Management review are as follows:
 - Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025.
 - No new borrowing has been undertaken and internal resources used to fund capital expenditure.
 - Further strategic investments in long term bonds to provide budgetary surety over the medium term
 - All decisions have complied fully with adopted principles and the Council's approved Treasury Management Strategy.

2. Reason for Proposal and its benefits

- 2.1 The preparation of a mid-year review on the performance of the treasury management function forms part of the minimum formal reporting arrangements required by the CIPFA Code of Practice for Treasury Management.

3. Recommendation(s) / Proposed Decision

- 3.1 That audit committee note the update on Treasury Management performance for the half year to 30 September 2025 and agrees to submit the update to Full Council.

Appendices

Appendix 1: Economic Commentary

Appendix 2: Non-Treasury Management Investments

Appendix 3: Borrowing and Investment Portfolio at 30th September 2025

Background Documents

[Treasury Management Strategy 2526.pdf](#)

1. Introduction

- 1.1 In February 2019 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2 The Treasury Management strategy for 2025/26 was approved at a meeting on 25th February 2025. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 1.3 Treasury Management decisions and strategies have been made in consultation with the Council's advisors, Arlingclose Ltd.

2. Economic Commentary

- 2.1 The significant economic events impacting the Treasury Management strategy during the year were:
- UK headline consumer price inflation (CPI) increased over the period, rising from 2.6% in March to 3.8% in August, still well above the Bank of England's 2% target.
 - The Monetary Policy Committee cut Bank rate from 4.5% to 4.25% in May and to 4.00% in August.
- 2.2 A full economic commentary covering the first quarter 2025/26 by Arlingclose Ltd is provided at Appendix 1 to this report.
- 2.3 Arlingclose's key observations for the remainder of 2025/26 are set out below:
- The MPC's sensitivity to higher inflation is partly offsetting the effect of the weak economic environment on Bank Rate expectations. However, we continue to forecast one more 0.25% rate cut in Q4 2025 to 3.75%, while recognising that uncertainty over the timing of this move has increased.
 - While downside risks to our forecasts remain, the Committee's stance argues against further downward moves in our central forecast for Bank Rate at this time. We expect the UK Budget to be an inflection point that may materially change the interest rate outlook.
 - Long-term gilt yields remain elevated for various reasons, both domestic and international. These issues may not be resolved quickly, but the UK Budget will be a key market driver.

3. Local Context

- 3.1 On 31st March 2025, the Council had net borrowing of £287m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31st March 2025 Actual £m
Total Capital Financing Requirement (CFR)	437
Less: Other debt liabilities	(14)
Borrowing CFR	423
Financed by:	
External borrowing	351
Internal borrowing	72
Total	423
Internal Resources for investment:	
Less: Balance Sheet Resources (useable reserves, working capital and other cash backed item)	(136)
Total Treasury Management Investments	(136)
Net Treasury Management Position	
External Borrowing	423
Investments	(136)
Net Total	287

NB because of the Capitalisation Policy, changes are only made to the CFR at year end, so it isn't possible to update this schedule mid-year.

- 3.2 The treasury management position (nominal values) on 30th September 2025 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	30.9.25 Balance £m	30.9.25 Rate %
Long-term borrowing	346	0	346	2.97
Short-term borrowing	5	(5)	0	0
Total borrowing	351	(5)	346	2.97
Long-term investments	(25)	(0)	(25)	4.75
Short-term investments	(38)	(14)	(52)	4.47
Cash and cash equivalents	(1)	(2)	(3)	
Total investments	(64)	(16)	(80)	4.51

4. Borrowing

- 4.1 Gilt yields have increased over the period amid concerns about inflation, the UK government's fiscal position and general economic uncertainty. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.53% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 4.2 As outlined in the Treasury Management Strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 4.3 No new borrowing was undertaken while a £5m existing loan has matured without replacement.
- 4.4 The Council will continue to monitor, with the support of its Treasury advisor's, any alternative borrowing options.
- 4.5 Outstanding loans on 30th September 2025 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.9.25 Balance £m	30.9.25 Weighted Average Rate %	30.9.25 Weighted Average Maturity (years)
Public Works Loan Board	341.0	(5.0)	336.0	2.97	25
Banks (LOBO)	5.0	-	5.0	4.39	54
Banks (fixed term)	5.0	-	5.0	4.70	50
Total borrowing	351.0	(5.0)	346.0	4.22	43

- 4.6 LOBO loans: The Council continues to hold £5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The lender option does not commence until 2028.
- 4.7 Private Finance Initiative debt balance outstanding stood at £14m on 30th September 2025, taking total debt to £360m.

5. Treasury Investment Activity

- 5.1 The CIPFA TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 5.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year investment balances ranged between £64m and £80m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.25 Balance £m	Net Movement £m	30.9.25 Balance £m	30.9.25 Income Return %	30.9.25 Weighted Average Maturity days
Banks & Building Societies	1.1	2.0	3.1	3.25	1
Government Bonds	2.0	-	2.0	4.50	5,418
Local Authorities	42.0	(10.0)	32.0	4.32	323
Corporate Bonds	13.5	-	13.5	4.28	1,416
Money Market Funds	1.0	23.6	24.6	4.03	1
Other Pooled Funds:					
- Property fund	4.4	-	4.4	4.86	-
Total Investments	64	15.6	79.6	4.73	

- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4 Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025.
- 5.5 Investments into longer term bonds were made in 2024/25 as part of the strategy of diversifying the portfolio. A further £10 million was placed in these instruments at yields of 4.118%, 4.551% and 4.802% providing budgetary security through returns beyond the medium term.
- 5.6 Cash levels were boosted at the start of the year by capital grant monies and the collection of Council tax and National Non-Domestic Rates which have collection profiles weighted towards the beginning of the year. After consideration of the effect on strategic cash flows and forecast reductions to interest rates, a number of deposits were made through the period, with other Local Authorities, to lock in rates before they fell. Rates obtained from these transactions ranged from 3.95% to 5.15%. Otherwise, investments were kept short-dated to provide liquidity in anticipation of significant 3rd-quarter expenditure on approved housing schemes, and these short-term funds were invested with the government DMADF facility, in Money Market Funds and other Local Authority deposits.
- 5.7 The progression of risk and return metrics are shown in the extracts from Arlingclose' s quarterly investment benchmarking exercise in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.06.2025	4.06	AA-	30%	1,022	4.79%
30.09.2025	3.95	AA-	37%	1,119	4.40%
Similar LAs	4.55	A+	62%	95	4.69%
All LAs	4.54	A+	62%	11	4.47%

- 5.8 The benchmarking results reflect the Council's appetite for low-risk counterparties which may impact the overall level of return. The high average maturity period is driven by the move into longer dated bond investments. Details behind the benchmarking results suggest that other LA's use pooled funds for their strategic investments; these may be providing a higher return currently but are more volatile than the fixed return of bonds and may be subject to revenue impacts from potential changes to accounting regulations in the near future.
- 5.9 **Externally Managed Pooled Funds:** £5m of the Council's investments is held in an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.
- 5.10 **Statutory override:** Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 regarding the statutory override on accounting for gains and losses in pooled investment funds. On the assumption that when published regulations follow this policy announcement, the statutory override will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024.
- 5.11 The Council has reserves available to mitigate the impact of the statutory override not being extended after 1st April 2029. The Council's investment which is impacted by the override is the £5m investment in the CCLA Property Fund. This investment was made before 1st April 2024 meaning it falls within the parameters of the extension of the override to 1st April 2029.

6. Non-Treasury Investment.

- 6.1 The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).
- 6.2 A full list of the Council's non-treasury investments is presented at Appendix 2.

7. Impact of Treasury Performance on the Revenue Budget

- 7.1 The net revenue budget for treasury management is projected to be underspent as a result of reduced external borrowing expectations and the rise in investment returns, as shown in table 6 below.

As at 30 th September 2025	Budget 2025/26 To September 2025	Projected Outturn 2025/26 To September 2025	Variation
	£m	£m	£m
Investment Income	(0.9)	(1.0)	(0.1)
Interest Paid on Borrowing	6.7	6	(0.7)
Net Position (Interest)	5.8	5	(0.8)
Minimum Revenue Provision	3.5	3.5	(0.0)
Amortisation of discount on repaid loans	0	(0.1)	(0.1)
Net Position (Other)	3.5	3.4	(0.1)
Net Position Overall	9.3	8.4	(0.9)

8. Compliance

- 8.1 The Chief Finance Officer reports that all treasury management activities undertaken during the period complied fully with the principles in the TM Code and the Council's approved Treasury Management Strategy. Compliance with specific limits is demonstrated in tables 7 and 8 below.

Table 7: Debt Limits

	2025/26 Maximum	30.9.25 Actual	2025/26 Operational Boundary	2025/26 Authorised Limit	Complied? Yes/No
Borrowing	£350m	£346m	£430m	£480m	Yes
PFI & Finance Leases	£14m	£14m	£20m	£20m	Yes
Total Debt	£364m	£360m	£450m	£500m	Yes

Table 8: Investment Limits

	Maximum in period	30.9.25 Actual	2025/26 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£10m	£10m	£15m	Yes
UK Central Government	£0m	£0m	Unlimited	Yes
Money Market Funds	£37m	£25m	Unlimited	Yes

Treasury Management Indicators: The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating/credit score of its investment portfolio. The credit score is calculated by applying a value to each investment (AAA=1, AA+=2, A=6 etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.9.25 Actual	2025/26 Target	Complied?
Portfolio average credit rating (score)	AA- (4)	A (6)	Yes

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one-month period, without additional borrowing.

	30.9.25 Actual	2025/26 Target	Complied?
Total cash available within one month	£27m	£10m	Yes

Interest rate exposures: This indicator is set to control the Council's exposure to interest rate risk.

The Council's debt portfolio is virtually all at fixed rate and therefore has no exposure to fluctuations in interest rates. As such no specific limits are proposed on interest rate exposure but any new borrowing will be restricted to a maximum 30% of the total portfolio exposed to variable interest rate. No new borrowing has been undertaken during the first part of the year.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	30.9.25 Actual	Upper limit	Lower limit	Complied?
Under 12 months	0%	10%	0%	Yes
12 months and within 24 months	0%	15%	0%	Yes
24 months and within 5 years	6%	30%	0%	Yes
5 years and within 10 years	11%	40%	10%	Yes
10 years and within 20 years	18%	50%	10%	Yes
20 years and within 30 years	19%	50%	10%	Yes
30 years and within 40 years	28%	50%	10%	Yes
40 years and above	18%	50%	0%	Yes

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	£15m	£15m	£15m
Limit on principal invested beyond year end	£40m	£40m	£40m
Complied?	Yes	Yes	Yes

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External Context

Economic background: The first quarter was dominated by the fallout from the US trade tariffs and their impact on equity and bond markets. The second quarter, still rife with uncertainty, saw equity markets making gains and a divergence in US and UK government bond yields, which had been moving relatively closely together.

From late June, amid a UK backdrop of economic uncertainty, concerns around the government's fiscal position and speculation around the autumn Budget, yields on medium and longer term gilts pushed higher, including the 30-year which hit its highest level for almost 30 years.

UK headline annual consumer price inflation (CPI) increased over the period, rising from 2.6% in March to 3.8% in August, still well above the Bank of England's 2% target. Core inflation also rose, from 3.4% to 3.6% over the same period, albeit the August reading was down % from 3.8% the previous month. Services inflation also fell from July to August, to 4.7% from 5.0%.

The UK economy expanded by 0.7% in the first quarter of the calendar year and by 0.3% in the second quarter. In the final version of the Q2 2025 GDP report, annual growth was revised upwards to 1.4% y/y. However, monthly figures showed zero growth in July, in line with expectations, indicating a sluggish start to Q3.

Labour market data continued to soften throughout the period, with the unemployment rate rising and earnings growth easing, but probably not to an extent that would make the more hawkish MPC members comfortable with further rate cuts. In addition, the employment rate rose while the economic inactivity rate and number of vacancies fell.

The BoE's Monetary Policy Committee (MPC) cut Bank Rate from 4.5% to 4.25% in May and to 4.0% in August after an unprecedented second round of voting. The final 5-4 vote was for a 25bps cut, with the minority wanting no change. In September, seven MPC members voted to hold rates while two preferred a 25bps cut. The Committee's views still differ on whether the upside risks from inflation expectations and wage setting outweigh downside risks from weaker demand and growth.

The August BoE Monetary Policy Report highlighted that after peaking in Q3 2025, inflation is projected to fall back to target by mid-2027, helped by increasing spare capacity in the economy and the ongoing effects from past tighter policy rates. GDP is expected to remain weak in the near-term while over the medium term outlook will be influenced by domestic and global developments.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would be cut further as the BoE focused on weak GDP growth more than higher inflation. One more cut is currently expected during 2025/26, taking Bank Rate to 3.75%. The risks to the forecast are balanced in the near-term but weighted to the downside further out as weak consumer sentiment and business confidence and investment continue to constrain growth. There is also considerable uncertainty around the autumn Budget and the impact this will have on the outlook.

Against a backdrop of uncertain US trade policy and pressure from President Trump, the US Federal Reserve held interest rates steady for most of the period, before cutting the Fed Funds Rate to 4.00%-4.25% in September. Fed policymakers also published their new economic projections at the same time. These pointed to a 0.50% lower Fed Funds Rate by the end of 2025 and 0.25% lower in 2026, alongside GDP growth of 1.6% in 2025, inflation of 3%, and an unemployment rate of 4.5%.

The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, before keeping it on hold through to the end of the period. New ECB projections predicted inflation

averaging 2.1% in 2025, before falling below target in 2026, alongside improving GDP growth, for which the risks are deemed more balanced and the disinflationary process over.

Financial markets: After the sharp declines seen early in the period, sentiment in financial markets improved, but risky assets have generally remained volatile. Early in the period bond yields fell, but ongoing uncertainty, particularly in the UK, has seen medium and longer yields rise with bond investors requiring an increasingly higher return against the perceived elevated risk of UK plc. Since the sell-off in April, equity markets have gained back the previous declines, with investors continuing to remain bullish in the face of ongoing uncertainty.

Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.70%. However, these six months saw significant volatility with the 10-year yield hitting a low of 4.45% and a high of 4.82%. It was a broadly similar picture for the 20-year gilt which started at 5.18% and ended at 5.39% with a low and high of 5.10% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.19% over the six months to 30th September.

Credit review: Arlingclose maintained its recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

Early in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. While Moody's downgraded the long term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.

Then in the second quarter, Fitch upgraded Clydesdale Bank and also HSBC, downgraded Lancashire CC and Close Brothers while Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland and Toronto-Dominion Bank.

After spiking in early April following the US trade tariff announcements, UK credit default swap prices have since generally trended downwards and ended the period at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.

European banks' CDS prices has followed a fairly similar pattern to the UK, as have Singaporean and Australian lenders while Canadian bank CDS prices remain modestly elevated compared to earlier in 2025 and in 2024.

Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

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Borrowing and Investment Portfolio at 31st March 2024

Long Term Borrowing

Name	Principal £	Interest Rate	Start Date	Maturity Date
Barclays Bank PLC (NRFB)	5,000,000	4.700%	24/09/2004	24/09/2074
Dexia Credit Local	5,000,000	4.395%	05/11/2008	07/11/2078
Public Works Loan Board	1,560,207	1.420%	08/08/2002	08/03/2027
Public Works Loan Board	3,000,000	4.875%	10/08/2009	15/04/2027
Public Works Loan Board	1,190,477	2.160%	22/02/2017	15/05/2027
Public Works Loan Board	266,591	2.260%	02/12/2002	30/09/2027
Public Works Loan Board	4,000,000	4.010%	24/11/2017	31/03/2028
Public Works Loan Board	5,000,000	1.530%	06/10/2017	15/09/2028
Public Works Loan Board	5,000,000	2.360%	13/10/2009	15/06/2029
Public Works Loan Board	5,000,000	1.520%	17/09/2019	31/03/2030
Public Works Loan Board	5,000,000	2.430%	21/07/2017	30/09/2030
Public Works Loan Board	5,000,000	2.400%	23/09/2019	31/03/2031
Public Works Loan Board	5,000,000	4.250%	03/02/2020	30/09/2031
Public Works Loan Board	5,000,000	4.250%	26/07/2017	30/09/2031
Public Works Loan Board	5,000,000	4.750%	24/08/2009	24/08/2032
Public Works Loan Board	410,581	2.510%	21/11/2005	21/09/2032
Public Works Loan Board	207,974	4.750%	11/03/2004	11/09/2033
Public Works Loan Board	5,000,000	4.950%	24/11/2017	30/09/2033
Public Works Loan Board	410,581	4.400%	01/04/2004	01/03/2034
Public Works Loan Board	410,581	4.500%	08/07/2004	08/03/2034
Public Works Loan Board	2,000,000	2.320%	19/07/2006	15/11/2034
Public Works Loan Board	2,000,000	2.380%	27/11/2007	15/01/2035
Public Works Loan Board	2,000,000	4.450%	25/03/2019	31/03/2036
Public Works Loan Board	3,000,000	4.350%	12/03/2019	31/03/2036
Public Works Loan Board	2,000,000	4.400%	14/07/2006	14/08/2036
Public Works Loan Board	4,000,000	4.430%	19/07/2006	15/11/2036
Public Works Loan Board	2,337,000	4.400%	02/08/2006	15/05/2037
Public Works Loan Board	410,582	4.150%	21/01/2008	21/09/2037
Public Works Loan Board	2,000,000	2.280%	11/08/2006	15/12/2037
Public Works Loan Board	3,000,000	4.420%	03/11/2006	15/06/2038
Public Works Loan Board	3,000,000	1.860%	30/05/2019	31/03/2039
Public Works Loan Board	2,000,000	2.410%	24/01/2008	15/03/2040
Public Works Loan Board	5,000,000	4.420%	23/09/2019	31/03/2040
Public Works Loan Board	2,000,000	2.420%	25/03/2019	31/03/2040
Public Works Loan Board	2,000,000	4.300%	07/01/2008	15/03/2041
Public Works Loan Board	2,000,000	4.100%	25/03/2019	31/03/2041
Public Works Loan Board	410,581	4.100%	13/04/2006	13/09/2041
Public Works Loan Board	2,000,000	2.290%	28/09/2006	15/12/2041
Public Works Loan Board	2,000,000	4.350%	03/11/2006	15/12/2041
Public Works Loan Board	2,980,393	2.240%	26/07/2017	30/09/2042
Public Works Loan Board	4,000,000	4.350%	25/01/2007	15/10/2042
Public Works Loan Board	5,000,000	4.150%	11/03/2020	31/03/2043

Public Works Loan Board	4,000,000	4.100%	02/03/2007	15/07/2043
Public Works Loan Board	5,000,000	2.140%	08/07/2019	31/03/2044
Name	Principal £	Interest Rate	Start Date	Maturity Date
Public Works Loan Board	3,000,000	4.480%	10/08/2009	15/04/2044
Public Works Loan Board	2,000,000	2.350%	27/03/2019	31/03/2045
Public Works Loan Board	3,000,000	4.150%	13/12/2005	14/02/2046
Public Works Loan Board	2,000,000	2.350%	27/03/2019	31/03/2046
Public Works Loan Board	5,000,000	2.540%	10/07/2018	31/03/2047
Public Works Loan Board	410,581	4.200%	23/05/2006	30/09/2047
Public Works Loan Board	5,000,000	2.520%	05/06/2018	15/01/2048
Public Works Loan Board	3,000,000	4.450%	31/01/2007	15/03/2048
Public Works Loan Board	6,000,000	2.610%	24/11/2017	31/03/2049
Public Works Loan Board	4,000,000	4.300%	08/03/2007	15/07/2049
Public Works Loan Board	5,000,000	1.720%	05/09/2019	31/03/2050
Public Works Loan Board	2,000,000	4.300%	08/03/2007	15/07/2050
Public Works Loan Board	2,000,000	4.050%	23/12/2005	14/02/2051
Public Works Loan Board	410,581	4.100%	19/12/2005	19/03/2051
Public Works Loan Board	5,000,000	2.210%	11/03/2020	31/03/2051
Public Works Loan Board	615,872	4.200%	19/09/2006	19/09/2051
Public Works Loan Board	410,581	4.050%	29/09/2006	29/09/2051
Public Works Loan Board	410,581	4.200%	31/08/2006	30/09/2051
Public Works Loan Board	410,581	4.400%	28/04/2006	30/09/2051
Public Works Loan Board	4,000,000	4.100%	07/12/2006	15/01/2052
Public Works Loan Board	1,231,744	4.250%	16/01/2007	16/03/2052
Public Works Loan Board	2,000,000	4.500%	20/08/2007	15/09/2052
Public Works Loan Board	5,000,000	2.530%	24/11/2017	31/03/2053
Public Works Loan Board	1,231,744	4.400%	29/06/2006	29/09/2053
Public Works Loan Board	5,000,000	1.950%	17/09/2019	31/03/2054
Public Works Loan Board	410,581	4.500%	11/04/2007	11/09/2054
Public Works Loan Board	410,581	3.900%	11/01/2006	11/03/2055
Public Works Loan Board	5,000,000	2.760%	03/02/2020	31/03/2055
Public Works Loan Board	410,581	4.150%	13/12/2005	13/09/2055
Public Works Loan Board	205,291	4.250%	19/07/2006	19/09/2055
Public Works Loan Board	615,872	4.250%	25/08/2006	25/09/2055
Public Works Loan Board	5,000,000	1.810%	23/09/2019	31/03/2056
Public Works Loan Board	8,000,000	2.570%	16/11/2017	31/03/2057
Public Works Loan Board	5,000,000	1.850%	16/09/2019	31/03/2058
Public Works Loan Board	4,000,000	2.550%	16/11/2017	31/03/2058
Public Works Loan Board	3,000,000	4.380%	10/09/2008	15/04/2058
Public Works Loan Board	6,000,000	2.900%	06/12/2019	31/03/2059
Public Works Loan Board	5,000,000	2.580%	25/09/2017	15/11/2059
Public Works Loan Board	5,000,000	2.500%	19/10/2017	15/12/2059
Public Works Loan Board	5,000,000	2.500%	19/10/2017	15/12/2060
Public Works Loan Board	5,000,000	2.370%	15/08/2017	31/03/2061
Public Works Loan Board	5,000,000	2.540%	22/02/2017	15/05/2061
Public Works Loan Board	6,000,000	2.510%	16/11/2017	31/03/2062
Public Works Loan Board	5,000,000	2.480%	28/02/2017	15/05/2062

Public Works Loan Board	2,000,000	2.540%	26/09/2017	15/11/2062
Public Works Loan Board	2,000,000	2.360%	26/02/2019	31/03/2063
Public Works Loan Board	5,000,000	2.350%	12/04/2017	15/05/2063
Public Works Loan Board	5,000,000	1.900%	13/08/2019	31/03/2064
Name	Principal £	Interest Rate	Start Date	Maturity Date
Public Works Loan Board	5,000,000	2.270%	19/04/2017	15/06/2064
Public Works Loan Board	3,000,000	2.520%	27/09/2017	15/11/2064
Public Works Loan Board	6,000,000	2.490%	16/11/2017	31/03/2065
Public Works Loan Board	5,000,000	2.280%	26/06/2017	15/08/2065
Public Works Loan Board	2,000,000	2.520%	27/09/2017	15/11/2065
Public Works Loan Board	3,000,000	2.370%	21/02/2019	31/03/2066
Public Works Loan Board	6,000,000	2.490%	16/11/2017	30/09/2066
Public Works Loan Board	5,000,000	2.440%	26/07/2017	30/09/2066
Public Works Loan Board	5,000,000	2.500%	06/10/2017	15/09/2067
Public Works Loan Board	5,000,000	2.150%	06/06/2019	31/03/2068
Public Works Loan Board	4,000,000	2.250%	28/05/2019	31/03/2068
Public Works Loan Board	5,000,000	1.740%	23/09/2019	31/03/2069
Public Works Loan Board	5,000,000	1.730%	19/08/2019	31/03/2069
	345,780,724			

Long Term Investments

Name	Principal £	Interest Rate	Start Date	Maturity Date
European Investment Bank	3,000,000	4.439%	20/03/2024	15/04/2039
BNG Bank INV	2,000,000	4.284%	20/03/2024	15/05/2024
European Investment Bank	5,000,000	4.500%	03/06/2024	07/03/2044
International Bank for Reconstruction & Development	3,000,000	5.750%	18/07/2024	07/06/2032
European Investment Bank	2,000,000	4.500%	18/07/2024	07/03/2044
Borough of Kingston Upon Hull	5,000,000	4.600%	06/11/2024	08/11/2027
CCLA Property Fund	5,000,000	5.027%	n/a	n/a
	25,000,000			

Short Term Investments

Name	Principal £	Interest Rate	Start Date	Maturity Date
Aberdeen City Council	2,000,000	5.150%	06/06/2025	30/06/2026
Ashford Borough Council	5,000,000	4.300%	11/09/2025	11/06/2026
Blackpool Council	5,000,000	4.200%	03/06/2025	03/06/2026
Bournemouth Christchurch & Poole Council	5,000,000	3.950%	19/08/2025	15/01/2026
Central Bedfordshire Council	5,000,000	4.210%	15/09/2025	15/07/2026
Gloucestershire City Council	5,000,000	4.350%	26/09/2025	25/09/2026
Goldman Sachs Money Market Fund	950,000	4.433%	n/a	n/a
CCLA Public Sector Deposit Fund	5,650,000	5.218%	n/a	n/a
Aviva Investors Money Market Fund	9,000,000	4.568%	n/a	n/a
Legal & General Money Market fund	9,000,000	4.506%	n/a	n/a
	51,600,000			

Cash & Cash Equivalents

Name	Principal £	Interest Rate	Start Date	Maturity Date
National Westminster Bank	3,103,780	3.250%	n/a	n/a
	3,103,780			

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Meeting: Audit Committee

Date: 29 October 2025

Wards affected: All

Report Title: Draft Statement of Accounts 2024/25

Cabinet Member Contact Details: Councillor Alan Tyerman, Cabinet Member for Housing and Finance, alan.tyerman@torbay.gov.uk

Director Contact Details: Malcolm Coe, Director of Finance, malcolm.coe@torbay.gov.uk

1. Key points and Summary

- 1.1 This report presents the draft, unaudited, Statement of Accounts for 2024/25 to Audit Committee for noting and commenting as appropriate.
- 1.2 Under the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, the Council were required to publish the draft Statement of Accounts for the year ended 31 March 2025 by 30 June which is the statutory deadline.
- 1.3 As explained to Members at the September meeting, due to a number of complex technical accounting issues, it was not possible to achieve this deadline, and a public notice was issued to this effect.
- 1.4 Most of these issues have now been resolved, with a few technical adjustments outstanding. The intention is to publish the accounts on the Council's website during the first week of November. The public inspection of the accounts will also begin then.
- 1.5 The audit of the accounts started at the beginning of October and good progress is being made. Grant Thornton will provide a verbal update at this meeting. Torbay Council Finance Officers will facilitate an informal training session on the key components within the Statement of Accounts on 14 January 2026 in advance of presenting the final, audited statements to the January Audit Committee.

2. Recommendation (s) / Proposed Decision

The audit committee is recommended to:

- To note and comment on the unaudited 2024/25 Statement of Accounts

Appendices

Appendix 1: Torbay Council 2024/25 Draft (Unaudited) Statement of Accounts

3. Statement of Accounts

- 3.1. The draft Statement of Accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which is based on International Financial Reporting Standards (IFRS) which attempts to facilitate the production of accounts in a standardised and consistent format across the public and private sectors giving greater transparency and comparability for stakeholders. Consequently, the accounts contain a significant number of highly technical accounting adjustments.
- 3.2. The accounting practices are set out in the Code of Practice and any additional CIPFA guidance such as the year end Final Accounts Bulletins. These accounts have been prepared adhering to these requirements.
- 3.3. In its approach to closing the accounts for 2024/25 the Council has taken note of the recommendations made by Grant Thornton in both their 2021/22 and 2023/24 Audit Findings Reports. An action plan to address these issues was brought to Audit Committee in March 2025. Management outlined actions to be taken to address the issues raised by Grant Thornton. Many of these are now in place, with those outstanding to be actioned prior to the completion of the external audit.
- 3.4. An update on the action plan and how the issues have been addressed will be brought to the January 2026 meeting. Furthermore, the Director of Finance and the Head of Corporate Finance have engaged external advice and support to compliment the Council's finance team to ensure the robustness and accuracy of financial reporting, along with compliance to existing and new accounting standards.

4. Publication of Accounts

- 4.1. As mentioned in the key points and summary section of this report, it is intended to publish the 2024/25 unaudited accounts on the Council's website during the first week of November at which point the public inspection period will commence.
- 4.2. Members of the public and other interested parties then have 30 working days to request access to documents relating to the financial statements for 2024/25 and related notes. Requests for information are subject to restrictions around commercial confidentiality and the protection of personal information.
- 4.3. During the same period a local elector may also raise questions relating to the accounts with the External Auditor.
- 4.4. A notice setting out the rights to public inspection of the accounts along with relevant contact details will be published on the Council's website at the commencement of the public inspection period. The audit of the accounts began earlier this month, a verbal update on progress with the audit will be presented by Grant Thornton at this meeting.

5. 2024/25 Accounts – Significant Change

- 5.1. There was one significant change to accounting policies impacting on the 2024/25 Statements. This was the introduction of IFRS 16 leases with effect from 1st April 2024. The Council, along with an external advisor have reviewed its leases along with those of its subsidiary companies and are in the process of making final adjustments to the accounts to ensure compliance with the standard.

Meeting: Audit Committee

Date: 13th October 2025

Wards Affected: All

Report Title: HR Investigations and Whistleblowing

**Cabinet Member Contact Details: Councillor Alan Tyerman,
Alan.Tyerman @Torbay.gov.uk**

**Director/Assistant Director Contact Details: Matthew Fairclough-Kay – Matthew
Fairclough-Kay@Torbay.gov.uk**

1. Purpose of Report

- 1.1 The purpose of this report is to provide a high-level summary of the number of HR investigations and Whistleblowing investigations in the year 1st October 2024 to 30th September 2025.
- 1.2 Exempt Appendix 1, sets out such an overview.

2. Reason for Proposal and its benefits

- 2.1 To provide a greater level of detail to Audit Committee.
- 2.1 The proposals in this report help us to deliver this ambition by:
 - *thriving people; ensuring that our employees can raise concerns in an environment where they feel safe to do so and that the organisation and employee's learns from concerns that have been raised, and therefore we have a workforce that thrive*
 - *Council fit for the future; ensuring that the organisation is compliant with employment law and legislation, that we are a learning organisation with a good reputation as an employer where people wish to come and our employment practice supports the council in being fit for the future through our People plan and workforce planning activity..*
 - *the Council's responsibilities as corporate parents; ensuing that all our employment practices underpin our responsibility as a corporate parent and that all of our employees understand their obligations in this regard, regardless of role.*

3. Recommendation(s) / Proposed Decision

- (i) That Audit Committee note the contents of Exempt Appendix 1, and give consideration to any further information or action that they require.

Appendices

Appendix 1: Overview of HR Investigations and WB Investigations

Appendix 2: Overview of WB process

Appendix 3: WB Policy

Background Documents

None

Report Clearance

Supporting Information

1. Introduction

1.1 For Audit Committee to consider the contents of appendix 1.

2. Options under consideration

2.1 To consider the contents of appendix 1.

3. Financial Opportunities and Implications

None.

4. Legal Implications

4.1 Failure to follow due process in respect of HR investigations and WB concerns could result in Employment claims for the Council.

5. Engagement and Consultation

5.1 None required for the purpose of this report.

6. Purchasing or Hiring of Goods and/or Services

6.1 N/A

7. Tackling Climate Change

7.1 N/A

8. Associated Risks

8.1 N/A

Equality Impacts N/A

9.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			✓
	People with caring Responsibilities			✓
	People with a disability			✓
	Women or men			✓
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			✓
	Religion or belief (including lack of belief)			✓
	People who are lesbian, gay or bisexual			✓
	People who are transgendered			✓
	People who are in a marriage or civil partnership			✓
	Women who are pregnant / on maternity leave			✓

	Socio-economic impacts (Including impact on child poverty issues and deprivation)		✓
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		✓
10..	Cumulative Council Impact (proposed changes elsewhere which might worsen the impacts identified above)	N/A	
11.	Cumulative Community Impacts (proposed changes within the wider community (inc the public sector) which might worsen the impacts identified above)	N/A	

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Whistleblowing Policy

Date August 2024

This document can be made available in other languages and formats.
For more information please contact hrpolicy@torbay.gov.uk

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Introduction

All of us at one time or another has concerns about what is happening at work. Usually, these concerns are easily resolved. However, when they are about unlawful conduct, financial malpractice and similar wrongdoings, it can be difficult to know what to do.

Torbay Council aims to provide a safe and effective working environment, where individuals can raise genuine concerns about malpractice or unlawful conduct in the workplace. This policy is intended to empower employees to raise such concerns at an early stage and in the correct way. The Whistleblowing Policy is to be used for reporting concerns where the whistleblower holds a reasonable belief that the concern is within the public interest or where the organisation, and/or members of it, may be at risk.

Aims of the Policy

This policy aims to: -

- Inform all within the scope of this policy how to appropriately take issues of concern forward, using the correct policies and procedures;
- Provide a clear procedure for all within the scope of this policy to raise concerns and receive feedback on any action taken;
- Ensure that confidentiality of the disclosure is maintained unless safeguarding concerns or criminal activity are disclosed;
- Reassure whistleblowers that they will be protected from reprisals or victimisation for 'Whistle-blowing' in good faith and in accordance with this procedure.

Scope

This policy applies to all employees of Torbay Council, contractors, partner agencies, agency workers, apprentices/trainees and volunteers who wish to raise whistleblowing concerns, which they can do in line with this policy. Schools have their own local arrangements.

Separate arrangements exist for Elected Members which are covered within the 'Code of Conduct for Members' and 'Local Protocol on Member and Officer Relations' (available from Governance Support), provided they do not conflict with this Whistleblowing Policy or potentially prejudice a criminal or other investigation.

Complaints relating to Councillors can be addressed through the Members Code of Conduct, link as follows: -

[Councillors' Behaviour, Interests and Standards Committee - Torbay Council.](#)

What is Whistleblowing?

Someone "blows the whistle" when they tell their employer, regulator, customers, the police or media about a dangerous or illegal activity they are aware of through work. The disclosure must be made in the public interest, i.e. a public interest disclosure is a disclosure by a worker concerning a wrongdoing on the part of their employer. It should be noted that in most cases if the

whistleblower goes to the media they will lose their whistleblowing law rights as explained on the Gov.UK website: <https://www.gov.uk/whistleblowing/who-to-tell-what-to-expect>

Whistleblowing legislation is in place to protect workers from dismissal or victimisation at work in the event that they disclose some sort of wrongdoing to the employer or another appropriate body.

The Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 defines what types of disclosure qualify the person making them for protection against dismissal and detrimental treatment by their employer. These are known as 'protected' disclosures.

A qualifying disclosure can be where any of the following is being, has been, or is likely to be, committed:

- a criminal offence for example fraud.
- a miscarriage of justice.
- an act creating risk to health and safety.
- an act causing damage to the environment.
- a breach of any other legal obligation; or
- a disclosure will also be protected if the information disclosed is of a nature that shows that any of the above is likely to be deliberately concealed.

The law also protects the individual from detrimental treatment by work colleagues for raising a concern. The Council is 'vicariously' liable for any wrongdoing of this nature unless it can prove that it took all reasonable steps to protect the individual who raised the concern from detrimental treatment by their co-workers, contractors, partner agencies, agency workers, apprentices/trainees and volunteers.

What is the difference between making a complaint and blowing the whistle?

When someone blows the whistle, they are raising a concern about danger or illegality that affects others for example customers, members of the public (including children or adults who are vulnerable), or their employer. The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of any investigation into their concern – they are simply trying to alert others. For this reason, the whistleblower should not be expected to prove the malpractice, but to give clear, factual information about the concern. They are a messenger raising a concern so that others can address it.

This is very different from a complaint or grievance. When someone complains or raises a grievance, they are saying that they have been personally treated poorly. This poor treatment could involve a breach of their individual employment rights or unacceptable behaviour and the complainant is seeking redress or justice for themselves. The person making the complaint therefore has a vested interest in the outcome of the complaint and for this reason, is expected to prove their case. The Grievance Procedure is a process for use by employees; where an employee has an individual complaint relating to their employment, for example, their contract of employment, pay, conditions, they should raise this under the Council's Grievance procedure. The Acceptable Behaviour Policy is also for use by employees for complaints regarding unacceptable

behaviour or discrimination. It also covers contractors, agency staff and anyone else engaged to work at the Council. Agency workers will be covered by this policy and are expected to adhere to it, however, reference should also be made to their own policies and procedures - please see Agency Induction Handbook.

Both policies are available on [MyView](#) in My documents, Policies and Guidance Section 2 – Conduct and Performance

For individuals with no access to MyView email: hrpolicy@torbay.gov.uk

Individuals not engaged in work at the Council should use the corporate complaints procedure available from the Council [website](#)

<https://www.torbay.gov.uk/council/policies/corporate/complaints-procedure/>.

Some examples showing the differences are as follows: -

Grievance	Protected disclosure
An employee's complaint about the type of work that they are being asked to do. For example, acts or omissions of non-compliance.	A disclosure that an individual has been instructed to carry out actions that they genuinely believe to be illegal, e.g. to falsify tax returns
An employee's complaint that they have received insufficient safety training	A disclosure that safety rules within the workplace are routinely being flouted, thus endangering safety of employees and/or the public
An employee's complaint about the hours that they are expected to work	A disclosure that the requirements imposed by the organisation on a group of employees, represent a breach of the working time legislation.

Safeguarding Whistleblowers

In accordance with the law, the Council undertakes that no individual who reports a concern in the public interest under this procedure will be subjected to any detriment as a result. In the event that the individual believes they are being subjected to a detriment by any co-worker, contractor, partner agency, agency worker, apprentice/trainee or volunteer they have the right to raise any concerns of harassment via the Council's Acceptable Behaviour Policy – For individuals with no access to MyView email hrpolicy@torbay.gov.uk

Confidentiality

The Council will do its utmost to protect an individual's identity when they raise a concern and do not want their name to be disclosed. It must be acknowledged by the individual raising the concern though that the investigation process itself, may well reveal the source of the information

and depending on the outcome, a formal witness statement by the individual may be required as evidence within a Court.

Anonymous Allegations

This policy is designed to encourage staff and other whistleblowers to put their names to allegations, to promote openness and discourage a fear of victimisation. Concerns expressed anonymously are much less powerful and more difficult to investigate, but they will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include: -

- The seriousness of the issue(s) raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Untrue Allegations

Where an allegation is made but not confirmed by the investigation, no action will be taken against the whistle blower. If, however, there is reasonable evidence that an allegation has been made by an employee, maliciously, or with the primary intent of personal gain, action will be taken in line with the Council's Disciplinary procedure which can be found on [MyView](#), in My Documents, Policies and Guidance Section 2 – Conduct and Performance. If no access to MyView email: hrpolicy@torbay.gov.uk.

Procedure

The following procedure is to enable individuals to raise a concern directly with the Council and for it to be considered and subsequent action taken, where necessary. There remains a right to report a whistleblowing concern outside of the Council and this procedure, where there is a wish to do so. This should be done by contacting the relevant external organisation and following their published procedure. A list of external contacts is given at the end of this policy.

1. Raising a Concern

Whistleblowing concerns should be addressed in writing to the Council's Director of Finance / Councils most Senior Officer or to the Devon Audit Partnership (internal audit). Employees who are members of a recognised trade union may also wish to approach their representative. The concern should be put in writing, giving clear details of the concern, using the reporting form found on MyView, MyDocuments, Section 2 Conduct and Performance Management, 2.20a. Whistleblowing Reporting Form. The reporting form can be emailed to the Whistleblowing email address as follows: whistle.blowing@torbay.gov.uk

Where it is not possible to address concerns in writing, contact can be made using the Audit Partnership whistleblowing number or the Torbay Council number Tel: 01803 207407.

2. How the Complaint will be Dealt With

The Chairperson of the Finance, Ethics and Probity Committee will notify the Finance, Ethics and Probity Group of the matter in order for initial investigations to take place and recommendations for action. The Finance, Ethics and Probity Group is made-up of members from the Council's Finance, Human Resources, Audit and Legal Services departments, including the Council's Monitoring Officer. (For clarity, "The Group" refers to the Finance, Ethics and Probity Group).

The Chairperson of the Finance, Ethics and Probity Committee will take overall responsibility for action in regard to the complaint, including the Council's formal written response to the matter.

Within ten working days of a concern being received, the Chairperson of the Finance, Ethics and Probity Committee will write to the complainant: -

- Acknowledging that the concern has been received;
- Indicating how the matter will be dealt with;
- Telling the complainant whether any initial enquiries have been made;
- Telling the complainant whether further investigations will take place and if not, the reason for this;
- Give some indication of timescales.

Following the Group's initial investigation should the Group consider that the Whistleblow falls outside of the scope of this policy, the complainant will be advised of alternative courses of action to take, for example, to raise the complaint under one of the Council's other policies. If after initial investigation it becomes clear that the matter uncovers criminal activity or welfare/safeguarding concerns, these will be reported directly to the Police and/or other relevant external organisations for further action. The complainant will be advised of this course of action and the Council shall take no further action in respect of the complaint unless requested by the Police or external organisation the complaint has been referred to.

3. How the Council will respond

Following its initial investigation, the action recommended by the Group will be dependent on the nature of the concern raised and may:

- Be resolved by agreed action without the need for further investigation
- Be investigated by management or by Audit or Human Resources (as appropriate)
- Be referred to the Police
- Form the subject of an independent inquiry
- Be referred to the external auditor

Should an investigation be necessary, the Group will appoint an appropriate investigation team from within the Council. The investigation will be dealt with as expediently as possible, with an estimated timescale for completion to be provided to the whistleblower at the start by the Group.

Where an employee is called to an investigation meeting, they may be accompanied by a Trade Union representative or work colleague and such representative or colleague will be required to formally agree to any matters arising at that meeting being kept confidential.

Following the outcome of the investigation process, the Group will inform the Finance Director/most Senior Officer of the outcome and an appropriate course of action will be agreed.

The Finance Director/most Senior Officer will put the formal response in writing to the individual at the earliest opportunity.

The Whistleblower is not entitled to be able to determine the outcome of the investigation process or to insist that disciplinary action must be taken, or a prosecution instigated. There is no further recourse under this policy, however, should the Whistleblower wish to pursue the matter further, they have the right to report their concerns to an external organisation or one of those listed at the end of this policy.

Counselling Service and Support

Due regard and sensitivity will be exercised by all involved in the process to ensure that the Whistleblower raising the concern does not suffer detrimental treatment as a result of raising a complaint.

The Council has a free and confidential Counselling Service and Employee Assistance Programme available to support employees. If you wish to access this service, please email wellbeing@torbay.gov.uk in confidence to be signposted to the most appropriate service.

Monitoring of the Policy

The policy will be monitored by the Finance, Ethics and Probity Group, who have overall responsibility for the maintenance and operation of this policy. The Group will maintain a record of concerns raised and the outcomes (in a form which does not endanger confidentiality) and will report as necessary to the Chair of the Audit Committee,

Equality Statement

This policy applies equally to all within the Scope outlined above, regardless of their age, disability, sex, sexual orientation, race, religion or belief, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

Raising a Concern outside of the Council

If a whistleblower wishes to take the matter outside the Council, they need to ensure that they do not disclose confidential information or that disclosure would be privileged. This can be checked with the Local Government Ombudsman who will also advise on ways to proceed.

To register a new complaint with the Local Government & Social Care Ombudsman, the Whistleblower is encouraged to read the Ombudsman's step by step process for making a complaint which can be found on their website: -

(Local Government Ombudsman Local Government Ombudsman Advice line: - 0300 061 0614)
www.lgo.org.uk

The whistleblower may wish to seek their own independent legal advice before or throughout the process. The Government has produced a document "Blowing the Whistle to a Prescribed Person – List of Prescribed people and Bodies". It lists the appropriate organisations to handle whistleblowing complaints and should be referred to for up-to-date advice and guidance about who to contact:-

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/404330/bis-15-43-blowing-the-whistle-to-a-prescribed-person-list-of-prescribed.pdf

Employees Raising a Concern who feel they have been treated unfairly

You can take a case to an [employment tribunal](#) if you have been treated unfairly because you've blown the whistle. You can get further information from the [Advisory, Conciliation and Arbitration Service \(Acas\)](#), the whistleblowing charity [Protect, Citizens' Advice](#) or your trade union.

If you reported your concern anonymously, you may find it harder to argue that your unfair treatment was as a result of your whistleblowing.

You must raise any claim of unfair dismissal within 3 months of your employment ending.

You must notify Acas if you want to take your case to a tribunal.

Other contacts: -

- [National Audit Office](#)
- Public Disclosures Whistleblowing Hotline Tel: 020 7798 7999
- Devon and Cornwall Police Tel: 101
www.devon-cornwall.police.uk
- ACAS Tel: 0300 123 1100
<https://www.acas.org.uk/>
- [Protect – the Whistleblowing Charity \(protect-advice.org.uk\)](#) Tel: 020 3117 2520
- [Whistleblowing for employees: Gov.uk/whistleblowing](#)

History of Policy Changes

This policy was approved on 20th March 2013 by the Audit Committee. Previous versions of the policy were formally agreed by the Scrutiny Committee in August 1999 and reviewed in October 2006 and October 2008.

Date	Page	Details of Change	Agreed by:
28.2.08	All	Replacement of previous Redeployment, Reorganisation & Redundancy policy with 3 separate policies	TJCC 28.2.08
6.5.15	7,8	Updates to list of Prescribed Persons Link; update to 'Other Contacts'	For information only
December 2021	All	Updated onto new corporate template and new details of counselling service	
August 2024	Various	Updated contacts and review by FEP (Finance, Ethics and Probity Committee). New section added for employees who wish to raise a concern. Appendix reporting form, moved to separate template 2.20a.	For information only

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A Whistleblow can come into the organisation in many guises, they include:

- A complaint via the Corporate Complaints Team
- An Employee Grievance
- An Employee Exit interview
- Through the Whistleblowing reporting form or telephone hotline
- To the Head of Paid Service, Director or Human Resources
- Direct to DAP (Devon Audit Partnership)

Once received the procedure set out below which is an extract from the Whistleblowing policy is followed:

Procedure

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The Whistleblower is not entitled to be able to determine the outcome of the investigation process or to insist that disciplinary action must be taken, or a prosecution instigated. There is no further recourse under this policy, however, should the Whistleblower wish to pursue the matter further, they have the right to report their concerns to an external organisation or one of those listed at the end of this policy.

4. Outside organisations and referrals

If the matter is referred to an outside organisation or body, then FEP will take advice and a lead from that organisation in terms of the process and steps to be taken.

Examples could include:

H&S – May have to be referred to the HSE (Health and Safety Executive) and the organisation would work with the HSE to ensure that the external investigation is supported and actions taken forward, if any. The Council would still conduct and conclude its own investigation but only when it is appropriate to do so taking into account what the HSE advice is so not to impact on any external investigation.

Police – Where a whistleblow results in a referral to the police, then the Council would take advice from the Police before commencing any internal investigation, if there is no further action from the Police then the internal investigations into the matter would commence, where the Police commence investigations then any internal investigation would be ‘held’ at an appropriate point in time, once the police have concluded any investigation then the Council would recommence their investigations and conclude in line with the relevant policy.

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Title: **Counter Fraud & Error 2025-26 – 6 month update**

Is the information in this report available to the public? Yes (excluding appendix)

Wards Affected: **All Wards in Torbay**

To: **Audit Committee** On: **29 October 2025**

Contact Officer: **Rachel Worsley**

☎ Telephone: **01803 207549**

✉ E.mail: **Rachel.worsley@torbay.gov.uk**

1. Key points and Summary

- 1.1 This report updates the Audit Committee on counter fraud activity undertaken for the period of 1 April 2025 to 30 September 2025, including progress against the 2024/26 Counter Fraud Plan.
- 1.2 The report is intended to support members in obtaining assurance the council has robust processes in place to prevent, detect and deter fraud and error.
- 1.3 The Corporate Counter Fraud and Error team deliver a service across the Council which aims to prevent, detect, and deter fraud, error and criminality related to fraud. The team investigate allegations of fraud, plan and take part in counter fraud campaigns (e.g. the National Fraud Initiative), test systems, undertake fraud awareness activities with staff and the public, maintain and update the counter fraud framework and related policies.
- 1.4 Though this activity, financial losses are prevented, additional revenue is identified for recovery, income is secured through the supply of services, and redress sought in cases of civil or criminal offending. As a hidden crime, fraud presents a unique challenge – we must continue to fundamentally shift our perspective and recognise that finding fraud is itself a success. We can only fight it, if we find it.

2. Introduction

- 2.1 Fraud is a significant risk to the public sector. It is persistent, diverse, and quickly changing and complex.
- 2.2 The National Fraud Authority estimates that fraud costs the public sector around £21 billion each year, which is 55% of the total fraud loss in the UK

- 2.3 The government currently estimates that (excluding covid-19 schemes) fraud and error in the public sector costs between £33 and £58 billion per year, with £2.2 billion cost to Local Government.
- 2.4 The previous update advised the Government would be introducing a new Fraud, Error and Debt Bill to tackle fraud in the Social Security system. The bill has passed through the House of Commons and the House of Lords and is currently at the consideration of amendments stage before it receives Royal Assent.
- 2.5 The Treasury has launched a new [covid-19 fraud reporting service and website](#) to enable members of the public to report suspected covid-19 related frauds. This includes all covid loans, grants, social security and tax benefits. If we receive any reports of suspected fraud relating to these areas, we will refer them directly to this service to ensure they are investigated appropriately and in line with national protocols.
- 2.6 Torbay continues to receive high profile funding for local projects such as but not limited to £20 million neighbourhood boost, £361,000 Department for Transport
- 2.7 Alerts to known frauds experienced by Local Authority across the UK are received by the team. Often, more than one Local Authority is targeted by the same fraudsters. This demonstrates fraudsters have no geographical or political boundaries.
- 2.8 Fraud is recognised by Torbay Council as a corporate risk.
- 2.9 The Counter Fraud and Corruption Policy sets out the expectations of Torbay Council and describes what is meant by fraud bribery and corruption and outlines the responsibilities of Councillors, Directors, Managers, and employees.
- 2.10 The Counter Fraud Manager is also the Councils Money Laundering Reporting Officer.

3. Resourcing

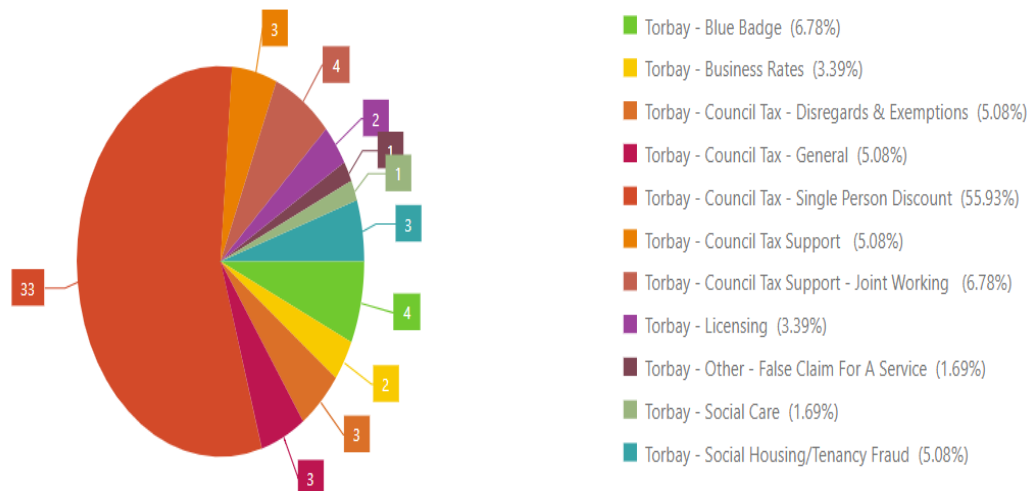
- 3.1 The team has continued to operate with limited qualified counter fraud specialist capability within this reporting period.
- 3.2 The Devon Assurance Partnership saw the retirement of its Accredited Counter Fraud Manager.
- 3.3 Both teams work tirelessly to identify and undertake initiatives to plug losses that would otherwise go unidentified by our respective councils.
- 3.4 With a recognised need to maintain continuity and resilience in fraud prevention and investigation, The two challenges presented an opportunity to bring the remaining expertise together with a view to a more integrated and collaborative approach. By consolidating resources, it is envisaged the teams can support the continued provision of counter fraud services more effectively.
- 3.5 To provide proof in concept, a secondment of the Torbay Counter Fraud and

Error manager and a Counter Fraud Technician to the Devon Assurance Partnership has commenced although in its infancy.

4. Fraud Prevention and Detection

- 4.1 The Counter Fraud Manager provides case by case prevention and intelligence support to teams across the council and partner agencies such as Devon and Cornwall Police and Devon and Somerset fire department.
- 4.2 When undertaking reviews, the fraud support officers identify cases of potential fraud. These cases are added to the case management system for further investigation.
- 4.3 The Cabinet Office run a national anti-fraud campaign, The National Fraud Initiative (NFI). Participation is mandatory. It is a data matching exercise to assist in the detection area of fraud and error. The main exercise occurs bi-annually with smaller exercises conducted annually. The work is managed and largely maintained by the Counter Fraud and Error Team.
- 4.4 The main exercise undertaken in the 2025/26 year.
- 4.5 A procurement exercise concluded where we identified our preferred partners Data-tank to undertake a single persons discount on behalf of Torbay Council.
- 4.6 The bulk of this exercise has occurred within the first half of this financial year and is expected to complete by the end of October 2025..
- 4.7 Progress with departmental fraud risk assessments has previously been reported. Internal Audit has been requested to carry out a Counter Fraud Risk Assessment Audit and the findings will be presented as a separate agenda item.
- 4.8 The team's work is varied and covers a wide programme of reactive and pro-active investigations. The diagram below demonstrates the diverse nature of the 31 referrals received in the reporting period and the range of case types covered.

Count of Cases by Case Category



- 4.9 Where it is suspected a person in receipt of Housing Benefit is committing fraud, a referral is made to the DWP. This reporting period has seen 50 referrals.
- 4.10 The team has carried out 21 landlords fit and proper checks on landlords on behalf of the Housing Standards Team. This figure is excluded from **4.8**.
- 4.11 Torbay Council is a member of The National anti Fraud Network. This membership provides alerts to national frauds. On receipt, the content is reviewed and internal enquiries are made to establish if Torbay has experienced the same fraud by the same fraudsters.
- 4.12 The reporting period has seen the provision of 26 alerts where the perpetrators have targeted more than one Local Authority. This figure is excluded from **4.8**.
- 4.13 Torbay Council has not been victim to any of the nationally reported incidents.
- 4.14 Torbay Council has identified two potentially national frauds itself and has shared intelligence with the National anti Fraud Network.
- 4.15 We further use the alerts as a means to raise awareness. Following review of content, communications are issued to individual colleagues or council wide, depending on nature of the alert.

5. Project Areas and Savings

- 5.1 **Investigations** have taken place throughout the period to identify fraud and error. The benefits received are detailed below. The figures shown for council tax are based on total liability, although the benefit is split between Torbay Council, Devon and Cornwall Police and Devon and Somerset Fire and Rescue Service.
- 5.2 The reporting period has seen 34 reports of blue badge fraud. This has resulted in 10 cases being referred to the issuing Local Authority or another organisation as Torbay Council does not have jurisdiction to investigate. 14 blue badge holders have been issued with a reminder of the rules and regulations pertaining to blue badge use. A request for 2 Blue badges returns made. 4 cases where the allegation was unfounded or lacked information. 1 case where there were no grounds to pursue the allegation. The remaining investigations
- 5.2 **Council Tax - Single Persons Discount (SPD) review commences** Following the single person discount amnesty undertaken in 2024/25, partners data-tank have undertaken a targeted review. Unlike previous reviews, this included households also in receipt of the Council Tax Reduction Scheme.
- 5.3 Data-tank started by screening all SPD recipient households against open source data and credit reference agency data. This identified households where it was likely SPD was incorrectly applied, enabling a targeted approach.
- 5.4 Each target household were invited to review their Single occupied status. The review anticipated to completed by end October 2025.
- 5.5 **Council Tax - Unregistered properties** an external provider, procured to undertake this work on a no win no fee basis, identifies properties which were otherwise unregistered for council tax purposes.
- 5.6 **Council Tax – Unregistered properties** the Torbay Counter Fraud team identified properties which were otherwise unregistered for council tax purposes.
- 5.7 **Council Tax - Unreported changes in property ownership/occupation** continues as an area of financial risk. The fraud team seek to identify unnotified changes.
- 5.8 **Council tax – empty homes premium avoidance** Torbay council, alongside many other Local Authorities, made changes to premiums for long term empty properties ranging from 100% through to 400% additional charge. This introduced a new fraud risk. Although the council tax team are aware of the indicators for empty property premium avoidance, it is unlikely all efforts to avoid the premium will be prevented. We have therefore taken a proactive approach to identify homes stood empty but in receipt of an occupied council tax charge.
- 5.9 **Council Tax – empty second home premium avoidance** the council, alongside many other local authorities, introduced a 100% premium on second homes. The premium introduced on 1 April 2025. This has introduced a new

fraud risk. Although the council tax team are aware of the indicators for premium avoidance, we do not anticipate all efforts to avoid the additional charge will be thwarted. We have therefore started to define internal methods for indicators of avoidance alongside seeking external partners who could provide assistance.

- 5.10 **Undervalued or Unrated Business premises** continues to be an area of financial risk. However, due to the work undertaken internally by the counter fraud and business rates teams and through the external provider, the current risk is reduced evidenced through a decrease in the instances identified.
- 5.11 **Un-notified change of business owner** continues to be an area of financial risk, as the covid-19 pandemic highlighted business owners do not come forward to register for business rates. The risk remains present, and the team discovers changes because of other work but has not held resources to tackle this area to mitigate the risk to minimise impact.
- 5.12 **Money Laundering** During the reporting period, the council has investigated no suspected reports of money laundering. Therefore, no reports have been made to the National Crime Agency.
- 5.13 On 06/06/25 National Anti-Fraud Network provided an alert whereby fraudsters had hijacked a legitimate council account and made multiple payments to the account using many different bank cards. The council concerned had identified the activity, before the fraudsters could request a refund and claim their washed cash.
- 5.14 We worked with the Incomes Team and the Financial Systems Account Manager to interrogate our systems to provide assurance such an incidence was not happening or had happened in Torbay. Assurance is provided.
- 5.15 **Investigations** The team consists of 2.8 full time equivalent member of staff, 1 Manger & Counter Fraud Specialist and 1.8 Counter Fraud Technicians/support officers.

Financial year	Cases awaiting review	Number of completed investigations	Cases under investigation
2022/2023	28	0	0
2023/2024	64	22	39
2024/2025	36	33	40
2025/2026	12	70	33

- 5.16 **Partnership Working** the team conducts investigations in partnership with DWP where appropriate. Sending invitations to the DWP and receiving invitations from the DWP.

	under investigation	Cases closed	Cases prosecuted
2023/24	7	2	0
2024/25	15	1	0
2025/26	21	1	0

5.17 During this reporting period several cases have progressed to the stage of interview under caution. Following these interviews, redeterminations have been made by the relevant departments. As a result, several cases are now being prepared for submission to the Crown Prosecution Service for consideration of legal action.

5.18 The team provides information to the DWP to support its own investigations into Housing Benefit and Universal Credit related frauds.

	Requests received	Requests completed
2025/2026	21	21

5.19 Devon Audit Partnership (DAP) are utilised to assist with investigations and redress once cases have undergone substantive checks by the Torbay Team.

5.20 A part of the redress toolbox, is the option of compliance. This is a structured meeting conducted to assess whether an individual is adhering to relevant laws, regulations or policies or contractual obligations. In the context of local government, it typically involves gathering information and investigating potential fraud. The interview is carried out by a trained officer and may include reviewing documentation, asking targeted questions and recording responses for further analysis or enforcement action.

5.21

	With DAP Awaiting/under investigation	Compliance Interviews Undertaken	Compliance resulting in cashable savings	Cases prosecuted
2023/24	21	4	£2,784.98	0
2024/25	11	7	£21,353.47	0
2025/26	24	0	£0	0

5.22 Savings Identified

Scheme	Number of cases reviewe d	Number of removals/amendment s	Cashable Value of amended liability
Single person Discount Review (data-tank)		343	£248,828
Single Person Discount (NFI)	18	3	£806
NFI report Council Tax Reduction 436.1	96	1	£2,618
Council Tax properties identified as empty	-	8	£ 16,454
Unregistered Council Tax properties (external provider)	-	awaited	£awaited
Business Rates (external provider)	-	awaited	£ Awaited
NFI report CTRS 436.1	96	1	£ 2,618
NFI reports Duplicate creditors	176	1	£ 69,835

Financial Information System Vs Companies House	337	67	£189,063
Housing Benefit Payees Vs Companies House	496	2	£ 2,726
HBOP Vs Companies House	3	0	£ 0.00

- 5.23 Due to the Single person discount exercise happening in this reporting period, the NFI SPD exercise has been placed on hold. This is with a view to screening the records produced by NFI against the screening undertaken by data-tank to ensure duplication is eliminated.

6. Prevention & Detection

- 6.1 Raising awareness is an integral part of fraud prevention. Hence Torbay Council has a mandatory i-learn course which employees are required to re-take periodically.
- 6.2 As referenced in 4.11, Torbay Council is a member of The National anti Fraud Network. The alerts received are circulated accordingly to provide awareness to the types of frauds happening. Raising awareness is a way to prevent fraud.
- 6.3 Often included in the alerts are details of bank accounts known to be linked to the fraud occurrences. We continue to monitor payments to ensure those bank accounts are not used in future transactions with Torbay Council.
- 6.4 Face-to-face training for those colleagues who are new to the organisation is now included as part of the new starters induction programme.
- 6.5 It is though this array of awareness that fraud is prevented. In this reporting period, we have found fake QR codes on parking equipment and have been targeted by fraudsters attempting to divert the salary of a Torbay council employee.
- 6.6 We introduced a relatively inexpensive tool to allow safe, secure and necessary data sharing across Local Authority departments and Boundaries, to prevent fraud across multiple departments with the added benefit of enhancing debtor tracing. It is anticipated the tool will provide income generation through improved and efficient debtor tracing, as well as reducing the number of Data Protection requests the revenues and recovery teams receive and place.
- 6.7 The tool is also anticipated to prevent loss as will enable pre-process and pre-billing checks. Unfortunately, we cannot put a savings to the levels of fraud prevented.
- 6.8 The tool has potential to provide fraud prevention and administration benefits to multiple council departments. A trial the tool has been provided by the company to the Revenues team, as this area identified to receive maximum benefit from the tool. We can report the tool has realised its cost within the trial period.
- 6.9 We will seek to encourage wider use of the tool across departments in Torbay Council.

- 6.10 We will encourage our neighbouring councils to invest in the tool, which will likely produce further results for Torbay.
- 6.11 Capturing a fraud risk register is crucial to provide the council with financial protection, manage its reputation, ensure legal compliance and provide operational efficiencies.
- 6.12 Work to encourage managers to complete fraud risk assessments has continued. As referenced in 4.7 fraud risk appears as a separate agenda item.
- 6.13 Individuals with access to revenues systems have been asked to complete a declaration of interest's form. This serves as a formal reminder that system access should only be used where there is a legitimate business need. To uphold the integrity of the data held within these systems, administrators are instructed not to access their own records or those of family members, close friends, or neighbours. The declaration reinforces this requirement and supports the council's commitment to responsible data handling and ethical system use.
- 6.14 The Cabinet Office worked on its own improvements with the National Fraud Initiative exercise. On 21st May 2025 a Legislative Reform Order was laid before parliament amending two Acts, the Local Audit and Accountability Act 2014 and the Public Audit (Wales) Act 2004. Following scrutiny by the House of Commons and House of Lords, became signed into Law in August 2025. The amendment allows the matching and sharing of adult social care data across Local Authorities in England and Wales. The act meant Local Authorities needed to review privacy notices to ensure compliance with GDPR regulations in relation to Adult Social Care data matching. We sought the assurance of the South Devon and NHS Trust, due to the Torbay delivery model. Adult Social Care data will be provided to the Cabinet Office by 14 November 2025. The data will be used to identify any potential frauds that may be happening within the payments for adult social care.

Rachel Worsley
Counter Fraud and Error Manager

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Meeting: Audit Committee

Date: 29 October 2025

Wards Affected: All

Report Title: Risk Management Update

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Councillor Jackie Thomas, Cabinet Member for Tourism, Culture & Events and Corporate Services, jackie.thomas@torbay.gov.uk

Director Contact Details: Matthew Fairclough-Kay, Director of Corporate Services
matthew.fairclough-kay@torbay.gov.uk

1. Introduction

- 1.1 This report is provided to Members to update them on the Council's current risk position and make them aware of any notable information with regards to the Council's overall risk management arrangements. It is the second of four risk reports that will be presented to Audit Committee for financial year 2025/26.
- 1.2 A 5 x 5 risk matrix is used to score the risks, meaning the maximum score a risk could be is 25. All risks that have a mitigated risk score of 16 or above (therefore considered to be high or very high risk for the Council) are detailed in the supporting appendices of this report – Appendix A shows the Council's strategic risks which are scoring 16 or above and Appendix B shows the Council's corporate risks which are scoring 16 or above.
- 1.3 The Council's Risk Management Policy includes a description of the roles and responsibilities in relation to risk management. In respect of Audit Committee, the Policy says:
- "Providing assurance that the Council has an effective and proportionate Risk Management Framework in place. As part of this, the committee keeps the Council's Strategic and Corporate Risk Registers under review, providing appropriate challenge as necessary."*
- 1.5 In practical terms Cabinet members are responsible for considering risks to the organisation in all of their decision making. Discussing relevant risks included on the registers in their one-to-one meetings with Directors and, with their Directors, ensure that action is taken as required.

2. Risk Overview

- 2.1 The Council currently has seven Strategic Risks and 68 Corporate Risks appearing on its risk registers. A full list is attached as Appendix C.

- 2.2 The seven Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, two have **mitigated** scores of 16 and above. These scores have remained high since they were put in place.
- 2.3 42 of the 68 Corporate Risks have **unmitigated** scores of 16 or above. 10 risks have **mitigated** scores of 16 and above.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that it is likely/almost certain that should the risk occur, it would have a major or critical impact on the business. Below are the risk matrixes for the Council's Strategic and Corporate Risk Registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 29 September 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	2	0	0
4 - Major	0	0	1	1	1
3 - Moderate	1	0	0	1	0
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 7

Risk Matrix - Mitigated Corporate Risks as at 29 September 2025

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	2	4	3	1
4 - Major	1	9	14	6	0
3 - Moderate	1	6	14	3	2
2 - Minor	1	1	0	0	0
1 - Insignificant	0	0	0	0	0

Total Risks = 68

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay's needs	20
ST09	Failure to adapt to a changing climate	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP14	Failure to implement the SEND inspection priority actions and improvements	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP59	Risk of Fraud and Error causing financial loss or reputational damage to the council	20
CP05	Failure to comply with Health and Safety legislation	16
CP06	Failure for our wholly owned companies to comply with Health and Safety, fire, environmental legislation	16
CP46	Effective Housing delivery	16
CP47	Effective delivery of Economic Growth Strategy	16
CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	16
CP86	Failure to have effective support and controls in place to support increased Elected Home Education	16

3. Risk Reviews

- 3.1 At the time of writing this report, all risks appearing on the Council's Strategic and Corporate Risk Registers have been reviewed (updated) in accordance with the timescales set out in our Risk Management Framework.

4. Changes to our Strategic and Corporate Risk Registers

- 4.1 Since the last report presented to Audit Committee in May 2025, Directors have approved the adoption of the below new risks onto the Council's corporate risk register.
- CP85 - Potential loss of Community Equipment Service
 - CP86 - Failure to have effective support & controls in place to support increased Elected Home Education
 - CP87 - Failure to have safe implementation of Liquid Logic for Adult Social Care
- 4.2 In addition to the above, Directors have also approved the removal of the below risks.
- CP38 – Health and wellbeing of staff
 - CP63 – Potential loss of data through cyber breach (Adult Social Care)
- 4.3 Since the last report to Audit Committee only one corporate risk has been de-escalated off the corporate risk register onto a service risk register. This risk was:
- CP16 Quality of performance and data

5.0 Service Risks

- 5.1 In August 2025, Directors were presented a report that focused on the organisation's service risk position. The Council currently has 306 risks on its service risk register of which 21 have scores of 16 and above.
- 5.2 Directors agreed to look at these risks as part of their management meetings and identify further mitigations that can be taken to address them or if they need escalation onto the Corporate risk register.

6.0 Update On Risk Appetite & Optimal and Tolerable Risk Scores

- 6.1 As part of the risk report presented to Audit Committee in February 2025 (sections 4.3 and 4.4), members were made aware that Directors have been working to develop the Council's risk appetite statements as well as the tolerable and optimal scores for the risks held on the Strategic and Corporate Risk Register. Directors used the risk trajectory data to collectively set scores and identified how they would want to respond to risks for each category going forward. These have subsequently been discussed with members of the Cabinet and are attached as Appendix D
- 6.2 In order to take this piece forward, Directors have since set optimal and tolerable risk scores for each of their strategic and corporate risks. The optimal risk score is

where the Council would aspire to get the risk to. The tolerable risk range are the scores where the Council is accepting of carrying or taking that level of risk.

- 6.3 The next steps are to embed the newly adopted risk appetite statements into the Council's decision making framework. The risk appetite statements will provide the framework to enable Members and Officers to make informed decisions. Risk reports will include information that show if risks are out of tolerance so Directors and Members can ensure appropriate action is taken to respond accordingly.

7.0 Recommendation(s) / Proposed Decision

- (i) That the report be noted, and Audit Committee identify any issues it wishes to raise relating to the risks in Appendices A, B and C.

Appendices

Appendix A: Torbay Council's Strategic Risks Detailed Report (16 and above)
Appendix B: Torbay Council's Corporate Risks Detailed Report (16 and above)
Appendix C: Torbay Council's Strategic and Corporate Risk Registers
Appendix D: Risk appetite statements by category

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	
Monitoring Officer	Amanda Barlow	10 Oct 2025
Director Of Finance Officer	Malcolm Coe	10 Oct 2025
Director Of Corporate Services	Matthew Fairclough-Kay	10 Oct 2025

Risk Code: ST05	Failure to supply sufficient housing for Torbay's needs	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: Insufficient housing development to meet Torbay's need for suitable housing to meet local needs and anticipated population growth (including economic growth and affordable housing). The absence of a housing supply may also increase the risk of the Council having to accept development in areas that are less desirable.	Risk Completion Officer : David Edmondson
Optimal Risk Position: 12		
Tolerable Risk Position: 12-16		Last Review Date : 29/09/2025
Mitigated Current Score: High (20)		Identification Date: 30/04/2023
Current Direction of Travel: 		
Previous Direction of Travel:		Previous Date of Change:
Mitigation status:	Mitigation:	
Action ongoing	Brief members to increase political support & raise awareness of wider consequences of low growth	
Action ongoing	Brownfield regeneration	
Action ongoing	Delivery of appropriate regeneration sites particularly those linked to Town Deal and Future High St	
Action ongoing	Ensure appropriate figures for Housing numbers are in the revised Local Plan	
Action ongoing	Ensure Neighbourhood Plans are in place and supported	
Action ongoing	Evidence base (Housing Need)	
Action ongoing	Evidence base (Planning)	
Action completed	Housing Strategy	
Action ongoing	Housing strategy Action Plan	
Action ongoing	Land supply	
Action ongoing	Liaise with Government organisations	
Action needed	Partnership working	
Action ongoing	Planning Service Fit for the Future Project	
Action ongoing	Relationship with landowners and developers	
Action ongoing	Review 106 agreements and implement tighter planning controls	
Action ongoing	Review structure	
Action ongoing	Unlock stalled sites	
Latest Note: Ongoing positive work with local developers on getting other Hotel to Homes schemes going. Good working relationship with Homes England, positive grant coming through for schemes, on site and those coming forward. Additional sites coming forward for Hotels to Homes project and for development of affordable housing. Crossways re-development planning application submitted. The Local plan brownfield and greenfield sites work is completed identifying potential sites to meet housing need numbers. This has been extremely challenging in light of the revised significant upward targets set by government, likely final number will be considerably lower than the target. Two new staff members started and third post now been through JE and will be advertised imminently, further enhancing capacity to support delivery of housing across the Bay.		

Risk Code: ST09	Failure to adapt to a changing climate	Accountable Officer : Alan Denby
Unmitigated Score: High (16)	Description: Our climate is changing. We need to prepare for this. We need to understand where Torbay is currently vulnerable to weather events, and where we may be at risk in the future. Failure to review and plan for this will result in a range of negative economic, social and environmental impacts for the Council and wider Torbay area.	Risk Completion Officer : David Edmondson
Optimal Risk Position: 12		
Tolerable Risk Position: 12-16		Last Review Date : 29/09/2025
Mitigated Current Score: High (16)		Identification Date: 22/01/2024
Current Direction of Travel: 		
Previous Direction of Travel:		Previous Date of Change:
Mitigation status:	Mitigation:	
Action ongoing	Flood defences	
Action completed	Local Plan Policies	
Action completed	Review the Devon, Cornwall and Isles of Scilly Consultation Draft Adaptation Strategy	
Latest Note: The actions contained within the Council Climate Action Plan are being addressed. Consultant well advanced with assessment work for PV potential on 10 priority buildings. Should be completed this month. Third EV vehicle now in place. Revised climate policies for the local plan agreed. The Preston & Paignton sea defence works due to start later this year, discharge of pre-commencement conditions underway.		

Report Key

- Risk Code** – the unique number assigned to every risk
- Title** – summarises the risk
- Accountable Risk Officer** - has overall responsibility for the risk
- Risk Completion Officer** - is responsible for updating the risk
- Last Review Date** – the date the risk was last reviewed (updated) on SPAR.net
- Identification Date** – the date the risk was approved by DOM and set up on SPAR.net
- Previous Date of Change** - the date the risk score changed from a previous score
- Unmitigated Score** – is the risk score before any controls are applied
- Mitigated Current Score** – is the current risk score with controls applied
- Current Direction of Travel** - Indicates the current score movement against the last review score.
- | | |
|---|---|
| Increased in score from the previous review |  |
| Decreased in score from the previous review |  |
| Score stayed the same |  |
- Previous Direction of Travel** - Indicates the direction of travel when the risk score last changed.
- | | |
|-------------------------------|---|
| Increased from a lower score |  |
| Decreased from a higher score |  |
- Mitigation** – the controls in place being used to manage or respond to the risk
- Mitigation Status** - states if the controls are working
- Latest Note** – details the current position of the risk mitigations, progress and any challenges being faced

Agenda Item 11

Appendix 2

Audit Committee – Corporate Risks Detailed Report (16 and above)
(as at 29/09/2025)

Risk Code: CP05	Failure to comply with Health & Safety and Fire Safety Legislation	Accountable Officer : Matthew Fairclough-Kay
Unmitigated Score: High (20)	Description: Health and Safety is a legislative requirement that is enforced by the Health and Safety Executive (HSE). The HSE intervenes when the organisation is found to be in failing in its management of health and safety (in contravention HSG 65). Fire safety is a legislative requirement enforced by Devon and Somerset Fire Rescue Service (DSFRS). DSFRS intervenes where an organisation fails to management fire safety or as a result of a fire incident, in accordance with the Regulatory Reform Fire Safety Order 2005 (RRFSO2005). Routine and periodic inspections of systems are required on ASSURE (the council's health and safety software management system). Likewise, incidents are required to be reported and investigated in accordance with the council's policies and procedures. Effective training, risk assessment and policy underpins organisational Health, Safety and Fire Management. From the 1st of July 2024, the assets which were previously managed by TEDC have transferred back to the Council and are now under direct control. Some of these assets have given cause for concern due to recent near misses/incidents therefore, the risk scoring will need to raise.	Risk Completion Officer : Dave Walker
Optimal Risk Position: 10		
Tolerable Risk Position: 10		Last Review Date : 24/09/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: ▲		Identification Date: 23/11/2022
Previous Direction of Travel: ▲		Previous Date of Change: 24/09/2025
Mitigation status:	Mitigation:	
Action ongoing	Adequate Health and Safety/Fire resources available	
Action ongoing	Auditing of Assets	
Action ongoing	Development and maintenance of ASSURE health and safety system	
Action ongoing	Improved reporting	
Action ongoing	Policies and procedures in place	
Action ongoing	Risk Assessments	
Action ongoing	Systems and procedures	
Action needed	Up take of Health and Safety training	
Latest Note: Additional Fire and H&S posts are going out to advert in early October to support existing service delivery demand. Training remains a significant issue in a number of directorates with a downward trend in level 2 and 3 core H&S training being completed. System changes have been introduced on Assure to email managers when staff are approaching qualification renewal, with a link to the booking page. It is hope that this will encourage uptake. Finalised structures for Place will enable the population of the Assure system and improved H&S management and oversight.		

Risk Code: CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation	Accountable Officer : Matthew Fairclough-Kay
Unmitigated Score: High (16)	Description: It is vital that the Council oversees the delivery of health and safety within all our wholly owned companies.	Risk Completion Officer : Dave Walker
Optimal Risk Position: 8		
Tolerable Risk Position: 8		Last Review Date : 24/09/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: ▲		Identification Date: 30/03/2023
Previous Direction of Travel: ▲		Previous Date of Change: 05/03/2025
Mitigation status:	Mitigation:	
Action ongoing	Adequate Health and Safety resources available	
Action needed	Auditing of Assets/Sites	
Action ongoing	External Liaison	
Action needed	Health & Safety Management Auditing	
Action ongoing	Policies and procures in place	
Action ongoing	Reporting of H&S	
Latest Note: A new assistant has been appointed to support Health and Safety delivery at SWISCo. Auditing and Site inspection plans need to be delivered in coming months to provide reassurance and will be picked up through planned work with Torbay Council Corporate Safety Team. Health and Safety Executive investigations are ongoing in relation to two matters.		

Risk Code: CP14	Failure to implement the SEND inspection priority actions and improvements	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: In March 2025, a Joint Area SEND Inspection conducted by Ofsted and the CQC identified significant and systemic weaknesses in the delivery of services for children and young people with special educational needs and/or disabilities (SEND) in Torbay. The inspection resulted in a formal requirement for the local area partnership to submit an improvement plan outlining how priority actions and areas for improvement will be addressed this also means that Torbay is under notice by the Secretary of State. This risk reflects the potential failure to implement those required improvements effectively and within expected timescales, which could lead to continued poor outcomes for children and young people, non-compliance with statutory duties, and further regulatory intervention.	Risk Completion Officer : Hannah Baker, Lisa Chittenden
Optimal Risk Position: 9		
Tolerable Risk Position: 9-12		Last Review Date : 24/09/2025
Mitigated Current Score: High (20)		
Current Direction of Travel: 		Identification Date: 30/03/2023
Previous Direction of Travel: 		Previous Date of Change: 17/05/2023
Mitigation status:	Mitigation:	
Action ongoing	Co-Production & Engagement	
Action ongoing	Governance and strategic oversight	
Action ongoing	Influencing and Partnership Engagement	
Action ongoing	Monitoring & Evaluation	
Action ongoing	Practice Improvement (Council Led)	
Action ongoing	Service Planning & Commissioning	
Latest Note: Priority Impact Plan coproduced and awaiting DFE approval. Key leads identified and work has started without delay. Key risk is the partnership's ability to gather feedback from parents and carers and improve the voices of confidence who will report back to Ofsted when reinspection happens in Dec26.		

Risk Code: CP15	Failure to stabilise the budget for the Higher Needs block	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The Higher Needs Block of the Dedicated Schools Grant continues to be overspent. The forecast year end overspend (2022/23) is £2.716m with a cumulative deficit of £11.715m. The Higher Needs Block provides funding to education provisions through the provision of additional support either through identification at SEN K or through the provision set out in an Education Health and Care Plan. The identification of need and the demands on the budget are currently not aligned to the budget received on annual basis. The deficit position of the budget is currently supported by a National Statutory Override, this mechanism is in place for the next three years and provides a way of the Council accounting for the deficit, however this does not address the deficit budget position. In February 2022 Torbay were invited to take part in the Safety Valve programme. The aim of the programme is to agree a package of reform with the DfE and approved by the Secretary of State to implement a DSG Management Plan of the high needs system that will bring the dedicated schools grant (DSG) deficit under control by reducing the spend on the high needs budget by 26/27. Torbay were notified on 14.3.2023 that the Secretary of State had approved the proposals and as a result will support Torbay financially with the HNB deficit on the basis we can implement robustly the proposals within the DSG Management Plan. Torbay will be subject to 3 times a year monitoring visits as part of the scrutiny.	Risk Completion Officer : Lisa Chittenden
Optimal Risk Position: 10		
Tolerable Risk Position: 10-15		Last Review Date : 10/09/2025
Mitigated Current Score: High (20)		
Current Direction of Travel: 		Identification Date: 30/03/2023
Previous Direction of Travel: 		Previous Date of Change: 17/05/2023
Mitigation status:	Mitigation:	
Action ongoing	Ceasing and reviewing Education Health and Care Plans	
Action ongoing	Control – Contributions from agencies	
Action ongoing	Control – Higher Needs Review Group	
Action ongoing	Control – IPOP panel	
Action ongoing	Control – SEND Board and Continuous Improvement Board	
Action ongoing	Early intervention and Prevention	
Action ongoing	Implement the DSG Management Plan	
Action ongoing	Learn from Best Practice	
Action ongoing	Performance data	
Action ongoing	Safety Valve	
Action ongoing	Workforce Development Programme	
Latest Note: The Safety Valve (SV) agreement came into place on 17th March 2023 providing the deficit budget position to be funded, subject to the ongoing delivery of the SV terms and conditions of the agreement. Regular submissions of the progress made towards the Safety Valve have been provided to the Education and Skills Funding Agency. In April 2025 the LA reported to the Safety Valve team for the first time that Torbay forecasts it would not meet its financial target by March 2027. The DfE have responded and have requested further information.		
It has been confirmed that JULY will be paid. Further monitoring reports are due in December 2025.		
There are significant and sustained pressures and risks as the demand for Education Health and Care Plans is not reducing and the number of plans that are able to be ceased is slowing. We have inputted some mitigations to try to reduce the number of Requests for Statutory Assessment (RSA) such as early Next Steps Meetings prior to RSAs and a robust and rigorous No to Issue process; this has resulted in Torbay EHCP declining by -12%, whereas national figures show a +12% increase in EHCPs. Despite this success financial pressures on those with existing plans continue as per head provision costs rise.		
Torbay educational settings are also at this time facing additional financial pressures from NI increases and teachers pay disputes but also the local factor of a dramatic birth rate dip of more than 25%. This creates additional pressure whereby services and support ordinarily available in schools reduces, forcing more families to seek an EHCP. As such this risk remains high and we will continue to monitor our progress.		
All mitigations remain accurate at this time.		

Risk Code: CP17	Placement sufficiency	Accountable Officer : Nancy Meehan
Unmitigated Score: Very High (25)	Description: The cost of placing children in care, including Unaccompanied Asylum-Seeking Children (UASC), continues to be a significant pressure within Children's Service – both within Torbay and nationally. The service continues to focus on early help, prevention and intervention at the earliest possibly point in a child and family's life, mitigating against crisis and reducing the likelihood of a child becoming cared for. Despite the overall numbers of cared for children continuing to reduce in comparison to previous years, significant shortages of suitable and available placements are driving up costs within the market. Price increases since 2021/22 are in excess of 30% in residential and unregulated/unregistered placements. The legislation on unregulated placements changed in September 2022 and continues to result in further pressure on this budget. The budget for Care Placements (including Unaccompanied Asylum-Seeking) overspent by £1.937m in 2023/24, and underspent by £657k in 24/25. This is following the placements budget receiving £2.1m of growth funding for 24/25, as part of the budget setting process for that year. As part of the 25/26 budget setting process, an additional £1.3m has been provided to cover the inflationary increases of the fees being requested by placement providers. The service continues to work hard with colleagues across the Peninsula providers, and this year those providers on the framework have a fee increase of 4% and those placements which are off framework and spot purchased remains at a 3%, the same as 2024-25. However, the high cost of weekly placements for residential and	Risk Completion Officer : Lisa Chittenden
Optimal Risk Position: 10		
Tolerable Risk Position: 10-15		Last Review Date : 24/09/2025
Mitigated Current Score: Very High (25)		
Current Direction of Travel: 		Identification Date: 30/03/2023
Previous Direction of Travel: 		Previous Date of Change: 05/12/2023
Mitigation status:	Mitigation:	
Action ongoing	As part of the wider restructure, consider the staffing sufficiency of the Placements Team	
Action ongoing	Continued focus on early help, prevention and edge of care services	
Action ongoing	Diversify and broaden the range of locations from which family time can be facilitated	
Action ongoing	Expand & diversify the range of Short Breaks available for children assessed as requiring provision	
Action ongoing	Focus on permanence	
Action ongoing	Identification of suitable properties	
Action ongoing	Increase the number of Fostering enquiries and approvals in line with Torbay's local aspiration	
Action ongoing	Review targeted support in relation to LD placements & associated joint work with Health	
Action ongoing	To consider how we collaborate with the market to create a children's home for Torbay children only	
Latest Note: The budget for Care Placements (including Unaccompanied Asylum-Seeking) overspent by £1.937m in 2023/24, and underspent by £657k in 24/25. This is following the placements budget receiving £2.1m of growth funding for 24/25, as part of the budget setting process for that year. As part of the 25/26 budget setting process, an additional £1.3m has been provided to cover the inflationary increases of the fees being requested by placement providers. The service continue to work hard with colleagues across the Peninsula providers, and this year those providers on the framework have a fee increase of 4% and those placements which are off framework and spot purchased remains at a 3%, the same as 2024-25. However, the high cost of weekly placements for residential and unregistered and unregulated placements remains a concern and a risk to the budget, hence this area will continue to be monitored closely throughout the year. As at September 2025 Placement sufficiency is impacting on the overall CS budget and we now have a budget deficit which is being monitored closely. Work is ongoing within the service and the Transformation programme to address this risk (as detailed within the mitigations) - All mitigations remain ongoing.		

Risk Code: CP46	Effective Housing delivery	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: That the Council fails to ensure delivery of an appropriate breadth and scale of housing to meet Torbay's needs. This means that there will be insufficient housing to meet the requirements of Torbay's communities for the overall number of properties, their size and affordability. There will also be impacts on the Community & Corporate plan should the risk be borne out.	Risk Completion Officer : David Edmondson
Optimal Risk Position: 8		
Tolerable Risk Position: 8-12		Last Review Date : 03/09/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: 		Identification Date: 21/06/2023
Previous Direction of Travel: 		Previous Date of Change: 03/09/2025
Mitigation status:	Mitigation:	
Action ongoing	Confirmation of the Council's role in housing delivery.	
Action completed	Creation of a Housing Delivery Plan	
Action ongoing	Deliver Housing Delivery Plan	
Action ongoing	Delivery of the Housing strategy action plan	
Action ongoing	Delivery of the Town Centre regeneration programme	
Action ongoing	Development of relationship with Homes England	
Action needed	Development of the Strategic Housing Board	
Action completed	Prepare Housing Delivery Plan	
Action ongoing	Releasing Council land assets including greenfield allocated sites	
Action ongoing	Staff resources	
Latest Note:	Probability reduced to 4 based on the mitigations. Actions are underway as per the mitigation settings and the pipeline is strong.	

Risk Code: CP47	Effective delivery of Economic Growth Strategy	Accountable Officer : Alan Denby
Unmitigated Score: High (20)	Description: The council has a responsibility to promote economic wellbeing within Torbay, this includes the facilitation and enabling of business survival and growth, employment opportunities for local people and an increase in the level of productivity. The Economic Growth Strategy outlines the councils' strategic plans to achieve these objectives and defines how delivery will help to tackle climate change and protect and enhance the natural environment of Torbay.	Risk Completion Officer : Carl Wyard, Lisa Tuck
Optimal Risk Position: 8		
Tolerable Risk Position: 8-12		Last Review Date : 19/09/2025
Mitigated Current Score: High (16)		Identification Date: 22/06/2023
Current Direction of Travel: 		
Previous Direction of Travel: 		Previous Date of Change: 30/12/2023
Mitigation status:	Mitigation:	
Action ongoing	Budget & Prioritisation	
Action needed	Improve innovation and growth ecosystem in Torbay, with partners	
Action ongoing	Improve the business strategic voice	
Action ongoing	Relationship with DLUHC and Government	
Action needed	Secure medium term supply of employment land	
Latest Note: The innovation ecosystem is developing well, led by the Hi Tech Cluster. To ensure that the potential growth can be realised there is a need to secure the site for the first phase of the Tech Park. Negotiations have agreed the principles of a deal but this has not yet been completed. To progress businesses from EPIC and to accommodate their expected growth the space is needed to meet EPIC tenants growth needs. A site for phase 2, to deliver the remainder of the space required under our LUF grant, has been identified with sites for a further phase to be identified. Whilst employment sites have been identified for the new Local Plan, the demand for housing is likely to have a detrimental impact on all these sites allocated for employment use. Work with the Torbay Chamber Business Group is on-going but limited resources within Devon Chamber might put this work at risk. Devon Chamber are working up a proposal and we will likely need to take out high level membership of Devon Chamber to ensure resource is available to drive this initiative. A restructure within MHCLG could lead to people moving/leaving roles so relationships will need to be rebuilt. Funding for the delivery of the Economic Growth Strategy is uncertain beyond 25/26 and currently there is a circa £400k shortfall for economic development for 26/27. These pressures have been identified and are being considered in the budget development process.		

Risk Code: CP59	Risk of Fraud and Error causing financial loss or reputational damage to the council.	Accountable Officer : Malcolm Coe
Unmitigated Score: Very High (25)	Description: In any organisation, particularly one offering a diverse range of services such as Torbay council, there is an inherent risk from fraud and errors that result in financial loss. The government estimated that between £33.2 and £58.8 billion of public spending was lost to fraud in 2020/21. At Torbay Council, we participate in the National Fraud Initiative, in 2022/23 the exercise identified in one particular area, potential fraud losses of over £200k. The counter-fraud and error team is conducting proactive work with directorates, raising awareness and assisting services with fraud risk assessments. While a number of controls are in place, complacency must always be guarded against, and a corporate risk created to ensure visibility, particularly until the organisation wide fraud risk register is completed and reviewed to assure any key areas of risk are identified, assessed and proactively managed. It is important that the Council has its own processes and procedures in place to prevent itself from committing fraud against other government departments. It is a criminal offence if the Council fails to prevent the facilitation of tax evasion. The Economic Crime and Corporate Transparency Act 2023 includes the requirement for the council to prevent fraud. During Covid and the energy crisis the team's resources and focus were diverted, this generated a backlog in the work programme, further compounded by the reduction in resources seen within the Fraud Team. Although the Council does not yet hold a corporate wide fraud risk register. It is understood that the Council's main areas of risk are currently Cyber Security, Council Tax Single	Risk Completion Officer : Rachel Worsley
Optimal Risk Position: 6		
Tolerable Risk Position: 6-12		Last Review Date : 12/09/2025
Mitigated Current Score: High (20)		Identification Date: 18/01/2024
Current Direction of Travel: 		
Previous Direction of Travel: 		Previous Date of Change: 28/05/2025
Mitigation status:	Mitigation:	
Action ongoing	Bank reconciliation	
Action ongoing	Corporate Fraud and Error Team	
Action ongoing	Financial Regulations	
Action ongoing	Fraud and error work plan	
Action ongoing	Fraud reporting route	
Action needed	Fraud Risk Assessments feeding into a corporate fraud risk register	
Action completed	Governance reporting	
Action ongoing	Internal Audit	
Action needed	Policies in place designed to prevent and deter fraud	
Action ongoing	Raising awareness	
Action ongoing	Tax and VAT officer	
Latest Note: The Failure to Prevent Fraud Offence under the Economic Crime and Corporate Transparency Act 2023 is now in place. The position with Fraud Risk Assessments remains unchanged with multiple department having not captured fraud risk assessments. This provides a significant gap in the organisations fraud risk management framework. The failure undermines our ability to identify, assess and mitigate fraud risks effectively and exposes the Council to both operational and legal vulnerabilities. The position discussed by Directors on 12 August 2025. Internal Audit re-opened the questionnaire and provided to chief Executive A secondment of the Fraud and Error Team to Devon Assurance Partnership has commenced. This may go some way to supporting an effective service but could introduce risk to service, especially during the forming/set-up phases. The Counter Fraud and Error Policy periodic review is underway. Internal Audit made recommendations within their Fraud Risk Assessment findings. These will be considered during the review. One of the observations being the policies length. To address, the current policy will be supported by the introduction of a Counter Fraud Strategy. Horizon Scanning: GovNet emerging Fraud Risks 2025 - polygamous employment - Bank Mandate Fraud/Payment diversion is a consistent threat - LA's experiencing a higher level of ransomware attempts - Social Housing Fraud remains one of the highest risk factors for LA's, including its preceding stages. Short term rental platforms create new opportunities for tenants to sub-let for additional income. - procurement fraud, particularly suppliers invoicing for undelivered services. - increase in falsified medical certificates and special leave applications amongst employees South West of England Fraud Officers Group: - Polygamous Employment - Direct Payment Frauds (not spending on care/gifting to friends or family/accumulating funds)		

Risk Code: CP73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	Accountable Officer : David Carter
Unmitigated Score: High (16)	Description: Engineered sea defences and natural coastal assets (cliffs) are subject to wind and wave energy, saline environment, freeze/thaw and vegetation growth all which cause deterioration by erosion, undercutting, overloading, washout of fill material, and corrosion of steel elements. The Council struggles to maintain these assets in line with national policy such e.g. Shoreline Management Plan, corporate priorities and relevant legislation due to budget constraints. There is currently no management plan in place and budget is spent on reactive works. Due to climate change, we are seeing significant damage to the South West coastline. Currently the Council is good at identifying potential issues, however, the current processes and provision do not allow for a planned approach to prevent and limit the need for emergency reactive works.	Risk Completion Officer : Tim Jones
Optimal Risk Position: 12		
Tolerable Risk Position: 12-16		Last Review Date : 17/09/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: 		Identification Date: 11/12/2024
Previous Direction of Travel:		Previous Date of Change:
Mitigation status:	Mitigation:	
Action ongoing	Active management of the Council estate	
Action needed	Corporate Asset Management Group	
Action completed	Ensure effective data systems and management information is in place	
Action needed	Governance Arrangements	
Action ongoing	Regular Visual Inspections	
Action ongoing	Review Asset Management Strategy	
Action ongoing	Review of allocated corporate budget	
Action completed	Surveys Completed On Time	
Action completed	Tech Forge	
Latest Note: The annual coastal asset surveys (cliffs and hard defences) for 2025 are complete and have been uploaded on the Council's Technology Forge system. 2025/2026 inspections relating to key assets have been commenced and will be completed by March 2026, in accordance with the agreed annual inspection regime. Several meetings have recently taken place to review the Council's procedures for dealing with reactive/emergency works, in terms of resources, roles and responsibilities and budget provision. This includes Torbay's cliffs and coastal defences which are considered to be a key vulnerability. This process is ongoing. Review meetings have taken place between Directors and the Head of Engineering, to review the coastal vulnerabilities relative to the principles of the Shoreline Management Plan. These will need to focus on key sites, such as the recent cliff instability at Ilsham Marine Drive in Torquay. A future workstream will involve classifying the various coastal defences in terms of their importance to offer protection against flooding and damage to critical infrastructure. Funding opportunities, to improve coastal defence, continue to be explored through the Council's ongoing attendance at "South West Coastal Group" and "South Devon and Dorset Coastal Advisory Group" meetings, and direct liaison with the Environment Agency. Discussions regarding the creation of a revenue budget for proactive improvements works are ongoing. Whilst there has been good progress to raise awareness of the current challenges, the overall level of risk remains unchanged as no budget has yet been forthcoming.		

Risk Code: CP86	Failure to have effective support & controls in place to support increased Elected Home	Accountable Officer : Nancy Meehan
Unmitigated Score: High (20)	Description: As the number of families opting for Elected Home Education continues to rise, there is a risk that current support mechanisms, oversight processes, and resource allocation may not be sufficient to ensure the safety, wellbeing, and educational outcomes of home-educated children. This could lead to gaps in safeguarding, inconsistent educational standards, and reputational damage to the authority.	Risk Completion Officer : Daniel Hamer
Optimal Risk Position: 4		
Tolerable Risk Position: 4-9		Last Review Date : 05/09/2025
Mitigated Current Score: High (16)		
Current Direction of Travel: 		Identification Date: 26/08/2025
Previous Direction of Travel: 		Previous Date of Change: 05/09/2025
Mitigation status:	Mitigation:	
Action needed	Develop a Comprehensive EHE Strategy	
Action ongoing	Enhance Family Engagement and Support	
Action ongoing	Escalation and Intervention Protocols	
Action ongoing	Improve Data Management and Tracking	
Action ongoing	Increase Staffing and Training	
Action needed	Public Awareness and Communication	
Action needed	Regular Policy and Procedure Reviews	
Action ongoing	Strengthen Multi-Agency Collaboration	
Latest Note: Develop a Comprehensive Elected Home Education (EHE) Strategy – Schools have been closed through August. EHE strategy will include triage and proactive work to avoid unsuitable EHE. Increase Staffing and Training – New staff start October 2025 – EHE Officer and Support Officer Strengthen Multi-Agency Collaboration – Dashboard created training for CS staff 9th September Improve Data Management and Tracking – Using dashboard – new Service Manager leading Enhance Family Engagement and Support – Planned series of community drop ins and events. Regular Policy and Procedure Reviews – Policy to be reviewed on Wellbeing and Schools Bill passing onto law. (Currently in The Lords Cttee Stage – anticipate Nov 2025) Escalation and Intervention Protocols – Pathways exist. Team training planned to ensure consistency. Public Awareness and Communication – As Family Engagement		

Report Key

Risk Code – the unique number assigned to every risk
Title – summarises the risk
Accountable Risk Officer - has overall responsibility for the risk
Risk Completion Officer - is responsible for updating the risk
Last Review Date – the date the risk was last reviewed (updated) on SPAR.net
Identification Date – the date the risk was approved by DOM and set up on SPAR.net
Previous Date of Change - the date the risk score changed from a previous score
Unmitigated Score – is the risk score before any controls are applied
Mitigated Current Score – is the current risk score with controls applied

Current Direction of Travel - Indicates the current score movement against the last review score.

Increased in score from the previous review	
Decreased in score from the previous review	
Score stayed the same	

Previous Direction of Travel - Indicates the direction of travel when the risk score last changed.

Increased from a lower score	
Decreased from a higher score	

Mitigation – the controls in place being used to manage or respond to the risk
Mitigation Status - states if the controls are working
Latest Note – details the current position of the risk mitigations, progress and any challenges being faced

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Increased in score from the previous review
Decreased in score from the previous review
Score stayed the same



Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Strategic Risk	06	Pandemic or high impact outbreak of infectious disease	Lincoln Sargeant	Mandy Guy	16	8	8-12	12	23/09/2025	—	Operational Delivery
	03	Failure to have good inclusive economic growth	Alan Denby	Lisa Tuck, Carl Wyard	25	8	8-12	12	19/09/2025	—	Strategic Direction
	04	Failure to set a robust budget and Medium-Term Resource Plan	Malcolm Coe	Malcolm Coe	25	8	8-16	15	17/09/2025	—	Strategic Direction
	05	Failure to supply sufficient housing for Torbay's needs	Alan Denby	David Edmondson	20	12	12-16	20	29/09/2025	—	Strategic Direction
	07	Recruitment and Retention	Matthew Fairclough-	Sue Wiltshire	25	4	4-9	3	26/09/2025	—	Strategic Direction
	09	Failure to adapt to a changing climate	Alan Denby	David Edmondson	16	12	12-16	16	29/09/2025	—	Strategic Direction
	10	Failure of Torbay and South Devon NHS Foundation Trust to deliver Adult Social Care Statutory duties	Anna Coles	Lee Baxter, Anna Coles	20	10	10-15	15	25/09/2025	—	Strategic Direction

Total Strategic Risks = 7

Risk Type	Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
Corporate Risk	45	Failure to effectively and efficiently deliver the Capital Programme	David Carter	David Carter	20	8	8-12	12	07/10/2025	—	Assets
	66	Failure to transfer PFI schools back to the Council in good condition with the appropriate workforce	Nancy Meehan	Clare Talbot	20	6	6-12	12	12/09/2025	—	Assets
	71	Failure to ensure safe maintenance and compliance of the Council's housing stock	Malcolm Coe	Paul Palmer	12	4	4-8	8	05/09/2025	—	Assets
	74	Failure to effectively maintain Council Heritage Assets	Malcolm Coe	Paul Palmer	20	4	4-12	9	05/09/2025	—	Assets
	75	Failure to effectively maintain and invest in our Operational Estate	Malcolm Coe	Paul Palmer	20	6	6-12	12	05/09/2025	—	Assets
	76	Failure to adequately maintain and invest in our Community Assets	Malcolm Coe	Paul Palmer	6	4	4-8	4	02/06/2025	—	Assets
	60	Failure to reduce carbon dioxide emissions in line with the current carbon neutral targets	Alan Denby	David Edmondson	15	6	6-12	15	09/07/2025	—	Environmental Factors
	02	Failure to have adequate insurance in place for all council assets and activities	Matthew Fairclough-	Evelyn Murray	15	10	10	10	04/08/2025	—	Financial
	15	Failure to stabilise the budget for the Higher Needs block	Nancy Meehan	Lisa Chittenden	25	10	10-15	20	10/09/2025	—	Financial
	17	Placement sufficiency	Nancy Meehan	Lisa Chittenden	25	10	10-15	25	24/09/2025	—	Financial
	25	Legal costs for Children's Services - Judicial Reviews	Matthew Fairclough-	Amanda Barlow	15	6	6-9	6	10/09/2025	—	Financial
	29	Corporate Debt recovery from ASC customers	Anna Coles	Lee Baxter	12	9	9-12	9	13/08/2025	—	Financial
	32	Increased homelessness and insufficient temporary accommodation	Tara Harris	Lianne Hancock	16	12	12-16	12	04/09/2025	—	Financial
	41	Failure to collect, or loss of, income in particular council tax and business rates	Malcolm Coe	Alistair Townsend	20	8	8-12	12	04/09/2025	—	Financial
	44	Failure to adequately prepare for, and meet grant conditions (Capital Projects)	Malcolm Coe	Malcolm Coe	20	6	6-12	8	17/09/2025	—	Financial
	58	Transfer of Torbay Economic Development Company (TEDC), a wholly owned company, back to the Council	Alan Denby, Matthew Fairclough-Kay	Stuart Loly	20	2	2-4	4	04/09/2025	—	Financial
	64	Failure to deliver the financial sustainability plans	Malcolm Coe	Malcolm Coe	16	4	4-12	8	17/09/2025	—	Financial
	70	Failure to prevent employees from being subjected to sexual harassment in the workplace	Matthew Fairclough-	Sue Wiltshire	6	3	3-6	3	16/06/2025	—	Financial
	05	Failure to comply with Health & Safety and Fire Safety Legislation	Matthew Fairclough-	Dave Walker	20	10	10	16	24/09/2025	▼	Health and Security
	06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation	Matthew Fairclough-	Dave Walker	16	8	8	16	24/09/2025	—	Health and Security
	57	Data loss through use of artificial intelligence	Matthew Fairclough-	Joanne Beer	12	6	6	6	24/09/2025	—	Health and Security
	01	Lack of effective risk management	Matthew Fairclough-	Eve Bates	20	8	8-12	8	05/09/2025	—	Legal and Governance
	08	Breach of Equality Act or breach of the Human Rights Act	Matthew Fairclough-	Laura Hill	16	6	6-9	12	09/09/2025	—	Legal and Governance
	21	GDPR Compliance and Effective Information Governance	Matthew Fairclough-	Joanne Beer	15	8	8-12	12	18/09/2025	—	Legal and Governance
	37	Failure to have adequate constitution and democratic governance arrangements in place	Anne-Marie Bond	Amanda Barlow	12	8	8-12	12	18/07/2025	—	Legal and Governance
	39	Delivery of elections / electoral registration	Anne-Marie Bond	Catherine Hayden	20	6	6-15	9	03/09/2025	—	Legal and Governance
	43	Failure to have effective procurement and contract management arrangements in place	Malcolm Coe	Tracey Field	16	4	4-12	8	17/09/2025	—	Legal and Governance
	62	Deprivation of Liberty waiting list (ICO under delegated tasks of Section 75 agreement)	Anna Coles	Lee Baxter	12	6	6-12	15	03/09/2025	—	Legal and Governance
	69	Failure to show due regard in relation to our legal duty under the Armed Forces Act 2021	Matthew Fairclough-	Will Harris	15	6	6-9	9	04/09/2025	—	Legal and Governance
	77	Failure to effectively achieve commercial income targets from the Council's let estate within Torbay	Malcolm Coe	Paul Palmer	12	6	6-12	9	05/09/2025	—	Legal and Governance

Increased in score from the previous review
 Decreased in score from the previous review
 Score stayed the same



Code	Risk Title	Accountable Officer	Risk Completion Officer	Unmitigated Score	Optimal Risk Position	Tolerable Risk Position	Current Mitigated Score	Last Review	Direction of Travel	Category
78	Failure to effectively achieve the commercial income targets from the Council Investment Portfolio	Malcolm Coe	Paul Palmer	16	6	6-12	9	05/09/2025	▼	Legal and Governance
79	Not delivering the anticipated benefits of integrating TDA and Torvista back into Council management	Matthew Fairclough-Kay	Malcolm Coe	16	8	8	8	26/09/2025	▼	Legal and Governance
80	Insufficient capacity, resourcing and engagement with change agenda	Matthew Fairclough-	Mark Hammett	16	6	6-9	9	03/09/2025	—	Legal and Governance
81	Failure Of Liquid Logic Software System	Nancy Meehan	Lisa Chittenden	12	6	6-9	9	23/07/2025	—	Legal and Governance
82	Risk of Section 106 money not being deployed against priority areas of need & avoid it being repaid	Alan Denby	David Edmondson	16	8	8-12	9	29/09/2025	▼	Legal and Governance
84	Failure to adequately maintain Torbay's Public Highway Asset to ensure a safe and effective network	Alan Denby	Matt Reeks	20	10	10-15	15	26/09/2025	▲	Legal and Governance
47	Effective delivery of Economic Growth Strategy	Alan Denby	Lisa Tuck, Carl Wyard	20	8	8-12	16	19/09/2025	—	Local Economy
48	Failure to deliver town centre regeneration projects	Anne-Marie Bond	David Carter	20	8	8-12	12	07/10/2025	—	Local Economy
03	Prolonged Data Centre Outage	Matthew Fairclough-	Pauline Godfrey	20	10	10	15	16/09/2025	▲	Operational Delivery
04	Large scale cyber attack	Matthew Fairclough-	Pauline Godfrey	25	10	10-15	15	16/09/2025	—	Operational Delivery
07	Talent development (Future proofing the workforce)	Matthew Fairclough-	Sue Wiltshire	12	6	6-9	6	31/07/2025	—	Operational Delivery
10	Failure to produce quality data	Matthew Fairclough-	Joanne Beer	25	8	8	8	18/09/2025	—	Operational Delivery
11	Inadequately prepared to respond and manage the impact of a major incident	Matthew Fairclough-	Steven Harvey	15	8	8	8	04/09/2025	—	Operational Delivery
12	Ineffective Business Continuity Management	Matthew Fairclough-	Steven Harvey	12	8	8	8	04/09/2025	—	Operational Delivery
14	Failure to implement the SEND inspection priority actions and improvements	Nancy Meehan	Hannah Baker, Lisa	25	9	9-12	20	24/09/2025	—	Operational Delivery
19	Recruitment and retention Of Social Workers	Nancy Meehan	Lisa Chittenden	20	6	6-12	9	24/09/2025	—	Operational Delivery
20	Failure to replace the Paris system	Anna Coles	Gary Patch	25	10	10-15	10	05/09/2025	▼	Operational Delivery
23	Implementation of the customer relationship management (CRM) system	Matthew Fairclough-	Matthew Fairclough-Kay	16	6	6-9	6	22/09/2025	—	Operational Delivery
28	Failure to deliver or facilitate the delivery of future extra care housing	Anna Coles	Adam Russell	12	6	6-12	9	17/07/2025	—	Operational Delivery
53	Failure to deliver the Statutory Harbour Authority (SHA) functions	Alan Denby	Matt Reeks	20	8	8-12	12	26/09/2025	—	Operational Delivery
72	Inadequate resources to satisfy the obligations of the Flood and Water Management Act Schedule 3	David Carter	Tim Jones	12	8	8-12	12	26/08/2025	—	Operational Delivery
73	Failure to adequately undertake proactive improvement works to cliffs and coastal defences	David Carter	Tim Jones	16	12	12-16	16	17/09/2025	—	Operational Delivery
85	Potential loss of Community Equipment Service	Anna Coles	Chris Lethbridge	20	2	2-4	12	07/10/2025	▼	Operational Delivery
86	Failure to have effective support & controls in place to support increased Elected Home Education	Nancy Meehan	Daniel Hamer	20	4	4-9	16	05/09/2025	▼	Operational Delivery
87	Failure to have safe implementation of Liquid Logic for ASC	Anna Coles	Lee Baxter	12	2	2-6	9	07/10/2025	▼	Operational Delivery
09	Reputation of Council	Anne-Marie Bond	Kate Spencer	16	6	6-9	9	15/09/2025	—	Reputation
22	High levels of customer dissatisfaction	Matthew Fairclough-	Joanne Beer	9	6	6-9	9	30/07/2025	—	Reputation
59	Risk of Fraud and Error causing financial loss or reputational damage to the council.	Malcolm Coe	Rachel Worsley	25	6	6-12	20	12/09/2025	—	Reputation
67	Non-compliance with Council's visual identity standards	Matthew Fairclough-	Beth Hill	12	3	3-6	6	12/08/2025	▼	Reputation
83	Local Government Reorganisation	Anne-Marie Bond	Kate Spencer	12	8	8-12	12	12/08/2025	—	Reputation
24	Failure to have effective, modern software systems in place to support key business areas	Matthew Fairclough-	Pauline Godfrey	20	10	10-15	15	15/09/2025	—	Strategic Direction
40	Failure to deliver the commitments within the Council's Policy Framework	Anne-Marie Bond	Kate Spencer	12	8	8-12	12	06/08/2025	—	Strategic Direction
46	Effective Housing delivery	Alan Denby	David Edmondson	20	8	8-12	16	03/09/2025	▼	Strategic Direction
49	Failure to have an up to date adopted Local Plan in place	Alan Denby	David Edmondson	12	8	8-12	12	09/07/2025	—	Strategic Direction
50	Failure to meet Development Management national and local performance targets	Alan Denby	David Edmondson	20	8	8-12	12	29/09/2025	—	Strategic Direction
51	Failure to support people to maintain and access permanent accommodation.	Malcolm Coe	Clive Hayward, Richard	20	6	6-12	6	17/09/2025	—	Strategic Direction
61	Failure to realise the benefits of devolution for Devon and Torbay	Anne-Marie Bond	Alan Denby	6	2	2-6	2	26/08/2025	—	Strategic Direction
68	ASC Transformation Programme fails to deliver financial sustainability	Anna Coles	Lee Baxter	16	8	8-12	12	10/09/2025	—	Strategic Direction

Total Corporate Risks = 68

Increased in score from the previous review
Decreased in score from the previous review
Score stayed the same



Report Key

- Risk Type** – the type of risk e.g. Strategic, Corporate, Service
- Code** – the unique number assigned to every risk
- Risk Title** – summarises the risk
- Accountable Officer** - has overall responsibility for the risk
- Risk Completion Officer** - is responsible for updating the risk
- Unmitigated Score** – is the risk score before any controls are applied
- Current Mitigated Score** – is the current risk score with controls applied
- Last Review** – the date the risk was last reviewed (updated) on SPAR.net
- Direction of Travel** – indicates the current score movement against the last review score.
- Category** – the primary category from Risk Impact Scoring Guide.

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Risk Appetite Statements – May 2025

Risk Appetite Levels

Averse

- Avoidance of risk and uncertainty is the key objective.
- We will only undertake activities which are considered to carry virtually no inherent risk.
- Risks need to be carefully managed within a tightly controlled process.
- Consequences are considered to be intolerable.

Cautious

- Preference for very safe business delivery options that have a low degree of inherent risk.
- We are prepared to accept more risk assuming risk management processes remain in place and outcomes monitored, innovation is avoided.

Open

- We are willing to take on more risk within areas where positive outcomes are considered to be more than likely.
- The consequences are ones which can be absorbed and tolerated.
- We will undertake activities which may have a high degree of inherent risk which is deemed controllable to a large extent.

Optimistic

- We are willing to consider all options and choose one that is most likely to result in successful delivery while providing an acceptable level of benefit.
- We will seek to achieve a balance between a high likelihood of success delivery and a high degree of benefit and value for money.
- We recognise that there are likely to be consequences when pursuing changes and advances for the council and its communities.
- Some of these consequences may be above acceptable boundaries, but we are broadly confident in the success of delivery.
- We are willing to accept some risk to justify reward – our activities may carry or contribute to a high degree of residual risk.

Brave

- We are willing to accept a high level of risk, justified by the potential reward.
- We are eager to be innovative and choose options based on maximising opportunities and potential higher benefit – even if those activities carry a very high residual risk.
- We are actively embracing these risks in pursuit of innovative changes whilst recognising that failure remains a possibility.

Risk appetite statements by risk category

Threat←→Opportunity					
Category	Averse (No appetite)	Cautious (Low appetite)	Open (Moderate appetite)	Optimistic (High appetite)	Brave (Very high appetite)
Strategic Direction				We are willing to push boundaries and accept this may incur some negative response from the wider community, so long as the gains are considered to outweigh the negatives.	We will be brave in taking well managed risks when opportunities provide clear benefits allowing for improvement, innovation, and transformation.
Operational Delivery	The council will comply with all relevant safeguarding requirements to minimise any safeguarding risks.	We will be cautious so that our actions and decisions do not compromise the safety and wellbeing of our residents, including our children and young people. We are cautious to potential disruptions and ensure that we do everything possible to minimise disruptions to our statutory service obligations.	We are open to risks that allow us to manage service demand and continuously improve service delivery and performance.	We are open to creativity and innovation and, where there is an appropriate business case and clear reasoning for change, are willing to take some level of risk to deliver efficiencies, enhance capabilities and provide services our community can be proud of.	Where there is a clear reason or justification with clear benefits allowing for improvement, innovation and transformation, we will consider risks which will impact on the operational delivery of services and projects.
Financial		We are only prepared to accept minimal financial losses. We will seek safe options with little possibility for financial loss.	We have an open appetite for short-term risks that support financial performance and mitigate negative external factors.	We will be optimistic in our approach for longer term capital and financial investments provided that the risks are well managed and demonstrate realisable future benefits for delivering the Council's ambitions and the outcomes it wishes to see for its communities.	
Legal and Governance		We place high importance on compliance, with statute, regulation, professional and ethical standards and prevention of bribery and fraud. We are cautious when giving legal advice and will consider the likelihood of any legal challenge and the likely success of any legal challenge.	We are prepared to accept a higher degree of risk which may lead to a breach of local guidelines but only in certain circumstances.	We will ensure our governance framework enables timely decision-making to support effective delivery of our ambition and our services.	

Category	Averse (No appetite)	Cautious (Low appetite)	Open (Moderate appetite)	Optimistic (High appetite)	Brave (Very high appetite)
Reputation			Upholding and improving the Council's reputation is important to us. We will be open in our engagement and communication with residents, customers and the wider community.	We will accept moderate adverse local media and social media scrutiny or a limited increase in the number of complaints received for new ways of working where the gains are considered to outweigh the negatives.	We will accept opposition when our programmes, projects, activities and projects provide clear benefits allowing for improvement, innovation, and transformation.
Health and Security	We are not prepared to accept any injury to any member of staff because of their actions in carrying out their duties of employment or to any members of the community in accessing council services. We will ensure the confidentiality, integrity and availability of information, and its appropriate and legitimate use.	We accept that some functions include the potential for minor injury resulting in first aid. We are prepared to accept these risks and will work with the individual settings and / or managers to ensure appropriate risk assessments are carried out.			
Environmental	We are averse to risks which are going to have a damaging and/or long-term detrimental impact on the environmental of the area and its residents.	We would prefer to only consider risks which would have only localised, reversible, environmental impacts. We are cautious to any risks relating to the impact of climate change which may threaten the delivery of critical services and our ambitions.	We are open to innovative practices which improve our environment.		
Assets		We would prefer to only consider risks where the potential impact on our assets is limited to minor damage with no impact on the day-to-day function of the asset.	We will recognise the potential for disruption from taking key assets out of use, but will do so to meet our objectives.	We will consider innovative solutions for the purchase, rental, disposal, construction, and refurbishment of assets to meet our ambitions and objectives.	We will challenge ourselves to ensure that our estate (inside and outside of Torbay) is fit-for-purpose and whether ownership of each asset supports us in delivering our ambitions and objectives.
Local Economy				We will continually seek to attract economic investment, business growth and talent across the area.	We will be brave in taking risks that provide, and contribute to the, economic prosperity of the area.

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Audit Committee Work Plan 2025/2026

Date of Meeting	Report Title
26 March 2025	• Internal Audit Plan • Internal Audit Charter and Strategy • Audit Committee Progress Report and Sector Update • Counter Fraud and Error Annual Plan • Consultation Response: Local audit reform - a strategy for overhauling the local audit system in England (to follow) • Audit Committee Self-Assessment (CIPFA Guidance) 2024-25: Agree Committee Responses • Audit Committee's draft Annual Report • Treasury Management Mid-Year Review 2024/25 Revisions • Audit Committee Workplan
28 May 2025	• Audit Committee Terms of Reference - to note • Treasury Management Outturn • Annual External Audit Plan (Grant Thornton) • Draft Annual Governance Statement 2024/25 • Strategic and Corporate Risk Report • Counter Fraud and Error Update • Performance Update: Collection of Council Tax & Non-Domestic Rates • Audit Committee Workplan
30 July 8 September 2025	• Annual Audit Report (Internal Audit) • Draft Annual Governance Statement 2024/25 (Updated) • 2024/25 Draft Statement of Accounts • 2024/25 Treasury Management Outturn • Risk Assurance Report - Integrated Adult Social Care Services • Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt • Audit Committee Progress Report and Sector Update (Grant Thornton) • Audit Committee Workplan

Audit Committee Work Plan 2025/2026

29 October 2025	• 2025/26 Treasury Management Mid-Year Review • Audit Committee Progress Report and Sector Update (Grant Thornton) • 2024/25 Draft Statement of Accounts • Whistleblowing Complaints and HR Investigations (report to include a copy of the Whistleblowing Policy and details of the process when a Whistleblowing complaint is received) • Internal Audit Report and Management Action Plan on Counter Fraud (Risk Assessments) • Counter Fraud and Error - 6 monthly Update • Audit Committee Workplan • Strategic and Corporate Risk Report
21 January 2026	• Internal Audit - Half Year Report including the outcomes of the Follow Up on Areas Requiring Improvement • 2025/26 Treasury Management Strategy • 2024/25 Torbay Council Audit Findings Report (Grant Thornton) • 2024/25 Torbay Council Auditor's Annual Report (Grant Thornton) • 2024/25 Statement of Accounts including Annual Governance Statement • Strategic and Corporate Risk Report (plus wholly owned companies risk update) • Audit Committee Progress Report and Sector Update (Grant Thornton) • RIPA Update • Council Subsidiaries – Governance & Finances Update • Audit Committee Workplan

Audit Committee Work Plan 2025/2026

25 March 2026	• Internal Audit Plan • Internal Audit Charter and Strategy • External Audit Annual Report • Counter Fraud and Error Annual Plan • Strategic and Corporate Risk Report • Audit Committee's Annual Report 2025/2026 • Performance Update: Collection of Council Tax, Non-Domestic Rates & Corporate Debt • Audit Committee Workplan
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